DECLARATION OF
COVENANTS, CONDITIONS, AND RESTRICTIONS
FOR
<u>CROWN POINT ESTATES</u>
<u>A SUBDIVISION IN SMITH COUNTY, TEXAS</u>

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This Declaration of Covenants, Conditions and Restrictions (the "**Declaration**") for Crown Point Estates, a subdivision in Smith County, Texas, according to the map or plat thereof filed in Cabinet F, Slide 12C, of the Plat Records of Smith County, Texas, is made on the date hereinafter set forth by **COOPER EMPIRE, L.L.C.**, a Texas limited liability company (the "**Declarant**").

Declarant is the owner of the Property (hereinafter defined). Declarant desires to impose upon the Property mutually beneficial restrictions under a general plan of improvement for the benefit of the owners of each portion of the Property. This Declaration is intended to provide a flexible and reasonable procedure for the overall development, administration, maintenance and preservation of the Property.

In addition, Declarant has caused Crown Point Estates Homeowner's Association, Inc. (the "**Association**") to be formed as a Texas nonprofit corporation to own, operate, and maintain Common Areas and Public Improvements (hereinafter defined) within the Property; to administer and enforce the provisions of this Declaration and to perform the other duties and functions set forth in the Declaration, all as more fully set forth below.

Declarant hereby declares that all of the Property shall be held, sold, used, and conveyed subject to the easements, restrictions, covenants and conditions contained in this Declaration, which shall run with the title to the Property. This Declaration shall be binding upon all parties having any right, title or interest in any portion of the Property, their heirs, successors, successors-in-title and assigns, and shall inure to the benefit of Declarant, the Association, the Architectural Control Committee (hereinafter defined), and each owner of any portion of the Property.

ARTICLE I- DEFINITIONS

1.1 **"Architectural Control Committee"** or "ACC" shall mean that certain committee as empowered in accordance with Article VI Section 6.1 hereof.

1.2 **"Association"** means **Crown Point Estates Homeowner's Association, Inc.,** a Texas nonprofit corporation established for the purpose set forth herein.

1.3 **"Association Documents"** shall mean the Certificate of Formation of the Association (sometimes hereafter the **"Certificate"**), the Bylaws of the Association (the **"Bylaws"**), and resolutions adopted by the Association. Copies of the Certificate and Bylaws are attached hereto as **Exhibit "B"** and **Exhibit "C"**, respectively.

1.4 **"Association Fencing"** means that certain fencing installed by Declarant, if Declarant so elects.

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

1.6 **"Builder"** means any person or entity that purchases one or more Lots (hereinafter defined) for the purpose of constructing improvements for later sale to consumers in the ordinary course of such person's or entity's business.

1.7 **"Building Standards"** means standards adopted by the ACC regarding architectural and related matters, including, without limitation, architectural design, placement of improvements, landscaping, color schemes, exterior finishes and materials and similar features which may be either recommended or required by the ACC for use within the Property.

1.8 **"City"** means the City of Tyler.

1.9 **"Common Expenses"** shall mean:

a) all costs and expenses incurred by the Association to repair, maintain, operate, and replace the Common Maintenance Areas and any improvements thereon to the extents and standards of quality determined by the Board to be appropriate; and

b) All other costs and expenses necessary to manage, operate, perform the duties, and functions of the Board and the Association as set forth in this Declaration and to establish a reasonable reserve fund as determined by the Board.

1.10 **"Common Area"** and **"Common Areas"** shall mean and refer to those areas devoted to the common use and enjoyment of the Owner(s), and include the following: those certain landscaping improvements, plantings, screening walls, fencing, sprinkler systems and recreational facilities, to be places as shown on the plat of the addition.

1.12 **"Common Maintenance Areas"** means the Common Areas, if any, and any areas within public rights-of-way, easements (public and private), portions of a Lot, public parks, private streets, landscaping, entry features, fences, walls or similar areas that the Board of Directors deems necessary or appropriate to maintain for the common benefit of the Members.

1.13 **"CCCH"** means C. Cooper Custom Homes, Inc.

1.14 **"County"** means the County of Smith, State of Texas.

1.15 **"Crown Point Estates"** means that subdivision of real property in Smith County, Texas, created by the filing of that certain map or plat thereof in Cabinet F, Slide 12C, of the Plat Records of Smith County, Texas

1.16 **"Declarant"** means Cooper Empire, LLC and its successors and assigns who are designated as such in writing by Declarant, and who consent in writing to assume the duties and obligations of the Declarant with respect to the Lots acquired by such successor or assign in a document that is Recorded. There may be more than one Declarant if Declarant makes a partial assignment of the Declarant status.

1.17 **"Declarant Control Period"** means the period commencing upon the Effective Date (hereinafter defined) of this Declaration and expiring on the earliest to occur of the following dates:

a) the date that Declarant in writing elects to terminate the Declarant Control Period; and

b) ten (10) years from the date the first Lot is conveyed to persons or entities other than a partner of Declarant, Cooper Custom Homes, Inc., or a Builder.

1.18 **"Declaration"** means this Declaration of Covenants, Conditions and Restrictions for Crown Point Estates and any amendments and supplements hereto made in accordance with its terms.

1.19 **"Designated Interest Rate"** means the interest rate designated by the Board of Directors from time to time, subject to any interest limitations under Texas law. If the Board of Directors fails to designate an interest rate, then the interest rate shall be the lesser of 12% per annum or the highest rate permitted by Texas law.

1.20 **"Dwelling"** means any Residential Unit situated upon any Lot.

1.21 "**Effective Date**" means the date this Declaration is filed in the Official Public Records of Real Property of Smith County, Texas.

1.22 **"Lot"** or **"Lots"** means the separate residential building parcel(s) shown on the Recorded Crown Point Estates subdivision map or plat as Lots 1 through 16. Common Areas and areas deeded to a governmental authority or utility, together with all improvements thereon, shall not be included as part of a Lot.

1.23 "**Lot 16**" means specifically that Lot shown of the Crown Point Estates subdivision Plat (hereinafter defined) as Lot 16.

1.24 **"Member"** means any person, corporation, partnership, joint venture or other legal entity that is a member of the Association pursuant to the terms in **Article III** herein.

1.25 **"Occupant"** shall mean and refer to the lessee of a Residential Unit who holds a written lease in conformance with the Association's regulations.

1.26 **"Owner"** means the record owner, whether one or more persons or entities, of fee simple title to any Lot, but excluding in all cases any party holding an interest merely as security for the performance of an obligation. If a Lot is sold under a Recorded contract for sale or contract for deed, then the purchaser (rather than the fee Owner) will be considered the Owner.

1.27 **"Parcel"** shall mean any parcel of land located in the Property, including each Lot.

1.28 **"Plat"** means (i) the Final Plat of the Property submitted to and approved by the City, or any other applicable governmental entity, as recorded in the Plat Records of Smith County, Texas.

1.29 **"Property"** means the real property described on **Exhibit "A"** attached hereto (other than areas dedicated to the City or County).

1.30 **"Public Improvements"** means certain public improvements constructed and installed in the unpaved public rights-of-way of Streets now or hereafter located in the Property. Such improvements may include any landscaping, fencing, screening walls, entry monuments, water features, detention or retention areas and irrigation systems associated with such public rights-of-way, public parks located within the Property, and public open areas located within the Property.

1.31 **"Record"**, **"Recording"** or **"Recorded"** means the filing of a legal instrument in the Public Records of Smith County, State of Texas, or such other places as may be designated as the official location for filing deeds, plats, and similar documents affecting title to real property.

1.31 **"Residential Unit"** or **"Residence"** means the improvement located on each Lot that is designed for use as a single family residential dwelling in conformity with this Declaration.

1.33 **"Structure"** means any structure (other than a Residence) and includes, without limitation, fence, driveway, sidewalk, planting, landscaping, irrigation system, wall, tennis court, swimming pool, outbuilding, playground equipment, or other improvement of any kind or type.

1.34 **"Streets"** shall mean any land located in an easement or right-of-way dedicated or conveyed for private use for motor vehicles.

1.35 **"Vacant Lot"** means a Lot that does not have thereon a Dwelling that has been occupied at any time (past or current) for residential purposes.

Other terms used in this Declaration are defined in various other provisions hereof.

ARTICLE II- PROPERTY RIGHTS

2.1 **Owner's Easements of Use and Enjoyment.** Every Owner shall have a right and non-exclusive easement of use, access and enjoyment in and to the Common Areas, and such easement shall be appurtenant to and shall pass with the title to every Lot, subject to any limitations set forth herein, including, without limitation, the following:

a) **Rules.** The right of the Association to establish and publish rules and regulations governing the use of the Common Areas and/or the Lots.

b) **Suspension of Voting Eights.** The right of the Association to suspend the right of use of the Common Areas and the voting rights of an Owner for any period during which any assessment against such Owner's Lot remains unpaid.

2.2 **Prohibitions on Easement of Use and Enjoyment.** Each Owner's right and easement of use and enjoyment in and to the Common Areas is further limited as follows:

a) **No Transfer without Lot.** An Owner's right and easement of use and enjoyment in and to the Common Areas shall not be conveyed, transferred, alienated or encumbered separate and apart from an Owner's Lot and such right and easement of use and enjoyment in and to the Common Areas shall be deemed to be conveyed, transferred, alienated or encumbered upon the sale of any Owner's Lot, notwithstanding that the description in the instrument of conveyance, transfer, alienation or encumbrance may not refer to the Common Areas.

b) **No Partition.** The Common Areas shall remain undivided and no action for partition or division of any part thereof shall be permitted.

2.3 **Right to Delegate Use and Enjoyment of Common Areas.** Any Owner may extend his or her right of use and enjoyment of the Common Areas to the members of his or her family, lessees and guests as applicable, subject to the terms in this Declaration, the Bylaws of the Association, and any reasonable rules of the Board of Directors. An Owner who leases his or her Dwelling is deemed to have assigned all such rights to the lessee of such Dwelling.

ARTICLE III – MEMBERSHIP AND VOTING

3.1 **Membership – Owners.** Every Owner by virtue of ownership of a Lot shall be a member of the Association. Membership shall be appurtenant to and shall not be separated from ownership of any Lot.

3.2 **Multiple Owners.** No Owner, whether one or more persons, shall have more than one (1) membership per Lot owned; provided, however, multiple-use rights for multiple owners may be authorized and regulated by the Board.

3.3 **Voting Rights.** The voting rights of the members of the Association and the Declarant shall be as follows:

a) Members shall be all Owners, with the exception of the Declarant during the Declarant Control Period. Members shall be entitled to one (1) vote for each Lot owned. Accordingly, if an Owner or member owns two (2) Lots, that Owner or member gets two (2) votes in all matters requiring a vote of under this Declaration. However, when more than one person holds an interest in any Lot, all such persons shall be members, but only one vote in total may be cast per Lot as the Owners determine among themselves and advise the Secretary of the Association in writing prior to the vote being taken. The Association shall have no affirmative obligation to take any action to determine which Owner is the person designated to cast the Lot's vote. If the Owner's fail to advise the Association of the person designated to cast the Lot's vote, then the Lot's vote shall be suspended if more than one person or entity seeks to exercise it. Wherever herein or in the Bylaws a vote of a percentage of members is required, it is acknowledged and agreed that if the percentage results in a fraction it will be rounded up to the next highest number. The quorum is fixed at 10% of the Lots. Notwithstanding anything to the contrary herein, the Owner of Lot 16 shall be entitled to thirty-two (32) votes in all matters requiring a vote of under this Declaration.

b) Until the expiration of the Declarant Control Period, the Declarant shall have the sole authority to make all decisions and to direct the Board of Directors to take all action under this Declaration requiring a vote of the members.

ARTICLE IV – ASSESSMENTS

4.1 **Obligation to Pay Assessments.** Subject to the terms of this **Article IV**, the Declarant, for each Lot it owns, hereby covenants, and each Owner of any Lot by acceptance of a deed therefore, whether or not such covenant will be so expressed in such deed, is deemed to covenant and agree to pay to the Association, each and all of the following assessments (collectively, the **"Assessments"):**

a) Regular Assessments as provided in **Section 4.4** herein;

b) Special Group Assessments as provided in **Section 4.5** herein;

c) Special Owner Assessments as provided in **Section 4.6** herein;

d) Builder Assessments as provided in **Section 4.7** herein; and

e) Specific Assessments as provided in **Section 4.8** herein.

4.2 **Personal Obligation to Pay Assessments.** Each such assessment, together with interest at the Designated Interest Rate, late charges, costs and reasonable attorneys' fees, shall be the personal obligation of the person who was the Owner of such Lot at the time when the assessment arose. Upon transfer of title to a Lot, the grantee shall be jointly and severally liable for any assessments and other charges due at the time of the conveyance unless the deficiency was not disclosed in a resale certificate delivered by or on behalf of the Association to the grantee. However, no mortgagee under a Recorded mortgage or beneficiary of a Recoded deed of trust shall be liable for unpaid assessments, which accrued prior to such acquisition of title. In addition, no mortgagee shall be required to collect assessments.

4.3 **Personal of Assessments.** All Assessments shall be controlled and expended by the Association on behalf of the Owners only for the specified purposes provided in this Declaration. No profit, gain or other benefit is to be derived by the Association from the Assessments, but, instead, such funds shall be expended only as an agent for the Owners, and no part of the net earnings of the Association shall insure (other than by acquiring, constructing, or providing management, maintenance, and care of Association Property, and other that by a rebate of excess membership dues, fees, or Assessments) to the benefit of any individual. All services contemplated to be paid from Assessments shall be obtained by the Association on behalf of the Owners. Upon termination of the Association (and not before), all Assessments held at that time by the Association shall be allocated and returned to the Owners who paid them.

4.4 **"Regular Assessments"** shall be determined, allocated, and expended for 12 month periods and each such 12 month period shall constitute a fiscal year of the Association. Regular Assessments shall be used to pay Common Expenses.

a) **Date of Commencement of Regular Assessments.** Except as provided in **Section 4.7,** the Regular Assessments provided for herein shall commence as to all Lots on the date of calendar year of conveyance of the first Lot to an Owner (other than to a Builder or an entity that assumes Declarant status as provided herein), unless the Board of Directors elects to commence the Regular Assessment earlier. The first Regular Assessment shall be adjusted according to the number of months in the fiscal year. The Board of Directors shall fix the amount of the Regular Assessment against each Lot at least 30 days in advance of each assessment period. Written notice of the Regular Assessment shall be sent to an Owner of every Lot subject thereto.

b) **Maximum and Actual Regular Assessment.** Until January 1st of the year immediately following the conveyance of the first Lot to an Owner other than Declarant or a Builder, the maximum Regular Assessment shall be $600.00 per Lot. The Board of Directors may fix the actual Regular Assessment at an amount not in excess of the specified maximum Regular Assessment. From and after January 1st of the year immediately following the conveyance of the first Lot to an Owner other than Declarant or a Builder, the maximum Regular Assessment may be increased as follows:

(i) **Maximum Increase Without Vote.** Without a vote of the Members in accordance with **Subsection (b)(ii)** the Board of Directors may increase the maximum Regular Assessment each year by up to 20% above the maximum Regular Assessment for the previous year. The Board of Directors may increase the maximum Regular Assessment with or without increase the actual Regular Assessment.

(ii) **Maximum Increase With Vote.** The maximum Regular Assessment may be increased more than 20% above the prior year's maximum Regular Assessment amount by a 67% or greater Class Vote of Members who are voting in person or by proxy at a meeting duly called for this purpose at which a quorum is present approving such action.

4.5 **Special Group Assessments.** With the approval of the Majority Vote of the Members, the Board may levy at any time by written notice to the Owners **"Special Group Assessments"** to pay any capital improvements and other unanticipated expenses that would have normally been paid by Règular Assessments but which were not included in that year's budget for Regular Assessments. Special Group Assessments shall be assessed equally on each Lot containing a Residence at the time of such Special Group Assessment.

4.6 **Special Owner Assessments.** The Board may levy at any time by written notice to an Owner **"Special Owner Assessments"** against such Owner to pay the costs and expenses resulting form (a) damage to or loss of the Public Improvements or other property in which the Association has an ownership interest if such damage or loss is determined by the Board to have been caused, directly or indirectly, by the acts or omissions of such Owner, or its agents, employees, occupants, or visitor, (b) any charge or cost incurred by an Owner and that Association has agreed to collect, including charges attributable to an Owner's cable bill, telephone bill, or service or utility bill or (c) any cost, expense or liability incurred by the Association in enforcing the Declaration against such Owner.

4.7 **Builder Assessments.** No Assessments will be assessed to the Builder for the first six (6) months after the purchase of the Lot(s). After that period, the Builder(s) will be assessed one-half of the Regular Assessments as determined by the Board. At no point in time will any Assessments be assessed to CCCH.

4.8 **Specific Assessments.** The Association shall have the power to levy specific assessments against a particular Lot to (i) cover costs incurred in bringing a Lot in compliance with this Declaration, (ii) cover costs incurred as a consequence of the conduct (or the failure to act) of the Owner or occupant of a Lot, their agents, contractors, employees, licensees, invitees, or guests, and/or (iii) collect any sums due by the Owner to the Association (other than Regular Assessments or special assessments or interest or late charges related thereto), including, without limitation, fines and transfer fees.

4.9 **Due Date of Assessment.** The due dates of Regular Assessments shall be established by the Board of Directors. Regular Assessments shall be payable annually within 30 days after an invoice is delivered by the Association to an Owner' provided, however, the Board may require payment of Regular Assessments more frequently than annually. The due date of any Special Group Assessment, Special Owner Assessment, or Specific Assessment shall be fixed in a written notice levying such Assessment; provided, however, such due date shall not be earlier than 15 days after the date of such notice. The Builder Assessments shall be due as provided in Section 4.7 of this Declaration.

4.10 **Declarant's Payment of Shortfall Amount.** During the period that Declarant owns any Vacant Lots, if the Association's revenues are insufficient to pay the expenses of the Association, then Declarant may pay to the Association the difference between the revenues and the expenses. Declarant may pay such amount within 30 days of receipt of a request for payment thereof from the Association, provided that if the budget deficit is the result of the failure or refusal of an Owner or Owners to pay their Regular Assessment or special assessments, the Association will diligently pursue (and the Declarant may also pursue at its option) all available remedies against such defaulting Owner or Owners and will promptly reimburse the Declarant the amounts, if any, so collected. Declarant's election to pay more than the amounts required hereunder shall not obligate Declarant to pay any such sums in the future.

4.11 **Certificate of Assessment Status.** The Association will, promptly after receipt of written demand and for a reasonable charge, furnish a certificate signed by an officer of the Association setting forth whether or not the assessment has been paid for the assessment period.

4.12 **Failure to Pay Assessments; Remedies of the Association.** With respect to any assessment or other sum due herein not paid within ten days after the due date, the Association shall have the right to: (i) charge a late fee, in an amount determined by the Board of Directors; (ii) charge interest on the amount due at the Designated Interest Rate from the due date until the date the sum is paid; and/or (iii) charge costs and fees related to the collection of the sum due. In addition, the Association may bring an action at law against the Owner personally obligated to pay the same. No Owner may waive or otherwise escape the liability for the assessments provided for herein by non-use of the Common Maintenance Area or abandonment of his or her Lot. The failure to pay assessments shall not by the terms of this Declaration constitute a default under an insured mortgage, unless otherwise provided by the terms of such mortgage.

4.13 **Lien.**

a) **Creation of Lien.** The Association shall hereby have and is hereby granted a continuing lien against each Lot to secure payment of delinquent assessments (Regular Assessments, Special Assessments and Specific Assessments) and capitalization contributions, as well as interest at the Designated Interest Rate, late fees, and costs of collection, including, without limitation, court costs and attorney's fees. Although no further action is required to create or perfect the lien, the Association may, as further evidence and notice of the lien, execute and Record a document setting forth as to any Lot, the amount of delinquent sums due the Association at the time such document is executed and the fact that a lien exists to secure the payment thereof. However, the failure of the Association to execute and Record any such document shall not, to any extent, affect the validity, enforceability, perfection or priority of the lien.

b) **Enforcement of Lien – Judicial or Nonjudicial.** The lien may be enforced by judicial or nonjudicial foreclosure. Each Owner by accepting title to a Lot hereby grants to the Association, whether or not it is so expressed in the deed or other instrument conveying such Lot to the Owner, a private power of nonjudicial sale to be exercised in accordance with Texas Property Code Ann. 51.002 (Vernon 1995), as it may be amended. The Board of Directors 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 of Directors' meeting.

c) **Subordination of Lien.** The lien of the assessments provided for herein is subordinate to the lien of any Recorded first mortgage or first deed of trust against a Lot.

4.14 **Effect of Conveyance.** An Owner that conveys title to a Lot shall not be liable for assessments that are attributable to the period after the conveyance of the Lot, except as provided in the following paragraph. However, a conveyance of title to a Lot shall not affect the assessment lien or relieve the Owner that conveys the Lot from personal liability for any assessments attributable to the period prior to the date of the conveyance, except as provided in the following paragraph.

4.15 **Effect of Foreclosure.** The foreclosure of a first mortgage, trustee's sale of a first deed of trust or a deed in lieu thereof will extinguish the lien of such an assessment as to payments attributable to the period prior to the foreclosure, trustee's sale or deed in lieu thereof. However, a foreclosure of a first mortgage, trustee's sale of a first deed of trust or a deed in lieu thereof will not relieve such Lot or Owner thereof from liability for any assessment attributable to the period after the foreclosure, trustee's sale or deed in lieu thereof. The foreclosure of a first mortgage, trustee's sale of a first deed of trust or a deed in lieu thereof shall not release the Owner whose Lot is being foreclosed, sold at a trustee's sale or conveyed pursuant to a deed in lieu from the Owner's obligation to pay assessments attributable to the period prior to the date of such foreclosure, trustee's sale or deed in lieu thereof. For purposes of this Declaration, the use of the term "first" in connection with a mortgage or deed of trust shall refer to the lien priority as compared to other mortgages or deeds of trust.

4.16 **Lot 16.** Notwithstanding anything contained above, no Assessments shall be assessed to Lot 16, or due from the Owner or Owners of Lot 16.

ARTICLE V – THE ASSOCIATION

5.1 **The Association – Duties and Powers.** The Association is a Texas nonprofit corporation charged with the duties and invested with the powers prescribed by law and set forth in the Certificate of the Association, Bylaws, and this Declaration. The Association shall continue to exist until the Association is wound up and terminated, even if the corporate status expires or lapses. The Association shall have such rights, duties and powers as set forth herein and in the Certificate and the Bylaws.

5.2 **Board of Directors.** The affairs of the Association shall be conducted by the Board of Directors and such officers as the Board of Directors may elect or appoint, in accordance with the Certificate and the Bylaws. The Board of Directors shall have the powers granted in this Declaration, the Certificate and the Bylaws, all powers provided by Texas law and all powers reasonably implied to perform its obligations and/or duties provided herein.

5.3 **Limitation of Liability.** The liability of an officer, director or committee member of the Association shall be limited as provided in the Certificate.

5.4 **Indemnification.** Subject to the limitations and requirements of the Texas, as same may be amended and codified from time to time, and of the Bylaws, the Association shall indemnify every officer, director and committee member (including, without limitation, attorneys' fees, reasonably incurred in connection with any threatened, initiated or filed action, suit or other proceeding (including settlement of any suit or proceeding, if approved by the then Board of Directors) to which he or she may be a party by reason of being or having been an officer, director or committee member, except that such obligation to indemnify shall be limited as provided under the Certificate. Additionally, subject to the limitations and requirements of the Texas Nonprofit Corporation Law, as amended and codified, and of the Bylaws, the Association may voluntarily indemnify a person who is or was an employee, trustee, agent or attorney of the Association, against any liability asserted against such person in that capacity and arising out of that capacity.

5.5 **Limitation on Litigation.** No judicial or administrative proceeding shall be commenced or prosecuted by the Association unless there is a 75% or greater vote of the Members approving such action. This **<u>Section 5.5</u>** shall not apply, however, to (a) actions brought by the Association to enforce the provisions of this Declaration (including, without limitation, the foreclosure of liens); (b) the imposition and collection of assessments as provided herein; (c) proceedings involving challenges to ad valorem taxation; (d) counterclaims brought by the Association in proceedings instituted against it; or (e) actions to enforce written contracts between the Association and a third party. Except as authorized by said vote, the Board of Directors shall not be liable for failing or refusing to commence litigation.

5.6 **Insurance.**

a) **Required Coverages.** The Association, acting through its Board of Directors or its duly authorized agent, shall obtain and continue in effect, at a minimum, the following insurance coverage, if reasonably available, or, if not, the most nearly equivalent coverages as are reasonably available:

(i) **Property Insurance.** Blanket property insurance covering loss or damage on a "special form" basis (or comparable coverage by whatever name denominated) for all insurable improvements on the Common Areas and within the Common Maintenance Areas to the extent that the Association has assumed responsibility in the event of a casualty, regardless of ownership. All property insurance policies obtained by the Association shall have policy limits and/or endorsements related thereto sufficient to cover the full replacement cost of the insured improvements. The Association shall obtain endorsements to the property insurance policy to the extent the Board of Directors determines that particular endorsements are advisable and reasonably available to the Association. Such endorsements may include, without limitation: (i) a Replacement Cost Endorsement with an Agreed Amount Endorsement; (ii) a waiver of the insurer's right to repair and reconstruct instead of paying cash; if reasonably available; (iii) an Inflation Guard Endorsement; (iv) a Building Ordinance or Law Endorsement; and (v) a Steam Boiler and Machinery Coverage Endorsement.

(ii) **General Liability Insurance.** Commercial general liability insurance on the Common Maintenance Areas, insuring the Association and its Members for damage or injury caused by the negligence of the Association or any of its Members, employees, agents or contractors while acting on the Association's behalf. Such coverage (including primary and any umbrella coverage) shall have a limit of at least $1,000,000.00 per occurrence with respect to bodily injury, personal injury and property damage. The Board of Directors may obtain a higher policy coverage if the Board of Directors determines that such additional coverage is advisable.

b) **Additional Insurance.** The Board of Directors may obtain additional insurance as the Board Directors determines advisable, including, without limitation, the insurance set forth below. In determining whether to obtain additional insurance and/or endorsements thereto that are discretionary, the Board of Directors shall use its own business judgement to determine if such insurance and/or endorsement is advisable based on the cost and availability of the insurance and/or the endorsement compared to the risks associated therewith.

(i) **Directors and Officers Liability Insurance.** Directors and officers liability insurance.

(ii) **Fidelity Insurance.** Fidelity insurance covering all parties responsible for handling Association funds in an amount determined by the Board of Directors. If fidelity insurance coverage is obtained, the policy should contain, if reasonably available, a waiver of all defenses based upon the exclusion of persons serving without compensation.

(iii) **Flood Insurance.** Flood insurance covering any improvements located on the Common Areas to the extent that the Board of Directors determines that the improvements have significant enough value and the risks related thereto justify the cost of such insurance.

(iv) **Workers Compensation Insurance.** Workers compensation insurance and employer's liability insurance.

c) **Policy Requirements.** All insurance coverage obtained by the Association shall:

(i) be written in the name of the Association and shall provide for a certificate of insurance to be furnished to the Association;

(ii) contain a reasonable deductible;

(iii) contain an endorsement requiring at least 30 days' prior written notice to the Association of any cancellation insurance;

(iv) contain a provision or endorsement excluding Owners' individual policies from consideration under any other insurance clause, if reasonably available; and

(v) contain a waiver of subrogation as to any claims against the Board of Directors and the Association's officers, employees and manager, and the Owners and their tenants, servants, agents and guests, if reasonably available.

d) **Review of Policies.** The Board shall annually review the types and amounts of insurance coverage for sufficiency.

e) **Compliance with Federal Agencies and Secondary Mortgage Market Requirements.** In addition to the foregoing insurance in **Section 5.6** the Board of Directors may obtain such insurance coverage that the Board of Directors determines desirable to satisfy any applicable insurance requirements of any federal agency or secondary mortgage market entity, including, without limitation, the Federal Home Loan Mortgage Corporation **("FHLMC")**, the Federal National Mortgage Association **("FNMA")**, the U.S. Department of Veterans Affairs **("VA")**, and the U.S. Department of Housing and Urban Development **("HUD")**, to the extent applicable.

5.7 **Contracts; Management and Maintenance.** The Association shall have the right to contract with any person or entity for the performance of various duties and functions. This right shall include, without limitation, the right to enter into management, operational or other agreements with other persons or entities; provided, any such agreement shall require approval of the Board of Directors. The Board of Directors may employ for the Association a management agent or agents, at such compensation as the Board of Directors may establish, to perform such duties and services as the Board of Directors shall authorize. The Board of Directors may delegate such powers as are necessary to perform the manager's assigned duties but shall not delegate policymaking authority. The Association may enter into contracts with Declarant or affiliates of Declarant provided that such contracts are on market terms.

5.8 **Books and Records.** The financial books and records of the Association shall be made available to the Members for inspection as provided in the Bylaws. In addition, Members may obtain copies, at a reasonable cost, of the book and records of the Association as provided in the Bylaws.

5.9 **Winding Up and Termination of Association; Conveyance of Assets.** If the Association is wound up and terminated other than incident to a merger or consolidation, the assets both real and personal of the Association shall be conveyed as provided in the Certificate.

5.10 **Enforcement.** The Board of Directors may impose sanctions for violation of this Declaration (including any rules, guidelines or standards adopted pursuant to the Declaration) in

Accordance with the applicable procedures set forth in the Bylaws. The Bylaws do not provide for an absolute right under all circumstances to notice and/or hearing either prior to or after the imposition of sanctions. Such sanctions may include all remedies available at law and/or in equity and all remedies herein, including, without limitation, the following:

a) **Fines.** The Board of Directors may impose reasonable monetary fines, which shall constitute a lien on the Lot, upon the Owner of the Lot related to or connected with the alleged violation. The Owner shall be liable for the actions of any occupant, guest or invitee of the Owner of such Lot.

b) **Suspension of Voting Rights.** The Board of Directors may suspend an Owner's right to vote.

c) **Suspension of Rights to Use Common Area.** The Board of Directors may suspend any person's or entity's right to use any recreational facilities within the Common Areas; provided, however, nothing herein shall authorize the Board of Directors to limit ingress or egress to or from a Lot.

d) **Right of Self-Help.** The Board of Directors may exercise self-help or take action to enter upon the Lot to abate any violation of this Declaration.

e) **Right to Require Removal.** The Board of Directors may require an Owner, at the Owner's expense, to remove any structure or improvement on such Owner's Lot in violation of this Declaration and to restore the Lot to its previous condition and, upon failure of the Owner to do so, the Board of Directors or its designee shall have the right to enter the Lot, remove the violation, and restore the property to substantially the same condition as previously existing, without such action being deemed a trespass.

f) **Levy Specific Assessment.** The Board of Directors may levy a specific assessment to cover costs incurred by the Association in bringing a Lot into compliance with this Declaration.

g) **Lawsuit; Injunction or Damages.** The Board of Directors has the right, but the obligation, to bring a suit at law or in equity to enjoin any violation or to recover monetary damages, or both.

h) **Perform Maintenance.** In addition to any other enforcement rights, if an Owner fails to perform properly such Owner's maintenance responsibility with respect to a Lot and/or Dwelling, the Association may record a notice of violation in the public records of the County arid/or enter the Lot and perform such maintenance responsibilities and assess all costs incurred by the Association against the Lot and the Owner as a specific assessment.

The decision to pursue enforcement action, including the commencement of legal proceedings, in any particular case shall be left to the Board of Directors' sole and absolute discretion, except that the Board of Directors shall not be arbitrary or capricious in taking enforcement action. Without limiting the generality of the foregoing sentence, the Board of Directors may determine that, under the circumstances of a particular case, (i) the Association's position is not strong enough to justify taking any or further action; or (ii) the covenant, restriction or rule being enforced is, or is likely to be construed as, inconsistent with applicable law; or (iii) although a technical violation may exist or may have occurred, 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 (iv) it is not in the Association's best interests, based upon hardship, expense or other reasonable criteria, to pursue enforcement action. Such a decision shall not be construed a waiver of the right of the Association to enforce such provision at a later time under other circumstances or preclude the Association from enforcing any other covenant, restriction or rule.

ARTICLE VI – ARCHITECTURAL CONTROLS

6.1 **Architectural Control Committee.** The ACC shall have exclusive jurisdiction to review construction and alteration of Structures on any portion of the Property. No construction, development, or modification of any kind shall commence or be carried out on any Lot until approved in writing by the ACC. Approval shall be subject to such regulations, architectural standards, and application procedures as may be promulgated by the ACC. However, ACC approval is not required for (i) any improvements constructed, erected, altered, added onto or repaired by Declarant or a Builder designated in writing by Declarant to be exempt from the ACC approval requirements; (ii) any improvements to the interior of a Dwelling, except as provided herein; (iii) the painting or rebricking of the exterior of any Dwelling in accordance with the color and design scheme approved by the ACC; or (iv) improvements for which the Declaration expressly states that the ACC's prior approval is not required. Any improvements pursuant to clauses (iii) and (iv) immediately preceding must be in compliance with any applicable Building Standards. The ACC shall make its regulations, standards, and procedures available to Owners, Builder/Owners, and developers who seek to engage in development of or construction upon any portion of the Property and shall conduct its operations in accordance therewith. The ACC will have the authority to delegate its duties or to retain the services of a professional engineer, Management Company, architect, designer, inspector or other person to assist in the performance of its duties. The cost of such services shall be included in the Common Expenses. The Declarant, in its sole discretion, shall appoint the members of the ACC which shall consist of three (3) members, none of whom shall be required to be residents of Crown Point Estates or own property in Crown Point Estates. The ACC shall and may act independently of the Association and its Board until such time as the Declarant assigns its rights of appointment to the Board of Directors, at which time the ACC shall function in the same fashion as committees of the Association and shall be appointed by the Board of Directors. This Section may not be amended without the written approval of the Declarant.

6.2 **Approval.** The ACC may promulgate detailed standards and procedures governing its area of responsibility and practice. In addition thereto, the following shall apply; plans and specifications (the "**Plans**") showing the nature, kind, shape, color, size, materials, and location of such construction, modifications, additions, or alterations, shall be submitted to the ACC for approval as to the quality of workmanship and design and harmony of external design with existing structures, topography, and finish grade elevation. Nothing contained herein shall be construed to limit the right of an owner to remodel the interior of his or her Residential Unit or to paint the interior of his or her Residential Unit any color desired. In the event the ACC fails to approve or disapprove such Plans or to request additional information reasonably required in sixty (60) days after submission, the Plans shall be deemed approval. The ACC may charge a reasonable fee to cover the administrative expense of its review and comment, such fee payable to the Association.

6.3 **Building Standards.** The Declarant or ACC may, but is not required to, establish specific guidelines and building standards to assist Persons in determining the type of Structures and Residential Units, which may be constructed on the Property. The ACC or Declarant may amend or modify such guidelines or standards from time to time in its sole discretion. Such guidelines or standards, if promulgated, shall supplement this Declaration and are general guides to permitted construction within the Property, but shall not diminish the authority of the ACC and Declarant to approve Plans as otherwise herein provided. The ACC may, from time to time and in its sole and absolute discretion, adopt, amend, and real, by unanimous vote or written consent of members of the ACC, the Building Standards. The Building Standards may not conflict with the terms of this Declaration.

6.4 **Submission of Plans.** Prior to the initiation of construction of any work required to be approved by the ACC as provided in **Section 6.1** above, the Owner (excluding Declarant and any Builder designated in writing to be exempt from the ACC approval requirements as provided herein) will first submit to the ACC a complete set of Plans for the proposed improvements, including site plans, landscape plans, exterior elevations, specifications of materials and exterior colors, and any other information deemed necessary by the ACC for the performance of its function. In addition, the Owner will submit the identity of the individual or company intended to perform the work and projected commencement and completion dates. This approval process is separate and independent of any approval process required by a governmental entity.

6.5 **Plans Review.**

a) **Timing of Review and Response.** Upon receipt by the ACC of all of the information required by this **Article VI,** the ACC will have 15 days in which to review said. Plans. No correspondence or request for approval will be deemed to have been received until all requested documents have actually been received by the ACC in form satisfactory to the ACC. If the ACC requests additional information and the applicant fails to provide such information prior to the date stated in the ACC's notice, then the application shall be deemed denied. If the applicable submittal is denied or deemed denied, then the applicant shall be required to re-apply if the applicant still desires to have the ACC consider the request. If the ACC fails to issue its written approval within 30 days after the ACC's receipt of all materials requested by the ACC to complete the submission, then such failure by the ACC to issue its written approval shall be deemed approval. The ACC may charge a reasonable fee for reviewing requests for approval.

b) **Approval Considerations – Aesthetics.** The proposed improvements will be approved if, in the sole opinions of the ACC: (i) the improvements will be of an architectural style, quality, color and material that are aesthetically compatible with the improvements in the, Development; (ii) the improvements will not violate any term herein or in the Building Standards; and (iii) the improvements will not result in the reduction in property value, use or enjoyment of any of the Property. Decisions of the ACC may be based on purely aesthetic considerations. The ACC shall have the authority to make final conclusive and binding determinations on matters of aesthetic judgment and such determination shall not be subject to review so long as the determination is made in good faith and in accordance with the procedures set forth herein. Each Owner acknowledges that opinions on aesthetic matters are subjective and opinions may vary as to the desirability and/or attractiveness of particular improvements and as the ACC and its members change over time.

6.6 **Timing of Completion of Approved Items.** All work approved by the ACC shall be completed within one year after the approval by the ACC or such shorter period that the ACC may specify in the notice of approval, unless the completion is delayed due to causes beyond the reasonable control of the Owner, as determined by the ACC. All work and related improvements shall be in compliance with the items approved by the ACC.

6.7 **Improvements Impact on Drainage.** With respect to any improvements performed on a Lot and/or any alterations to the yard, the Owner shall take proper precautions to insure that such improvements do not (i) alter the surface water drainage flows of a Lot as originally established at the time of the initial construction of the Dwelling, or (ii) allow water to collect near the foundation of the Dwelling. Although the ACC may comment on and/or deny the approval of Plans because of the impact of the proposed improvements or alterations on surface water drainage, the ACC's comments or approval shall not constitute or be construed as a representation, warranty or guaranty that adverse surface water drainage problems will not occur and shall not be relied upon as such. The Owner is responsible for taking the necessary actions in order to avoid any surface water drainage problems, including without limitation, engaging the services of a qualified consultant.

6.8 **No Waiver.** The approval by the ACC of any Plans, drawings or specifications for any work done or proposed, or for any other matter requiring the approval of the ACC under this Declaration, shall not be deemed to constitute a waiver of any right to withhold approval of any similar Plans, drawing specification or matter subsequently submitted for approval.

6.9 **Variances.** The ACC may authorize variances from strict compliance with the requirements herein, in any Building Standards or any required procedures: (i) in narrow circumstances where the design meets the intent of the provision from which variances is sought and where granting the variance would enhance design innovation and excellence; or (ii) when circumstances such as topography, natural obstructions, hardship, or aesthetic or environmental considerations so require. For purposes of this **Section 6.9,** the inability to obtain approval of any governmental agency, the issuance of any permit, or the terms of any financing as the sole or primary reason for requesting a variance shall not be considered a hardship warranting a variance.

No variance shall be contrary to the terms of this Declaration and no variance shall be effective unless in writing. No variance shall stop the ACC from denying a variance in other circumstances.

6.10 **Enforcement; Non-Conforming and Unapproved Improvements.** If there are any significant or material deviations from the approved Plans in the completed improvements, as determined by the ACC in its sole and absolute discretion, such improvements will be in violation. The Association or any Owner may maintain an action at law or in equity for the removal or correction of (1) the non-conforming improvement or alteration, and/or (ii) any improvement on any Lot that is not approved by the ACC.

6.11 **Limitation of Liability.** Neither the Declarant, the Association, the Board of Directors, nor the ACC shall have any liability, individually or in combination, for (i) decisions made by (or failed to be made by) the Declarant, the Association, the Board of Directors, or the ACC or (ii) decisions in connection with the approval or disapproval or failure to disapprove or approve any Plans submitted. Neither the Declarant, the Association, the Board of Directors, nor the ACC shall bear any responsibility for ensuring the structural integrity or soundness of approved construction or modifications or the adequacy of soils or drainage, nor for ensuring compliance with building codes and other governmental requirements. Neither Declarant, the Association, the Board of Directors, the ACC, nor any member of the foregoing shall be held liable for any injury, damages or loss arising out of the manner or quality of approved construction or modifications to any Dwelling and/or Lot. The ACC and their respective members shall be deemed defended and indemnified by the Association as provided in **Section 5.4** herein.

ARTICLE VII – USE RESTRICTIONS AND COVENANTS

7.1 **Nuisances.** No noxious or offensive activity, including, without limitation, unreasonable smells, noise or aesthetics, will be carried on upon any Lot, nor will anything be done thereon which the Board of Directors determines, in its sole and absolute discretion, is or may become an unreasonable source of annoyance or nuisance to the Property.

7.2 **No Temporary Structures as a Residence.** No structure of a temporary character, including, without limiting the generality thereof, any trailer, basement, tent, shack, garage, barn, or other out-building will be used on any Lot at any time as a residence, either temporarily or permanently; except that camping out in a tent that is erected in the backyard behind a fully screened fence is permitted provided that such activity does not become or constitute a nuisance or unreasonable source of annoyance to the occupants of other Lots as determined by the Board of Directors in its sole and absolute discretion. This restriction will not be interpreted to limit the right of Declarant or any Builder to use trailers or outbuildings as sales offices, selection center offices, construction offices or material storage facilities.

7.3 **No Garage as a Residence.** No garage, garage house or other out-building (except for sales offices and construction trailers during the construction period) shall be occupied by any Owner, tenant or other person as a residence.

7.4 **Exterior Improvement Maintenance.** All improvements upon any Lot will at all times be kept in good condition and repair and adequately painted or otherwise maintained by the Owner of such Lot in a presentable well-kept and clean condition, as determined by the Board of Directors, in its sole and absolute discretion.

7.5 **Mining.** No oil drilling, oil development operations, oil refining, quarrying or mining operation of any kind will be permitted in the Development, nor will oil wells, tanks, tunnels, mineral excavations or shafts be permitted in the Development, except subsurface operations that have no effect upon the surface of the Property. No derrick or other structure designed for use in boring for oil or natural gas will be erected, maintained or permitted in the Development. No tank for the storage of oil or other fluids may be maintained on any of the Lots above the surface of the ground.

7.6 **No Lot Consolidation or Division.** No Owner, other than Declarant, may divide any Lot and/or consolidate any adjoining Lots and/or any portion thereof.

7.7 **Drainage Alteration Prohibited.** Building pad heights for each lot must conform to the master drainage plan developed by Benchmark. Pad heights specs are available from the developer, Cooper Empire, LLC or its agent. Unless approved by the ACC, no Owner will: (i) alter the surface water drainage flows of a Lot as originally established at the time of the initial construction of the Dwelling; or (ii) install landscaping or other improvements that may interfere with, obstruct or divert drainage flows established by the Declarant or any Builder. The foregoing shall not prevent or limit the Declarant from performing any grading work and/or changing any surface water drainage flow on any Lot.

7.8 **Construction Activities.** This Declaration will not be construed so as to unreasonably interfere with or prevent normal construction activities during the construction or remodeling of or making of additions to improvements by an Owner (including Declarant) upon any Lot within the Property. Specifically, no such construction activities will be deemed to constitute a nuisance or a violation of this Declaration by reason of noise, dust, presence of vehicles or construction machinery, posting of signs or similar activities, provided that such construction is pursued to completion with diligence and conforms to usual construction practices in the area. If construction upon any Lot does not conform to usual practices in the area as determined by the Board of Directors in its sole good faith judgment, the Board of Directors will have the authority to obtain an injunction to stop such construction. In addition, if during the course of construction upon any Lot, there is an excessive accumulation of debris of any kind that is offensive or detrimental to the Property or any portion thereof, then the Board of Directors may contract for or cause such debris to be removed, and the Owner of such Lot will be liable for all expenses incurred in connection therewith.

7.9 **No Individual Sewage Disposal System.** No individual sewage disposal systems shall be permitted in the Development.

7.10 **New Construction Only.** Except for children's playhouses, dog houses, greenhouses, gazebos and buildings for storage of lawn maintenance equipment (no higher than six feet and not visible from street level), no building previously constructed elsewhere shall be moved onto any Lot, it being the intention that only new construction be placed and erected thereon.

7.11 **No Burning.** Except within fireplaces in the Dwelling and except for outdoor cooking, no person shall be permitted to burn anything within the Development.

7.12 **No Interference with Easements.** Within easements on each Lot, no structure, plating or materials shall be placed or permitted to remain which may damage or interfere with the installation and maintenance of utilities.

7.13 **Declarant and Builder Development and Construction.** Notwithstanding any other provision herein, Declarant, and its successors and assigns, and any Builders, will be entitled to conduct on the Property all activities normally associated with, and convenient to, the development of the Property and the construction and sale of Dwellings on the Property.

7.14 **Burglar Bars.** No burglar bars or similar attachments may be made to any Dwelling at any time.

7.15 **Building Requirements.** Building requirements and criteria shall include those standards reflected in the final plat and required by the zoning and building ordinances of the City applicable to the subdivision. They shall also include such criteria as may be promulgated by the ACC and filed of record. Such requirements, criteria, and restrictions include setbacks, maximum height, lot coverage, and minimum dwelling size. If the City requirements are more restrictive they shall govern. If the Association requirements are more restrictive they shall govern.

a) **Minimum Size of Dwelling** shall be 2,300 square feet of air conditioned space.

b) **Maximum Height of Dwelling** shall be 42 feet and 2.5 stories.

c) **Front Setbacks** shall be 25 feet.

d) **Side Setbacks** shall be 10 feet; provided that street side setbacks on corner lots shall be 12 feet.

e) **Rear Setbacks** shall be 25 feet.

f) **Landscaping** shall require one (1) tree that must be a hardwood in each front yard of 2" caliper at a minimum. Crepe myrtle or Bradford Pear cannot be used to fulfill this requirement. **The entirety of the front yard and side yards must be sodded and sprinkled.**

g) **Mailboxes.** Mailboxes shall be set in brick or stone with numbers.

h) **Roof.** Roofing material will be 30 year (lifetime) architectural, composition shingles. Roof pitch – see **Section 7.19** below.

i) **Exterior.** The exterior of a Dwelling shall be 80% brick, stone or stucco as more fully provided in 7.18 below.

j) **Garages.** Garages are not to be enclosed (except for model homes) or used for living space. See also **Section 7.31** below.

k) **Outbuildings.** No metal outbuildings shall be placed on a Lot unless approved by the ACC or the Board.

l) **Fences** are required on all lots with the smooth side facing out and the poles facing in. See **<u>Section 7.23</u>** below.

m) **Windows** must be vinyl, aluminum or clad wood.

7.16 **Single Family Residential Use.** All Lots and Dwellings will be used and occupied for single-family residential purposes only and no trade or business may be conducted in or from any Lot and/or Dwelling, except that an Owner of the Dwelling may conduct business activities from the Dwelling so long as: (i) the existence or operation of the business activity is not apparent or detectable by sight, sound, or smell from outside the Dwelling; (ii) the business activity conforms to all zoning requirements for the Property; (iii) the business activity does not involve unreasonable visitation to or from the Dwelling by clients, customers, suppliers or other business invitees; and (iv) the business activity is ancillary to the residential use of the Dwelling and does not diminish the residential character of the Property or constitute a nuisance, or a hazardous or offensive use, or threaten the security or safety of the other residents in the Property. The determination of whether a business activity satisfies the foregoing requirements set forth in clauses (i) through (iv) above shall be made by the Board of Directors in its sole and absolute discretion. The business activity prohibition will not apply to the use of any Dwelling by Declarant or any Builder as a model home, construction office and/or sales office; or the use of any Lot as a site for a selection center trailer, construction office trailer and/or sales office trailer and/or parking lot by Declarant or any Builder.

7.17 **Architectural Control.** No building shall be erected, placed, or altered on any Lot until the construction Plans and a plot plan showing the location of the structure thereon have been approved in accordance with the Declaration.

7.18 **Masonry Requirements.** All residential buildings shall be of exterior fire resistant construction having at least eighty percent (80%) of the total exterior walls above grade level and below the first floor plate line, excluding doors and windows, constructed of brick stone or stucco, and shall be approved by the City in accordance with the City's building code and fire prevention code. Exterior Insulated Finishing System (EIFS) shall not be permitted as the primary building material. Notwithstanding the foregoing, the second floor masonry requirements shall be as provided in one or more bulletins hereinafter promulgated and Recorded by the Board of Directors or the Architectural Control Committee. Stone or stucco to be used on structure must be specified on plan.

7.19 **Dwellings and Structures.** Roof pitch shall be a minimum of 10/12 for all Dwellings.

7.20 **Repetition.** Dwellings shall vary in elevation according to the following rules (i) a minimum of six (6) Dwellings must separate adjacent Dwellings of the same elevation; and (ii) Dwellings of the same elevation may not be constructed directly across the street from one another.

7.21 **Parking of Motor Vehicles.** No overnight parking of vehicles on streets allowed. Vehicles that have a gross vehicle weight of more than 11,000 pounds are prohibited from being parked or stored overnight. This includes large recreational vehicles, tractor-trailers, buses, vans, and similar type vehicles. Trucks with tonnage in excess of one ton and panel trucks with a painted advertisement shall not be permitted to park overnight within Crown Point Estates except those used by a Builder during the construction of improvements. No vehicles, trailers, implements or apparatus may be driven or parked in the Common Areas, the Common Maintenance Areas or any easement unless such vehicle, trailer, implement or apparatus is in use for maintaining such area or easement; provided, however, that this restriction will not apply to any driveways, roads, parking lots or other areas designated by the Board of Directors as intended for such vehicular use.

7.22 **Trailers, Boats, Commercial and Recreational Vehicles.** No vehicle, including boats, camper trailers, or other similar vehicle shall be parked in public view from any street. Parked vehicles on private property shall not encroach on any right-of-way, sidewalks, or parkways (unpaved portion of rights-of-way). Inoperable and junked vehicles include: (i) expired license plate, (ii) no safety inspection certificate, (iii) and/or wrecked, dismantled, or discarded. Commercial vehicles include panel trucks and other vehicles bearing advertisements of business on their panels and stretch limousines. The Board of Directors will have the absolute authority to determine from time to time whether a vehicle, equipment or other item is in operable condition and complies with the requirements in clauses (i) through (iii) above. Upon an adverse determination by the Board of Directors, the Owner will cause the item to be removed and/or otherwise brought into compliance with this paragraph. No such vehicle or equipment shall be used as a residence or office temporarily or permanently. Notwithstanding any provision herein, no trucks or vehicles of any size that transport inflammatory or explosive cargo may be kept in Crown Point Estates at any time.

7.23 **Fences.** Fences are required on all Lots. Fence pickets must be 1x6's (not 1x4's). All fences shall be kept in good repair and dilapidated fences shall be repaired or replaced. The Board shall have the final authority to make the determination that a fence is in a condition to require repair or replacement. No bright unnatural colors are allowed. No fence may be painted or stained with a solid stain. Any stain used must be translucent enough for the grain and texture of the wood to show through and be of natural wood color and shall be a color approved by the ACC.

a) **Type of Fencing.** No fence, wall or hedge shall be erected, placed or altered on any Lot without prior written approval of the ACC and the design of and materials used in the construction of fences shall be subject to the prior written approval of the ACC. No fence, wall or hedge shall be erected, placed or altered on any Lot nearer to any street than the minimum building setback line indicated on the Plat, unless otherwise permitted by the ACC and in accordance with the requirements of the City of Tyler, Texas. Chain link fences are permissible for dog runs provided they are contained within the property and hidden from neighboring views and streets. Otherwise, no wire or woven fence shall be permitted to any part of a lot. All service and sanitation facilities, clothes lines, trampolines, swing sets, wood piles, tool sheds and air conditioning equipment must be enclosed within fences, walls and/or landscaping so as not to be visible from the adjoining lots and residential streets. If they cannot be screened the request must be submitted to the ACC showing the location of the Lot with the type and colors of the building materials. Upon submission of a written request, the ACC may, from time to time, at its sole discretion, permit Owners to construct fences or walls which are in variance with the provisions of this paragraph where, in the opinion of the ACC, the fence or wall is an integral part of the home. Fencing shall be constructed in accordance with the following restrictions based on the location of such fencing.

b) **Location of Fence.** Front Yard Fencing – fencing will be allowed to extend from the perimeter of a dwelling to the side or rear property lines. Said fence is to be of treated material or better, has boards which are installed vertically only (horizontally or diagonally), and is no higher than six (6) feet. Recommended stain shall be medium brown.

c) **Maintenance of Fencing.** All fences shall be kept in good repair and shall not create urban blight. Dilapidated fences shall be repaired or replaced in accordance with provisions of the City of Tyler ordinance. Except for the Association Fencing, each Owner shall maintain the portion of fencing on such Owner's Lot in a presentable condition and shall make all repairs and replacements. The Association shall be responsible for maintaining the Association Fencing. All repairs and replacements to the perimeter fencing and/or Association Fencing, if any, must be done using the same type and color of materials so that such fencing does not appear to have been repaired or replaced, except to the extent of the new appearance of the repaired or replaced materials. Except as provided in the foregoing sentence, perimeter fencing and/or Association Fencing shall not be changed or modified without the prior written consent of the ACC.

d) **Common Fencing.** Side and rear yard fences that are installed by Declarant or a Builder of the Dwelling to separate adjacent Lots as a common boundary fence (the "**<u>Common Fence</u>**") shall be maintained jointly by the Owners whose Lots adjoin such Common Fence and the costs associated therewith shall be shared equally by said Owners. If the Owners disagree regarding the timing, cost or other applicable issue related to the repair or replacement of a Common Fence or portion thereof, then either Owner may (i) make the repair or replacement (provided any applicable ACC approval is obtained) and seek collection of one-half of the cost of repair or replacement at Arbitration (as defined herein); and/or (ii) seek payment of one-half of the cost of repair or replacement at Arbitration, subject to the repair or replacement being made. The term "**<u>Arbitration</u>**" shall mean binding arbitration pursuant to the rules of the American Arbitration Association or such other person or entity approved by the applicable Owners.

e) **Sight Lines.** Compliance with these fencing and landscaping requirements shall in no way cause visibility obstructions and/or blind corners at intersections. Whenever an access way intersects a public street or when two (2) public streets intersect, a triangular visibility area shall be designed to provide unobstructed cross-visibility at a level between three (3) and six (6) feet. Trees may be permitted in this area provided they are trimmed in such a manner that no limbs or foliage extend into the cross-visibility area. Triangular areas are: (i) areas of property on both sides of the intersection of an access way and public right-of-way shall have a triangular visibility area with (2) sides of each triangle being a minimum of ten feet (10') in length from the point of intersection and the third side being a line connecting the ends of the other two (2) sides: (ii) areas of property located at a corner formed by the intersection of two (2) sides of each triangle being a minimum of twenty-five feet (25') in length from the point of intersection and the third side being a line connecting the ends of the other two (2) sides. Landscaping, except required grass and low ground cover, shall not be located closer than three feet (3') from the edge of any access way pavement. Declarant or the Association may direct the Owner to trim any hedge, shrub planting or tree that does not comply with the foregoing provisions, and upon Owner's failure to do so, Declarant or the Association may, at its option, perform such trimming, whereupon the Owner shall be obligated, when presented with an itemized statement, to reimburse Declarant or the Association (as applicable) for the cost of such work.

7.24 **Outbuilding, Sheds and Detached Building.** No detached accessory buildings, including but not limited to, detached garages and storage buildings, shall be erected, placed or constructed upon any Lot without prior consent of the ACC. As stated in **Section 7.15** above, no metal outbuildings will be permitted to be placed on a Lot unless specifically approved by the ACC or the Board.

7.25 **Animals.** No animals, livestock or poultry of any kind will be raised, bred or kept on any Lot, except that so long as they do not exceed four (4) in number in the aggregate, cats, dogs or other generally recognized household pets may be permitted on any Lot; however, those pets that are permitted to roam free or that, in the sole discretion of the Board of Directors, make objectionable noise, endanger the health or safety of, or constitute a nuisance or unreasonable source of annoyance to the occupants of other Lots shall be removed from the Lot upon the request of the Board of Directors. If the animal owner fails to remove the animal from the Lot after the Board of Directors' request, the Board of Directors may remove the animal, in addition to imposing such other sanctions as are authorized by the Declaration and the Bylaws. Animals are not to be raised, bred or kept for commercial purposes or food. It is the purpose of these provisions to restrict the use of the Property so that no person shall quarter on the premises cows, horses, bees, hogs, sheep, goats, guinea fowls, ducks, chickens, turkeys, or any other non-domesticated animals that may interfere with the quietude, health and safety of the community. All animals will be kept in strict accordance with all rules established by the Association. All persons bringing an animal onto the Common Maintenance Areas shall be responsible for immediately removing any solid waste of said animal. This **Section 7.25** shall not apply to Lot 16.

7.26 **Signs.**

a) **Sign Restrictions.** Permission is granted as a special privilege for residential dwelling occupants for the erection of one (1) non-illuminated personal real estate property sale sign in the front yard of a dwelling on private property provided that only one such sign no exceeding three (3) square feet may be erected. Political signs may be erected upon a Lot by the Owner of such Lot advocating the election of one or more political candidates or the sponsorship of a political party, issue or proposal provided that such signs will not be erected more than 60 days in advance of the election to which they pertain and are removed within 15 days after the election and to the extent allowed by law only one sign per candidate is permitted. A permitted or authorized sign may not contain any language or symbols on the sign that are not directly related to the authorized purpose of the sign. An Owner may erect spirit signs for the purpose of support for youth activities. The ACC may in the Building Standards permit additional signs and/or place additional restrictions or limitations on the signs permitted in this Declaration, provided that such additional restrictions or limitations do not conflict with the terms herein. No banners are permitted without the prior written approval of the ACC. The Association will have the right to remove any sign, billboard, banner or other advertising structure that does not comply with the foregoing. Removal shall not subject the Association to any liability in connection with such removal.

b) **Entry Signs.** The term "Entry Signs" shall mean any entry feature signs for the name of the subdivision that are placed by the Declarant of its agents on the Property. The Association shall be responsible for maintaining the Entry Signs.

7.27 **Trash; Containers and Collection.** Garbage cannot be placed at curbside more than fourth-eight (48) hours prior to the date of pickup. Each residential customer should keep the containers securely closed in such a manner as to prevent the scattering of the contents and to render the contents inaccessible to insects, rodents and other animals. Each container cannot be larger than four (4) feet in diameter and must weigh less than fifty (50) pounds. No hazardous wastes or liquids can be placed in containers for collection. Storage or accumulation on any property of the following materials is not allowed: (i) debris, rubbish or trash; (ii) broken or discarded household furniture, appliances, boxes and cartons, lawn equipment, play equipment and toys; (iii) used or discarded building materials; (iv) old tires, batteries, used oil or automobile parts engine parts scrap metal, broken-down farm or construction equipment; (v) kitchen refuse, animal or vegetable food stuffs and their packaging, liquid wastes or grease or any other household waste which is damp or capable of emitting noxious odors; (vi) leaves, grass clippings, limbs and brush from lot clearing or yard maintenance; (vii) any other materials which are offensive and unsightly or tend to decay and become putrid or attract rodents and insects. No Lot or other area in the Crown Point Estates shall be used as a dumping ground for rubbish. All incinerators or other equipment for the storage or other disposal of garbage or trash shall be kept in a clean and sanitary condition. Materials incident to construction of improvements may be stored on Lots during construction by Declarant or any Builder designated by Declarant.

7.28 **Antennae and Satellite Dishes.** Except with the written permission of the ACC or as provided herein, exterior antennae, aerials, satellite dishes or other apparatus for the transmission or reception of television, radio, satellite or other signals of any kind may not be placed on the exterior of any Dwelling or on any portion of the Lot outside the Dwelling, except that (i) antennas or satellite dishes (not to exceed eighteen (18) inches in diameter) designed to receive television broadcast signals shall be permitted. Any of the foregoing permitted devices and any other device permitted by the ACC (a "**Permitted Device**") must be located in an area where such Permitted Device is not visible (for aesthetic reasons) from any portion of the street in front of the applicable Lot with the apparatus. However, if the Owner determines that the Permitted

Device cannot be located in compliance with the foregoing non-visibility requirement without precluding reception of an acceptable quality signal, then the Owner may install the Permitted Device in the least conspicuous alternative location on the Lot where an acceptable quality signal can be obtained. In all cases except as may be approved by the ACC, no Permitted Device of any style shall be (a) erected as a free-standing structure, (b) permitted to extend outside the roof of the main residential structure or (c) maintained on any portion of the Lot forward of the front building line. A Permitted Device that complies with the provisions of this paragraph and the Building Standards shall not require the ACC's approval prior to installation. However, the ACC shall be the exclusive authorities for purposes of determining if the item or device complies with the provisions of this paragraph and the Building Standards.

7.29 **Air-Conditioning Units.** Air-conditioning apparatus must be installed on the ground behind the rear of the Dwelling or on the ground near the side of the Dwelling. No air-conditioning apparatus or evaporative cooler may be attached to any wall, window or roof of any Dwelling. Air-conditioning condensers may be located on the sides of the dwellings; fencing or landscaping must be used to block visibility from the street.

7.30 **No Temporary Structures on Lot.** Temporary buildings for uses incidental to construction work on the premises is permitted, provided these buildings shall be removed upon the completion or abandonment of construction work. No temporary dwelling, shop, trailer or mobile home of any kind or any improvements of a temporary character (except children's playhouses, dog houses, green houses, gazebos and buildings for storage of lawn maintenance equipment, which may be placed on a Lot only in places which are not visible from any street on which the Lot fronts) shall be permitted on any Lot except that the Builder or contractor may have temporary improvements (such as sales office and/or construction trailer) on a given Lot during the entire time that construction activities within the Development are underway. No building material of any kind or character shall be placed or stored upon the property until the Owner thereof is ready to commence construction of improvements, and then such material shall be placed within the property lines of the Lot upon which the improvements are to be erected.

7.31 **Garages.** Each Dwelling must have a garage that will accommodate a minimum of two (2) automobiles. All garages must comply with the City requirements. Garages may be used as Declarant's or a Builder's sales office prior to permanent occupancy of the main structure; however, sales offices must be converted to garages prior to permanent occupancy. With the exception of periods when garages are used by the Declarant or Builder as sales offices, all garages will be maintained for the storage of automobiles, and no garage may be enclosed or otherwise used for habitation.

7.32 **Clothes Hanging Devices.** No clothes-hanging devices exterior to a Dwelling are to be constructed or placed on the Lot.

7.33 **Window Treatment.** No aluminum foil, newspaper, reflective film, bed sheets, linens or similar treatment will be placed on windows or glass doors of a Dwelling.

7.34 **Athletic and Recreational Facilities.** No outdoor athletic and recreational facilities such as basketball goals, playscapes, swing sets and sport courts may be placed on a Lot unless (i) such item is placed within a backyard that has a fence that completely encloses the backyard and the location and the item does not exceed ten feet in height, or (ii) such item is a temporary and movable facility that is stored each night in the garage, the Dwelling or other fully-screened area. Notwithstanding the foregoing, basketball goals and any other recreation equipment designated by the ACC may be located on any portion of the Lot (including side yards) that is behind any portion of the rear of the Dwelling and out of public view. No such items shall be otherwise located (including, without limitation, in the any street).

7.35 **Swimming Pool Fence Requirements; No Above-Ground Pools.** Swimming pools shall have a fence of a minimum of four feet (4') in height. The fence may be constructed of wood, ornamental metal, tubular steel, metal screens, or other approved material. Above ground-level swimming pools shall not be installed on any Lot.

7.36 **Exterior Lighting.** Exterior lighting must be approved by the ACC.

7.37 **Minimum Landscape Requirements; Landscape Maintenance.** A minimum of one (1) tree required that must be a hardwood in each front yard with a minimum two-inch (2") caliper. Existing trees of equal or greater size within the required front yard may be counted toward this requirement. Crepe myrtle or Bradford Pear cannot be used to satisfy this requirement. The entirety of the front and side yards must be sodded and sprinkled. All landscaping located on any Lot, including grass lawns, must be properly maintained at all times by the Owner of such Lot in a trimmed, well-kept and clean condition, as determined by the Board of Directors, in its sole and absolute discretion. Each Owner will keep all shrubs, trees, grass and plantings of every kind on his or her Lot cultivated, pruned and free of trash and other unsightly material. In addition, each Owner shall on a regular basis remove weeds from the yard, including, without limitation, flowerbeds and planter areas. Removal of live native trees is not permitted without the approval of the ACC.

7.38 **Gutters.** Gutters are required on all eaves.

ARTICLE VIII – COMMON AREAS

8.1 **Association to Hold and Maintain.** The Association will own all Common Areas in fee simple title, or easement title, as applicable. The Association shall maintain the Common Areas and any improvements and landscaping thereon in good repair. The Association shall also maintain the Common Maintenance Areas to the extent the Board of Directors determines that such maintenance is desirable.

8.2 **Use of Common Areas at Own Risk.** Each Owner, by acceptance of a deed to a Lot, acknowledges that the use and enjoyment of any Common Area recreational facility involves risk of personal injury or damage to property. Each Owner acknowledges, understands, and covenants to inform its tenants and all occupants of its Lot that the Association, its Board of Directors and committees, Declarant and any Builder are not insurers of personal safety and that each person using the Common Areas assumes all risks of personal injury and loss of or damage to property, resulting from the use and enjoyment of any recreational facility or other portion of the Common Areas. Each Owner agrees that neither the Association, the Board of Directors and any committees, any Builder, nor Declarant shall be liable to such Owner or any person claiming any loss or damage arising from personal injury, destruction of property, trespass, loss of enjoyment, or any other wrong or entitlement to remedy based upon, due to, arising from or otherwise relating to the use of any recreational facility or other portions of the Common Areas, including, without limitation, any claim arising in whole or in part from the negligence of the Association, Declarant, or any Builder. **THE FOREGOING RELEASE IS INTENDED TO RELEASE THE SPECIFIED PARTIES FROM LIABILITY FOR THEIR OWN NEGLIGENCE.**

8.3 **Condemnation of Common Areas.** In the event of condemnation or a sale in lieu thereof of all or any portion of the Common Areas, the funds payable with respect thereto will be payable to the Association and will be used by the Association as the Board of Directors determines, in its business judgement, including, without limitation, (i) to purchase additional Common Areas to replace that which has been condemned, (ii) to reconstruct or replace on the remaining Common Areas any improvements that were on the condemned Common Areas, (iii) to pay for Common Expenses, or (iv) to be distributed to each Owner on a pro rata basis.

8.4 **Damage to Common Areas.** If the Common Areas or improvements on the Common Maintenance Areas are damaged and if there are insurance proceeds sufficient to repair such damage to its prior condition, then the Association shall cause such damage to be repaired or reconstructed unless there is a 67% or greater vote of Members who are voting in person or by proxy at a meeting duly called for this purpose at which a quorum is present (all classes counted together) within 90 days after the loss not to repair or reconstruct. If said 67% vote is cast not to repair or reconstruct such damage and no alternative improvements are authorized, the damaged property shall be cleared of all debris and ruins and thereafter shall be maintained by the Association in neat and attractive condition. Any insurance proceeds remaining after paying the costs of repair or reconstruction, or after such settlement as is necessary and appropriate, shall be retained by and for the benefit of the Association.

8.5 **Conveyance of Common Areas by Declarant to Association.** Declarant shall have the right to convey title to any portion of the Property owned by Declarant, as the case may be, or any easement interest therein, to the Association as Common Area, and the Association shall be required to accept such conveyance. Property conveyed by Declarant to the Association as Common Area shall be conveyed free and clear of monetary liens and encumbrances other than taxes and assessments imposed by governmental entities or districts authorized by Texas law. Any such conveyance shall be effective upon recording the deed or instrument of conveyance in the public land records of the County.

ARTICLE IX - EASEMENTS

9.1 **Easements for Utilities on Common Areas.** During the period that Declarant owns any real property within the Development, the Declarant, on behalf of itself, reserves the right to grant perpetual, nonexclusive easements as reasonably necessary for the benefit of Declarant or its designees, upon, across, over, through and under any portion of the Common Areas for the construction, installation, use and maintenance of utilities, including, without limitation, water, sewer, electric, cable television, telephone, natural gas and storm water and drainage related structures and improvements. The Association will also have the right to grant the easements described in this paragraph.

9.2 **Easement to Correct Drainage on Property.** During the period that Declarant owns any real property within the Development, Declarant hereby reserves for the benefit of Declarant and any Builder, a blanket easement on, over, and under the ground within the Property (excluding the area where the Dwelling is located) as reasonably necessary to maintain and correct drainage of surface waters and other erosion controls in order to maintain reasonable standards of health, safety and appearance, and will be entitled to remove trees or vegetation, without liability for replacement or damages, as may be necessary to provide adequate drainage facilities. Notwithstanding the foregoing, nothing herein will be interpreted to impose any duty upon Declarant or any Builder to correct or maintain any drainage facilities within the Property. Any damage to a Lot caused by or due to the exercise of the foregoing drainage easement rights shall be promptly repaired by the party exercising such easement rights after completing its construction activities in the damaged area.

9.3 **Easement for Right to Enter Lot.** If an Owner fails to maintain the Lot as required herein, or in the event of emergency, the Association will have the right to enter upon the Lot to make emergency repairs and to do other work reasonably necessary for the proper maintenance and operation of the Property. Entry upon the Lot as provided herein will not be deemed a trespass, and the Association will not be liable for any damage so created unless such damage is caused by the Association's willful misconduct or gross negligence. **THE FOREGOING RELEASE IS INTENDED TO RELEASE THE ASSOCIATION FROM LIABILITY FOR ITS OWN NEGLIGENCE.**

9.4 **Temporary Easement to Complete Construction.** All Lots will be subject to an easement of ingress and egress for the benefit of Declarant, its employees, subcontractors, successors, and assigns, over and upon the front, side and rear yards of the Lots as may be expedient or necessary for the construction, servicing, and completion of Dwellings and landscaping upon adjacent Lots, provided that such easement will terminate as to any Lot 24 months after the date such Lot is conveyed to an Owner other than a Builder. Any damage to a Lot caused by Declarant due to exercise of the foregoing completion easement rights shall be promptly repaired by the party exercising such easement rights after completing its construction activities in the damaged area.

9.5 **Easement for Association Fencing.** Declarant hereby reserves for the benefit of Declarant and the Association an exclusive easement for the purpose of placing and maintaining the Association Fencing on the perimeter boundary of all Lots where Declarant has installed Association Fencing.

ARTICLE X - MISCELLANEOUS

10.1 **Declaration Term – Perpetual.** Unless the Members holding 90% of the votes approve the termination of this Declaration, the provisions of this Declaration shall run with and bind the land and shall be and remain in effect perpetually to the extent permitted by law. A written instrument terminating this Declaration shall not be effective unless Recorded.

10.2 **Amendments to Declaration.** This Declaration may be amended by a written consent by Members holding 67% of the votes, except that Declarant, at its sole discretion and without a vote or the consent of any other party, may modify, amend or repeal this Declaration: (i) at any time prior to the conveyance of the first Lot; (ii) as necessary to bring any provision into compliance with any applicable governmental statue, rule, regulation or judicial determination; (iii) as necessary to comply with the requirements of the VA, HUD (Federal Housing Administration), FHLMC or FNMA or any other applicable governmental agency or secondary mortgage market entity; or (iv) as necessary to clarify or to correct technical, typographical or scrivener's errors; provided, however, any amendment pursuant to clause (ii), (iii) and/or (iv) immediately above must not have a material adverse effect upon any right of any Owner. Any amendment to this Declaration shall be effective upon Recording.

10.3 **Enforcement by Association and/or Owner.** The Association or any Owner will have the rights to enforce, by any proceeding at law or in equity, all restrictions, conditions, covenants, reservations, liens and charges imposed now or in the future by the provisions of this Declaration. Failure of the Association or any Owner to enforce any covenant or restriction of this Declaration will in no event be deemed a waiver of the right to do so in the future.

10.4 **Remedies; Cumulative.** In the event any Lot does not comply with the terms herein or any Owner fails to comply with the terms herein, the Association and/or any Owner will have each and all of the rights and remedies which may be provided for in this Declaration, the Bylaws and any rules and regulations, and those which may be available at law or in equity, including, without limitation, enforcement of any lien, damages, injunction, specific performance, judgment for payment of money and collection thereof, or for any combination of remedies, or for any other relief. No remedies herein provided or available at law or in equity will be deemed mutually exclusive of any other such remedy, but instead shall be cumulative.

10.5 **Notice to Association of Sale or Transfer.** Any Owner (other than Declarant) desiring to sell or otherwise transfer title to his or her Lot shall give the Board of Directors written notice of the name and address of the purchaser or transferee within 30 days after the date of such transfer of title and such other information as the Board of Directors may reasonably require. The Association may charge a transfer fee upon the conveyance of title to a Lot for purposes of covering the reasonable administrative costs to change the records.

10.6 **Limitation on Interest.** All agreements between the Owner and the Association and/or Declarant are expressively limited so that the amount of interest charged, collected or received on account of such agreement shall never exceed the maximum amount permitted by applicable law. If, under any circumstances, fulfillment of any provision of this Declaration or of any other document requires exceeding the lawful maximum interests rates, then, ipso facto, the obligation shall be reduced to comply with such lawful limits. If an amount received by the Association and/or Declaration should be deemed to be excessive interest, then the amount of such excess shall be applied to reduce the unpaid principal and not to the payment of interest. If such excessive interest exceeds the unpaid principal and not to the payment of interest. If such excessive interest exceeds the unpaid balance due to the Association and/or Declarant, then such excess shall be refunded to the Owner.

10.7 **Construction and Interpretation.** This Declaration shall be liberally construed and interpreted to give effect to its purposes and intent, except as otherwise required by law. In the event of a dispute as to interpretation of any provision in this Declaration, the Bylaws, or other governing documents, the interpretation of the Board of Directors shall govern.

10.8 **Notices.** Except as otherwise provided in the Bylaws or this Declaration, all notices, demands, bills, statements and other communications under this Declaration shall be in writing and shall be given personally or by mail. Notice may also be given by electronic mail but will not be deemed delivered unless actually received. Notices that are mailed shall be deemed to have been duly given three days after deposit, unless such mail service can prove receipt at an earlier date. Owners shall maintain a mailing address for a Lot, which address shall be used by the Association for mailing of notices, statements, and demands. If an Owner fails to maintain a current mailing address for a Lot with the Association, then the address of that Owner's Lot is deemed to be such Owner's mailing address. If a Lot is owned by more than one person or entity, then notice to one co-owner is deemed notice to all co-owners. Attendance by a Member at any meeting shall constitute waiver of notice by the Member of the time, place and purpose of the meeting. Written waiver of notice of a meeting, either before or after a meeting, of the Members shall be deemed the equivalent of proper notice.

10.9 **Not a Condominium.** This document does not and is not intended to create a condominium within the meaning of Texas Business Organizations Code

10.10 **Severability.** Invalidation of any one of these covenants, conditions, easements or restrictions by judgment or court order will no manner affect any other provisions, which will remain in full force and effect. Any invalidated provision shall be automatically reformed in such a way so as to be legal and to carry out as near as possible such invalidated provision.

10.11 **Rights and Obligations Run With Land.** The provisions of this Declaration are covenants running with the land and will inure to the benefit of, and be binding upon, each and all of the Owners and their respective heirs, representatives, successors, assigns, purchasers, grantees, and mortgagees. By the recording or the ACC acceptance of a deed conveying a Lot or any ownership interest in the Lot whatsoever, the person to whom such Lot or interest is conveyed will be deemed to ACC accept and agree to be bound by and subject to all of the provisions of this Declaration, whether or not mention thereof is made in said deed.

10.12 **Disclaimer Regarding Security.** Neither the Association nor Declarant shall in any way be considered insurers or guarantors of security within the Property, nor shall any of them be held liable for any loss or damage by reason of failure to provide adequate security or of ineffectiveness of security measures undertaken. No representation or warranty is made that any fire protection system, burglar alarm system or other security system cannot be compromised or circumvented, nor that any such systems or security measures undertaken will in all cases prevent loss or provide the detection or protection for which the system is designed or intended. Each Owner acknowledges, understands and covenants to inform its tenants, invitees and licensees that the Association, its Board of Directors and committees and Declarant are not insurers and that each person using any portion of the Property assumes all risks for loss or damage to persons, to Lots and to the contents of Lots resulting from acts of third parties.

10.13 **Attorneys' Fees and Court Costs.** If litigation is instituted to enforce any provision herein, then the prevailing party shall be entitled to all attorneys' fees and court costs related to.

10.14 **Gender.** All personal pronouns used in this Declaration are for reference purposes only and will not in any way affect the meaning or interpretation of this Declaration.

10.15 **Headings.** The headings contained in this Declaration are for reference purposes only and will not in any way affect the meaning or interpretation of this Declaration.

10.16 **Conflicts.** In the event of conflict between this Declaration and any Bylaws, rules, regulations or Certificate of the Association, this Declaration will control.

10.17 **Exhibits.** All exhibits referenced in this Declaration as attached hereto are hereby incorporated by reference.

IN WITNESS WHEREOF, the Declarant has caused this instrument to be executed on this 11th day of May, 2017.

DECLARANT:

COOPER EMPIRE, L.L.C.
A Texas limited liability company

By: ______________________________
Chris Cooper, President

ACKNOWLEDGEMENT

STATE OF TEXAS §

COUNTY OF SMITH §

The foregoing instrument was acknowledged before me on this the 11th day of May, 2017, by Chris Cooper, the President of **COOPER EMPIRE, LLC**, on behalf of said company.

VICTORIA JENKINS
Notary Public, State of Texas
Comm. Expires 11-15-2017
Notary ID 125498148

Notary Public for the State of Texas

EXHIBIT "A"
The Property

CROWN POINT ESTATES SUBDIVISION, a subdivision in Smith County, Texas, according to the map or plat thereof recorded in Cabinet F, Slide 12C, of the Plat Records of Smith County, Texas, and a copy of which plat is included on this page below.

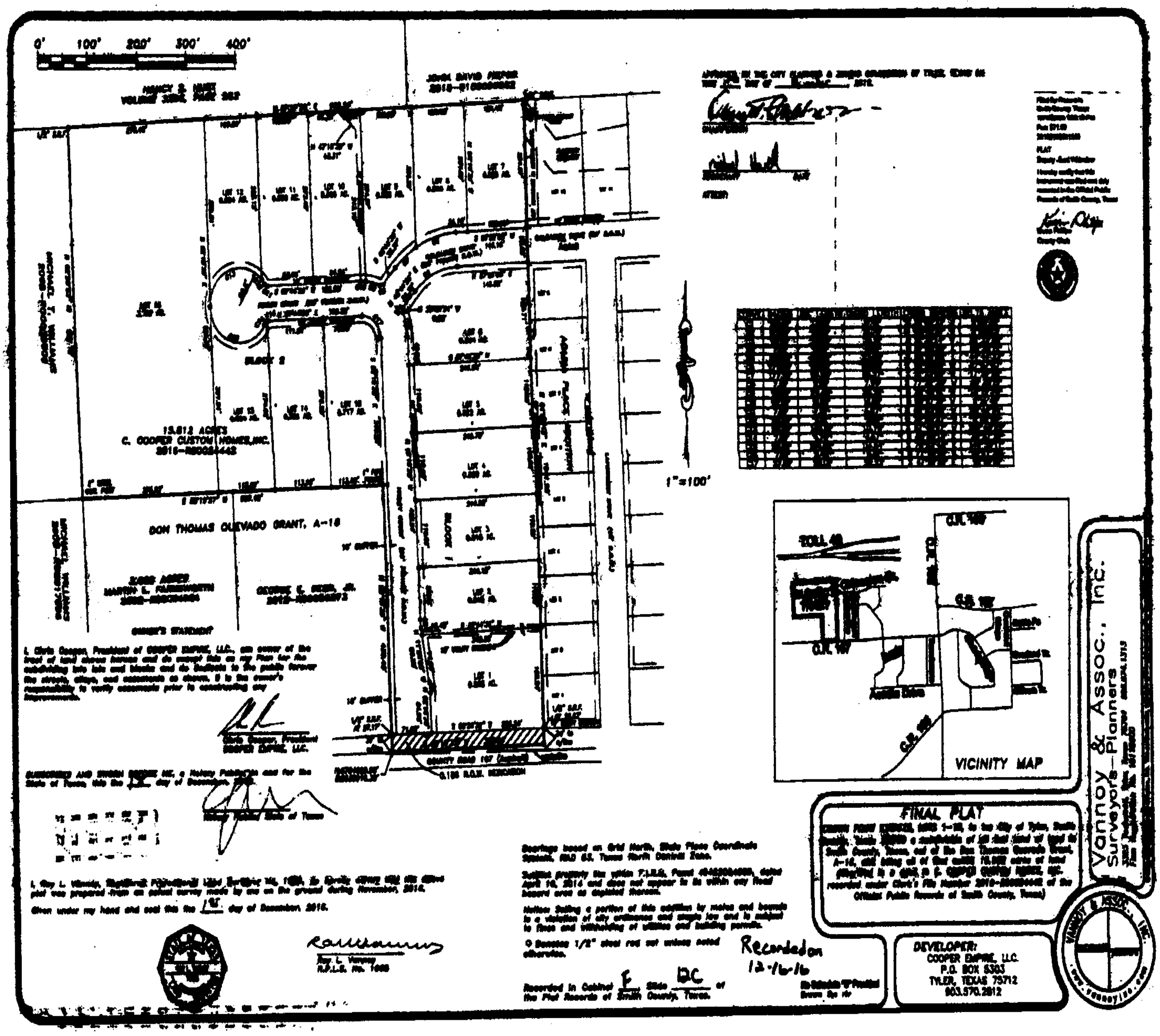

EXHIBIT "B"

CERTIFICATE OF FORMATION
OF
CROWN POINT ESTATES HOMEOWNERS ASSOCIATION, INC.
A TEXAS NON-PROFIT CORPORATION

[FOLLOWS THIS PAGE]

FILED
In the Office of the
Secretary of State of Texas

MAY 08 2017

Corporations Section

CERTIFICATE OF FORMATION

OF

CROWN POINT ESTATES HOMEOWNERS ASSOCIATION, INC.

(A Non-Profit Corporation)

ARTICLE ONE

The name of the filing entity being formed is Crown Point Estates Homeowners Association, Inc. (the "Corporation").

ARTICLE TWO

The filing entity being formed is a non-profit corporation.

ARTICLE THREE

The Corporation is formed exclusively for any lawful purpose or purposes not expressly prohibited under Chapters 2 or 22 of the Texas Business Organizations Code, including any purpose described by section 2.002 of the Code.

ARTICLE FOUR

The street address of the Corporation's initial Registered Office, and the name of its initial Registered Agent at this address, are as follows:

Shelia Cooper
15488 FM 2493
Tyler, Texas 75703

ARTICLE FIVE

The Corporation will have members. The initial Board of Directors shall consist of three directors. The names and addresses of the persons who will serve as initial directors are:

Chris Cooper
15488 FM 2493
Tyler, Texas 75703

Shelia Cooper
15488 FM 2493
Tyler, Texas 75703

Mercy Lee Swancy
15488 FM 2493
Tyler, Texas 75703

ARTICLE SIX

This non-profit corporation is being formed pursuant to a plan of conversion. It was previously Crown Point Estates Homeowners Association, Inc., a Texas for-profit corporation filed on January 16, 2017, with an address of 15488 FM 2493, Tyler, Texas 75703.

EXHIBIT "C"
BYLAWS
OF
CROWN POINT ESTATES HOMEOWNERS ASSOCIATION, INC.

BYLAWS
OF
CROWN POINT ESTATES HOMEOWNERS ASSOCIATION, INC.
(A Texas Nonprofit Corporation)

BYLAWS
OF
CROWN POINT ESTATES HOMEOWNERS ASSOCIATION, INC.
(A Texas Nonprofit Corporation)

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BYLAWS

OF

CROWN POINT ESTATES HOMEOWNERS ASSOCIATION, INC.

(A Texas Nonprofit Corporation)

ARTICLE 1 - INTRODUCTION

1.1. PURPOSE OF BYLAWS. These Bylaws of Crown Point Estates Homeowners Association, Inc. (the "**Bylaws**") provide for the governance of Crown Point Estates Homeowners Association, Inc. (the "**Association**") in the performance of its duties relating to the planned residential development known as Crown Point Estates, a subdivision located in the City of Tyler, Smith County, Texas, as shown on the Final Plat filed and recorded in Cabinet F, Slide 12C, of the Plat Records of Smith County, Texas, as amended (the "**Property**"), which duties are set forth in the Declaration of Covenants, Conditions and Restrictions for Crown Point Estates, recorded or to be recorded in the Real Property Records of Smith County, Texas (the "**Declaration**").

1.2. PARTIES TO BYLAWS. All present or future Lot owners and all other persons who use or occupy the Property in any manner are subject to these Bylaws, the Declaration, and the any other documents as defined in the Declaration. The mere acquisition or occupancy of a Lot will signify that these Bylaws are accepted, ratified, and will be strictly followed.

1.3. DEFINITIONS. Words and phrases defined in the Declaration have the same meanings when used in these Bylaws.

1.4. NONPROFIT PURPOSE. The Association is organized to be a nonprofit corporation.

1.5. COMPENSATION. A director, officer, Member, or resident may not receive any pecuniary profit from the operation of the Association, and no funds or assets of the Association may be paid as a salary or as compensation to, or be distributed to, or inure to the benefit of a director, officer, Member, or resident; provided, however:

a) that reasonable compensation may be paid to a director, officer, Member, or resident for services rendered to the Association;

b) that a director, officer, Member, or resident may, from time to time, be reimbursed for his actual and reasonable expenses incurred on behalf of the Association in connection with the administration of the affairs of the Association, provided such expense has been approved by the Board; and

c) that this provision does not apply to distributions to Lot owners permitted or required by the Declaration.

1.6. GENERAL POWERS AND DUTIES. The Association, acting through the Board (hereinafter defined), has the powers and duties necessary for the administration of the affairs of the Association and for the operation and maintenance of the Property as may be required or permitted by the Declaration, Bylaws and State law. The Association may do any and all things that are lawful and which are necessary, proper, or desirable in operating for the best interests of its Members, subject only to the limitations upon the exercise of such powers as are expressly set forth in the Declaration, Bylaws and State law.

ARTICLE 2 - BOARD OF DIRECTORS

2.1. NUMBER AND TERM OF OFFICE. The Board of Directors of the Association (the "**Board**") will consist of three (3) persons serving staggered terms of three (3) years each. A director takes office on adjournment of the meeting or balloting at which he is elected or appointed and, absent death, ineligibility, resignation, or removal, will hold office until his successor is elected or appointed. The number of directors may be changed by amendment of these Bylaws, but may not be less than three (3). To establish staggered terms, at the first election following the Declarant Control Period, the person receiving the highest number of votes will be elected to a 3-year term, the person receiving the second highest number of votes will be elected to a 2-year term, and the person receiving the third highest number of votes will be elected to a 1-year term. Thereafter, all elected directors will serve 3-year terms regardless of the number of directors.

2.2. QUALIFICATION. At least a majority of the directors must be Members of the Association or spouses of Members.

a) Entity Member. If a Lot is owned by a legal entity, such as a partnership or corporation, any officer, partner, or employee of that entity Member is eligible to serve as a director and is deemed to be a Member for the purposes of this section. If the relationship between the entity Member and the director representing it terminates, that directorship will be deemed vacant.

b) Co-Owners. Co-Owners of a Lot, including spouses, may serve on the Board at the same time.

c) Delinquency. No Member, Member's spouse, or resident may be elected or appointed as a director if an assessment against the Member or his Lot is delinquent at the time of election or appointment. No Member, Member's spouse, or resident may continue to serve as a director if an assessment against the Member or his Lot is more than 90 days delinquent.

d) Violations. No Member, Member's spouse, or resident may be elected or appointed as a director if the Member or resident, or his Lot, is in violation of the Declaration at the time of election or appointment. No Member, Member's spouse, or resident may continue to serve as a director if the Member or resident, or his Lot, is in violation of the Declaration for more than 10 days after the violation hearing or expiration of the period of opportunity to request a hearing.

2.3. ELECTION. Directors will be elected by the Members of the Association. The election of directors will be conducted at the annual meeting of the Association, at any special meeting called for that purpose, or by mail, facsimile transmission, or a combination of mail and facsimile transmission.

2.4. VACANCIES. Vacancies on the Board caused by any reason, except the removal of a director by a vote of the Association, are filled by a vote of the majority of the remaining directors, even though less than a quorum, at any meeting of the Board. Each director so elected serves until the next meeting of the Association, at which time a successor will be elected to fill the remainder of the term.

2.5. REMOVAL OF DIRECTORS.

a) Removal by Members. At any annual meeting or special meeting of the Association, any one or more of the directors may be removed with or without cause by Members representing at least two-thirds of the votes present in person or by proxy at the meeting, and a successor may then and there be elected to fill the vacancy thus created. Any director whose removal has been proposed by the Members must be given an opportunity to be heard at the meeting.

b) Removal by Directors. A director may be removed by at least a majority of the directors, at a meeting of the Board called for that purpose, for the following limited reasons:

i) The director is a party adverse to the Association or the Board in pending litigation to which the Association or the Board is a party;

ii) The director's account with the Association has been delinquent for at least 90 days or has been delinquent at least 3 times during the preceding 12 months; or

iii) The director has refused or failed to attend 3 or more meetings of the Board during the preceding 12 months, provided he was given written notice of the meetings.

2.6. MEETINGS OF THE BOARD.

a) Organizational Meeting of the Board. The organizational meeting of the Board shall be held as determined by the Association's initial Board of Directors named in the Certificate of Formation of Crown Point Estates Homeowners Association, Inc. filed in the office of the Texas Secretary of State. The purpose of organizational meeting is to adopt these Bylaws, elect the officers of the Association, and to conduct other such business as the Board deems necessary.

b) Regular Meetings of the Board. Regular meetings of the Board may be held at a time and place that the Board determines, from time to time, but at least one such meeting must be held each calendar quarter. Notice of regular meetings of the Board will be given to each director, personally or by telephone or written communication, at least 3 days prior to the date of the meeting.

c) Special Meetings of the Board. Special meetings of the Board may be called by the president or, if he is absent or refuses to act, the secretary, or by any 2 directors. At least 3 days' notice will be given to each director, personally or by telephone or written communication, which notice must state the place, time, and purpose of the meeting.

d) Conduct of Meetings. The president presides over meetings of the Board and the secretary keeps, or causes to be kept, a record of resolutions adopted by the Board and a record of transactions and proceedings occurring at meetings. When not in conflict with law or the Declaration, Bylaws and State law, the then current edition of Robert's Rules of Order governs the conduct of the meetings of the Board.

e) Quorum. At meetings of the Board, a majority of directors constitutes a quorum for the transaction of business, and the acts of the majority of the directors present at a meeting at which a quorum is present are the acts of the Board. If less than a quorum is present at a meeting of the Board, the majority of those present may adjourn the meeting from time to time. At any reconvened meeting at which a quorum is present, any business that may have been transacted at the meeting as originally called may be transacted without further notice.

f) Open Meetings. Regular and special meetings of the Board are open to Members of the Association; provided that Members who are not directors may not participate in deliberations or discussions unless the Board expressly so authorizes at the meeting. The Board may adjourn any meeting and reconvene in executive session to discuss and vote on personnel matters, litigation in which the Association is or may become involved, and orders of business of a similar or sensitive nature. The nature of business to be considered in executive session will first be announced in open session.

g) Telephone Meetings. Members of the Board or any committee of the Association may participate in and hold meetings of the Board or committee by means of conference telephone or similar communications equipment by means of which all persons participating in the meeting can hear each other. Participation in such meeting constitutes presence in person at the meeting, except where a person participates in the meeting for the express purpose of objecting to the transaction of any business on the ground that the meeting is not lawfully called or convened.

h) Action Without a Meeting. Any action required or permitted to be taken by the Board at a meeting may be taken without a meeting, if all directors individually or collectively consent in writing to such action. The written consent must be filed with the minutes of Board meetings. Action by written consent has the same force and effect as a unanimous vote.

2.7. POWERS AND DUTIES. The Board has all the powers and duties necessary for the administration of the Association and for the operation and maintenance of the Property. The Board may do all acts and things except those which, by law or the Declaration, Bylaws and State law, are reserved to the Members and may not be delegated to the Board. Without prejudice to the general and specific powers and duties set forth in laws or the Declaration, Bylaws and State law, or powers and duties as may hereafter be imposed on the Board by resolution of the Association, the powers and duties of the Board include, but are not limited to, the following:

a) Appointment of Committees. The Board by resolution, may from time to time designate standing or ad hoc committees to advise or assist the Board with its responsibilities. The resolution may establish the purposes and powers of the committee created, provide for the appointment of a chair and committee Members, and may provide for reports, termination, and other administrative matters deemed appropriate by the Board. Members of the Architectural Control Committee need not be owners or residents. Members of other committees will be appointed from among owners and residents.

b) Manager. The Board may employ a manager or managing agent for the Association, at a compensation established by the Board, to perform duties and services authorized by the Board.

c) Fines. The Board may levy fines for each day or occurrence that a violation of the Declaration persists after notice and hearing, provided the amount of the fine is reasonable in relation to the nature and frequency of violation.

d) Delinquent Accounts. The Board may establish, levy, and collect reasonable late charges for Members' delinquent accounts. The Board may also establish a rate of interest to be charged on Members' delinquent accounts.

e) Fidelity Bonds. Any person handling or responsible for Association funds, including officers, agents, and employees of the Association, must furnish adequate fidelity bonds. The premiums on the bonds may be a common expense of the Association.

f) Ex-Officio Directors. The Board may, from time to time, designate one or more persons as ex-officio Members of the Board, pursuant to Article 1396-2.14.F. of the Texas Non-Profit Corporation Act.

ARTICLE 3 – OFFICERS

3.1. DESIGNATION OF OFFICERS. The principal officers of the Association are the president, the secretary, and the treasurer. The Board may appoint one or more vice-presidents and other officers and assistant officers as it deems necessary. The president and secretary must be directors. Other officers may, but need not, be Members or directors. Any two (2) offices may be held by the same person, except the offices of president and secretary. If an officer is absent or unable to act, the Board may appoint a director to perform the duties of that officer and to act in place of that officer, on an interim basis.

3.2. ELECTION OF OFFICERS. The officers are elected no less than annually by the directors at the organizational meeting of the Board and hold office at the pleasure of the Board. Except for resignation or removal, officers hold office until their respective successors have been designated by the Board.

3.3. REMOVAL AND RESIGNATION OF OFFICERS. A majority of directors may remove any officer, with or without cause, at any regular meeting of the Board or at any special meeting of the Board called for that purpose. A successor may be elected at any regular or special meeting of the Board called for that purpose. An officer may resign at any time by giving written notice to the Board. Unless the notice of resignation states otherwise, it is effective when received by the Board and does not require acceptance by the Board. The resignation or removal of an officer who is also a director does not constitute resignation or removal from the Board.

3.4. DESCRIPTION OF PRINCIPAL OFFICES.

a) President. As the chief executive officer of the Association, the president:

i) presides at all meetings of the Association and of the Board;

ii) has all the general powers and duties which are usually vested in the office of president of corporation organized under the laws of the State of Texas;

iii) has general supervision, direction, and control of the business of the Association, subject to the control of the Board; and

(iv) sees that all orders and resolutions of the Board are carried into effect.

b). Secretary. The secretary:

i) keeps the minutes of all meetings of the Board and of the Association;

ii) has charge of such books, papers, and records as the Board may direct;

iii) maintains a record of the names and addresses of the Members for the mailing of notices; and (iv) in general, performs all duties incident to the office of secretary.

c) Treasurer. The treasurer:

i) is responsible for Association funds;

ii) keeps full and accurate financial records and books of account showing all receipts and disbursements;

iii) prepares all required financial data and tax returns;

iv) deposits all monies or other valuable effects in the name of the Association in depositories as may from time to time be designated by the Board;

v) prepares the annual and supplemental budgets of the Association;

vi) reviews the accounts of the managing agent on a monthly basis in the event a managing agent is responsible for collecting and disbursing Association funds; and

vii) performs all the duties incident to the office of treasurer.

3.6. AUTHORIZED AGENTS. Except when the Declaration, Bylaws and State law require execution of certain instruments by certain individuals, the Board may authorize any person to execute instruments on behalf of the Association. In the absence of Board designation, the president and the secretary are the only persons authorized to execute instruments on behalf of the Association.

ARTICLE 4 - MEETINGS OF THE ASSOCIATION

4.1. ANNUAL MEETING. An annual meeting of the Association will be held during the month of January of each year. At such annual meetings, the Members will elect directors in accordance with these Bylaws. The Members may also transact such other business of the Association as may properly come before them.

4.2. SPECIAL MEETINGS. It is the duty of the president to call a special meeting of the Association if directed to do so by a majority of the Board or by a petition signed by owners of at least 20 percent of the lots. The meeting must be held within 30 days after the Board resolution or receipt of petition. The notice of any special meeting must state the time, place, and purpose of the meeting. No business, except the purpose stated in the notice of the meeting, may be transacted at a special meeting.

4.3. PLACE OF MEETINGS. Meetings of the Association may be held at the Property or at a suitable place convenient to the Members, as determined by the Board.

4.4. NOTICE OF MEETINGS. At the direction of the Board, written notice of meetings of the Association will be given to an owner of each Lot at least 10 days but not more than 60 days prior to the meeting. Notices of meetings will state the date, time, and place the meeting is to be held. Notices will identify the type of meeting as annual or special, and will state the particular purpose of a special meeting. Notices may also set forth any other items of information deemed appropriate by the Board.

4.5. INELIGIBILITY. The Board may determine that no Member may vote at meetings of the Association or be elected to serve as a director if the Member's financial account with the Association is in arrears on the record dates provided below, provided each ineligible Member is given notice of the arrearage and an opportunity to become eligible. The Board may specify the manner, place, and time for payment for purposes of restoring eligibility.

4.6. RECORD DATES.

a) Determining Voting Eligibility. The Board will fix a date as the record date for determining the Members entitled to vote at a meeting of the Association. The record date may not be more than 60 days before the date of a meeting of the Association at which Members will vote.

b) Determining Rights Eligibility. The Board will fix a date as the record date for determining the Members entitled to exercise any rights other than those described in the other subsections of this section. The record date may not be more than 60 days before the date of the action for which eligibility is required, such as nomination to the Board.

c) Adjournments. A determination of Members entitled to notice of or to vote at a meeting of the Association is effective for any adjournment of the meeting unless the Board fixes a new date for determining the right to notice or the right to vote. The Board must fix a new date for determining the right to notice or the right to vote if the meeting is adjourned to a date more than 90 days after the record date for determining Members entitled to notice of the original meeting.

4.7. VOTING MEMBERS LIST. The Board will prepare and make available a list of the Association's voting Members in accordance with the Texas Property Code.

4.8. QUORUM. At any meeting of the Association, the presence in person or by proxy of owners of at least 20 percent of the Lots constitutes a quorum. Members present at a meeting at which a quorum is present may continue to transact business until adjournment, notwithstanding the withdrawal, during the course of the meeting, of Members constituting a quorum.

4.9. LACK OF QUORUM. If a quorum is not present at any meeting of the Association for which proper notice was given, Members representing at least a majority of the Lots represented at the meeting, although not constituting a quorum, may vote to recess the meeting for not more than 24 hours in order to attain a quorum, provided the place of the meeting remains as stated in the notice. If the meeting is adjourned without attainment of a quorum, notice of a new meeting for the same purposes within 15 to 30 days may be given to an owner of each Lot, at which meeting the Members present in person or by proxy will be sufficient to constitute a quorum for the purposes of that meeting.

4.10. VOTES. The vote of Members representing at least a majority of the votes cast at any meeting at which a quorum is present binds all Members for all purposes, except when a higher percentage is required by these Bylaws, the Declaration, or by State law. Cumulative voting is prohibited.

a) Co-Owned Lots. If a Lot is owned by more than one Member, the one vote appurtenant to that Lot is cast in accordance with the Declaration.

b) Corporation-Owned Lots. If a Lot is owned by a corporation, the vote appurtenant to that Lot may be cast by any officer of the corporation in the absence of a written appointment of a specific person by the corporate owner's board of directors or bylaws. The vote of a partnership may be cast by any general partner in the absence of a written appointment of a specific person by the owning partnership. The person presiding over a meeting or vote may require reasonable evidence that a person voting on behalf of a corporation or partnership is qualified to vote.

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

4.11. PROXIES. Votes may be cast in person or by written proxy. To be valid, each proxy must (i) be signed and dated by a Member or his attorney-in-fact; (ii) identify the Lot to which the vote is appurtenant; (iii) name the person in favor of whom the proxy is granted, such person having agreed to exercise the proxy; (iv) identify the purpose or meeting for which the proxy is given; (v) not purport to be revocable without notice; and (vi) be delivered to the secretary or to the person presiding over the Association meeting for which the proxy is designated. Unless the proxy specifies a shorter or longer time, it terminates one year after its date. To revoke a proxy, the granting Member must give actual notice of revocation to the person presiding over the Association meeting for which the proxy is designated. Unless revoked, any proxy designated for a meeting which is adjourned, recessed, or rescheduled is valid when the meeting reconvenes. A proxy may be delivered by fax. However, a proxy received by fax may not be counted to make or break a tie-vote unless the proxy has been acknowledged or sworn to by the Member, before and certified by an officer authorized to take acknowledgements and oaths.

4.12. CONDUCT OF MEETINGS. The president, or any person designated by the Board, presides over meetings of the Association. The secretary keeps, or causes to be kept, the minutes of the meeting which should record all resolutions adopted and all transactions occurring at the meeting, as well as a record of any votes taken at the meeting. The person presiding over the meeting may appoint a parliamentarian. The then current edition of Robert's Rules of Order governs the conduct of meetings of the Association when not in conflict with the Declaration. Votes should be tallied by tellers appointed by the person presiding over the meeting.

4.13. ORDER OF BUSINESS. Unless the notice of meeting states otherwise, the order of business at meetings of the Association is as follows:

-- Determine votes present by roll call or check-in procedure
-- Announcement of quorum
-- Proof of notice of meeting
-- Reading and approval of minutes of preceding meeting
-- Reports
-- Election of directors (when required)
-- Unfinished or old business
-- New business

4.14. ADJOURNMENT OF MEETING. At any meeting of the Association, a majority of the Members present at that meeting, either in person or by proxy, may adjourn the meeting to another time.

4.15. ACTION WITHOUT MEETING. Subject to Board approval, any action which may be taken by a vote of the Members at a meeting of the Association may also be taken without a meeting by written consents. The Board may permit Members to vote by ballots delivered by hand, mail, fax, or any combination of these. Written consents by Members representing at least a majority of votes in the Association, or such higher percentage as may be required by the Declaration, constitutes approval by written consent. This Section may not be used to avoid the requirement of an annual meeting and does not apply to the election of directors.

4.16. TELEPHONE MEETINGS. Members of the Association may participate in and hold meetings of the Association by means of conference telephone or similar communications equipment by means of which all persons participating in the meeting can hear each other. Participation in the meeting constitutes presence in person at the meeting, except where a person participates in the meeting for the express purpose of objecting to the transaction of any business on the ground that the meeting is not lawfully called or convened.

ARTICLE 5 – RULES

5.1. RULES. The Board has the right to establish and amend, from time to time, reasonable rules and regulations (the "**Rules**") for: (i) the administration of the Association and the Declaration; (ii) the maintenance, management, operation, use, conservation, and beautification of the Property; and (iii) the health, comfort, and general welfare of the residents; provided, however, that such Rules may not be in conflict with law or the Declaration. The Board will, at all times, maintain the then current and complete rules in a written form which can be copied and distributed to the Members. Rules need not be recorded in the public records.

5.2. ADOPTION AND AMENDMENT. Any Rule may be adopted, amended, or terminated by the Board, provided that the Rule and the requisite Board approval are properly recorded as a resolution in the minutes of the meeting of the Board.

5.3. NOTICE AND COMMENT. At least 10 days before the effective date, the Board will give written notice to an owner of each Lot of any amendment, termination, or adoption of a Rule, or will publish same in a newsletter or similar publication that is circulated to the Members. The Board may, but is not required, to give similar notice to residents who are not Members. Any Member or resident so notified has the right to comment orally or in writing to the Board on the proposed action.

5.4. DISTRIBUTION. On request from any Member or resident, the Board will provide a current and complete copy of the Rules. Additionally, the Board will, from time to time, distribute copies of the current and complete Rules to owners and, if the Board so chooses, to non-Member residents.

ARTICLE 6 – ENFORCEMENT

6.1. REMEDIES. The violation of any provision of the Declaration gives the Board the right, in addition to any other rights set forth in the Declaration:

a) To impose reasonable fines, if notice and an opportunity to be heard are given;

b) After notice and an opportunity to be heard are given, except in case of an emergency, to enter the Lot or common element in which, or as to which, the violation or breach exists and to summarily abate and remove, at the expense of the defaulting owner, any structure, thing, or condition (except for additions or alterations of a permanent nature that may exist in that Lot) that is contrary to the intent and meaning of the provisions of the Declaration. The Board may not be deemed liable for any manner of trespass by this action;

c) To enjoin, abate, or remedy, by appropriate legal proceedings, the continuance of any breach.

6.2. NOTICE AND HEARING. Before imposing a fine or exercising self-help abatement, the Board must give the owner a written violation notice and an opportunity to be heard.

a) Notice of Violation. The Board's written violation notice will contain the following:

i. the date the violation notice is prepared or mailed.

ii. a description of the violation;

iii. a reference to the rule or provision of the Declaration which is being violated.

iv. a description of the action required to cure the violation;

v. the amount of the fine to be levied, or the abatement action to be taken;

vi. the date the fine begins accruing or abatement action becomes possible; and

vii. a statement that not later than the 30th day after the date of the violation notice, the owner may request a hearing before the Board to contest the fine or the abatement action.

b) Notice to Resident. In addition to giving the written violation notice to the owner, the Board may also give a copy of the notice to the non-owner resident, if the Board deems it appropriate.

c) Request for Hearing. To request a hearing before the Board, an owner must submit a written request to the Board within 30 days after the date of the violation notice. Within 10 days after receiving the owner's request for a hearing, the Board will give the owner notice of the date, time, and place of the hearing. The hearing will be scheduled for a date within 45 days from the date the Board receives the owner's request, and should be scheduled to provide a reasonable opportunity for both the Board and the owner to attend.

d) Pending Hearing. Pending the hearing, the Board may continue to exercise the Association's other rights and remedies for the violation, as if the declared violation were valid. The owner's request for a hearing suspends only the levy of the fine or the abatement action described in the notice.

e) Hearing. The hearing will be held in a closed or executive session of the Board. At the hearing, the Board will consider the facts and circumstances surrounding the violation. The owner may attend the hearing in person, or may be represented by another person or written communication. No audio or video recording of the hearing may be made.

f) Minutes of Hearing. The minutes of the hearing must contain a statement of the results of the hearing and the amount of fine, if any, imposed, or abatement action, if any authorized. A copy of the violation notice and request for hearing should be placed in the minutes of the hearing. If the owner appears at the hearing, the notice requirement will be deemed satisfied.

6.3. IMPOSITION OF FINE. Within 30 days after levying the fine or authorizing the abatement, the Board must give the owner notice of the levied fine or abatement action. If the fine or action is announced at the hearing at which the owner is actually present, the notice requirement will be satisfied. Otherwise, the notice must be in writing.

a) Amount. The Board may set fine amounts on a case by case basis, provided the fine is reasonable in light of the nature, frequency, and effects of the violation. The Board may establish a schedule of fines for certain types of violations. The amount and cumulative total of a fine must be reasonable in comparison to the violation. If the Board allows fines to accumulate, it may establish a maximum amount for a particular fine, at which point the total fine will be capped.

b) Type of Fine. If the violation is ongoing or continuous, the fine may be levied on a periodic basis (such as daily, weekly, or monthly). If the violation is not ongoing, but is instead sporadic or periodic, the fine may be levied on a per occurrence basis.

c) Other Fine-Related. The Association is not entitled to collect a fine from an owner to whom it has not given notice and an opportunity to be heard. The Association may not charge interest on unpaid fines. The Association may not foreclose its assessment lien on a debt consisting solely of fines; however, the Board may adopt a collection policy that applies owners' payments to unpaid fines before retiring other types of assessments.

6.4. ADDITIONAL ENFORCEMENT RIGHTS. Notwithstanding the notice and hearing requirement, the Board may take immediate and appropriate action, without giving the notices required in this Article, against violations of the Declaration which, in the Board's opinion, are (i) self-evident, such as vehicles parked illegally or in violation of posted signs; (ii) threatening to life or property; or (iii) repeat violations of the same provision by the same owner to whom prior notices and demands have been given for the same violation. Further, the provisions of this Article do not apply to specific remedies provided in the Declaration for certain violations, such as nonpayment of assessments.

ARTICLE 7 - OBLIGATIONS OF THE OWNERS

7.1. NOTICE OF SALE. Any owner intending to sell or convey his Lot or any interest therein must give written notice to the Board of his intention, together with (i) the address or legal description of the Lot being conveyed; (ii) the name and address of the intended purchaser; (iii) the name, address, and phone number of the title company or attorney designated to close the transaction; (iv) names and phone numbers of real estate agents, if any, representing seller and purchaser; and (v) scheduled date of closing. An owner will furnish this information to the Board at least 10 business days before the scheduled date of closing or conveyance.

7.2. PROOF OF OWNERSHIP. Except for those owners who initially purchase a Lot from declarant, any person, on becoming an owner of a Lot, must furnish to the Board evidence of ownership in the Lot, which copy will remain in the files of the Association. A person may not be deemed to be a Member or be entitled to vote at any annual or special meeting of the Association unless this requirement is first met. This requirement may be satisfied by receipt of a Board-approved form that is completed and acknowledged by a title company or attorney at a time of conveyance of the Lot or any interest herein.

7.3. OWNERS' INFORMATION. Within 30 days after acquiring an ownership interest in a Lot, the owner must provide the Association with the owner's mailing address, telephone number, and driver's license number, if any; the name and telephone number of any resident other than the owner; and the name, address, and telephone number of any person managing the Lot as agent of the Lot owner. An owner must notify the Association within 30 days after he has notice of a change in any information required by this Section, and must provide the information on request by the Association from time to time.

7.4. MAILING ADDRESS. The owner or the several co-owners of a Lot must register and maintain one mailing address to be used by the Association for mailing of monthly statements, notices, demands, and all other communications. If an owner fails to maintain a current mailing address with the Association, the address of that owner's Lot is deemed to be his mailing address.

7.5. REGISTRATION OF MORTGAGES. Within 30 days after granting a lien against his Lot, the owner must provide the Association with the name and address of the holder of the lien and the loan number. The owner must notify the Association within 30 days after he has notice of a change in the information required by this Section. Also, the owner will provide the information on request by the Association from time to time.

7.6. ASSESSMENTS. All owners are obligated to pay assessments imposed by the Association to meet the common expenses as defined in the Declaration. A Member is deemed to be in good standing and entitled to vote at any meeting of the Association if he is current in the assessments made or levied against him and his Lot.

7.7. COMPLIANCE WITH DECLARATION. Each owner will comply with the provisions and terms of the Declaration, and any amendments thereto. Further, each owner will always endeavor to observe and promote the cooperative purposes for which the Property was established.

ARTICLE 8 - ASSOCIATION RECORDS

8.1. INSPECTION OF BOOKS AND RECORDS. Books and records of the Association will be made available for inspection and copying pursuant to the Texas Business Organizations Code and the Texas Property Code.

a) Proper Purpose. The Board may require a Member to submit a written demand for inspection, stating the purpose for which the Member will inspect the books are records. The Board has the right:

i. To determine whether the Member's purpose for inspection is proper;

ii. To deny the request if the purpose is deemed not proper; and

iii. If granting the request, to identify which books and records are relevant to the Member's stated purpose for inspection.

b) Copies. A Member, at Member's expense, may obtain photocopies of books and records for which the Board grants the right of inspection. The Board has the right to retain possession of the original books and records, to make copies requested by the Member, and to charge the Member a reasonable fee for copying.

c) Member's Agent. A Member's inspection of the books and records may be assisted or performed by the Member's agent, accountant, or attorney.

d) Records of Attorneys and Accountants. The files and records of an attorney or accountant who performs services for the Association are not records of the Association and are not subject to inspection by Members.

8.2. RESALE CERTIFICATES. Any officer may prepare or cause to be prepared, assessment estoppel certificates or resale certificates. The Association may charge a reasonable fee for preparing such certificates, and may refuse to furnish such certificates until the fee is paid. Any unpaid fees may be assessed against the Lot for which the certificate is furnished.

ARTICLE 9 – NOTICES

9.1. CO-OWNERS. If a Lot is owned by more than one person, notice to one co-owner is deemed notice to all co-owners.

9.2. DELIVERY OF NOTICES. Any written notice required or permitted by these Bylaws may be given personally, by mail, or by fax. If mailed, the notice is deemed delivered when deposited in the U.S. mail addressed to the Member at the address shown on the Association's records. If transmitted by fax, the notice is deemed delivered on successful transmission of the facsimile.

9.3. WAIVER OF NOTICE. Whenever a notice is required to be given to an owner, Member, or director, a written waiver of the notice, signed by the person entitled to the notice, whether before or after the time stated in the notice, is equivalent to giving the notice. Attendance by a Member or director at any meeting of the Association or Board, respectively, constitutes a waiver of notice by the Member or director of the time, place, and purpose of the meeting. If all Members or directors are present at any meeting of the Association or Board, respectively, no notice is required and any business may be transacted at the meeting.

ARTICLE 10 - DECLARANT PROVISIONS

10.1. CONFLICT. The provisions of this Article control over any provision to the contrary elsewhere in these Bylaws.

10.2. BOARD OF DIRECTORS. During the Declarant Control Period, the Declaration governs the number, qualification, and appointment of directors. The initial directors will be appointed by Declarant and need not be owners or residents. Directors appointed by the Declarant may not be removed by the owners and may be removed by the Declarant only. Declarant has the right to fill vacancies in any directorship vacated by a Declarant appointee.

10.3. ORGANIZATIONAL MEETING. Within 60 days after the end of the Declarant Control Period, or sooner at Declarant's option, Declarant will call a special meeting of the Members for the purpose of electing directors, by ballot of Members. Notice of the organizational meeting will be given as if it were notice of an annual meeting.

ARTICLE 11 - AMENDMENTS TO BYLAWS

11.1. AUTHORITY. These Bylaws may not be amended by the Board without approval by the Members. These Bylaws may be amended by the Members according to the terms of this Article.

11.2. PROPOSALS. The Association will provide an owner of each Lot with a detailed description, if not exact wording, of any proposed amendment. The description will be included in the notice of any annual or special meeting of the Association if the proposed amendment is to be considered at the meeting.

11.3. CONSENTS. Subject to the following limitation, an amendment of these Bylaws must be approved by Members representing at least a majority of the votes present (in person or by proxy) at a properly called meeting for which a quorum is obtained. In other words, if a quorum is present (in person or by proxy) at a meeting, a majority of those at the meeting (in person or by proxy) may approve an amendment to these Bylaws. However, this Section may not be amended without the approval of Members representing at least a majority of the votes in the Association.

11.4. MORTGAGEE PROTECTION. In addition to the notices and consents required by these Bylaws, certain actions and amendments require notice to or approval by eligible mortgagees. If applicable, the Association must give the required notices to and obtain the required approvals from eligible mortgagees.

11.5. EFFECTIVE. To be effective, each amendment must be in writing, reference the names of the Property and the Association, be signed by at least 2 officers acknowledging the requisite approval of Members, and be delivered to an owner of each Lot at least 10 days before the amendments effective date. Further, if these Bylaws are publicly recorded, the amendment must recite the recording data for the Bylaws, be in a form suitable for recording as a real property record, and be delivered to the county clerk for recordation.

11.6. DECLARANT PROTECTION. As long as the Declarant owns a Lot in the Property, no amendment of these Bylaws may affect the Declarant's rights herein without the Declarant's written and acknowledged consent. Specifically, this section and the article titled "Declarant Provisions" may not be amended without prior written approval of the Declarant. The Declarant's written consent must be part of the amendment instrument.

ARTICLE 12 - GENERAL PROVISIONS

12.1. CONFLICTING PROVISIONS. If any provision of these Bylaws conflicts with any provision of the laws of the State of Texas, the conflicting Bylaws provision is null and void, but all other provisions of these Bylaws remains in full force and effect. In the case of any conflict between the Declaration, the Certificate of Formation of the Association and these Bylaws, the Declaration controls. In the case of any conflict between the Certificate of Formation of the Association and these Bylaws, the Certificate of Formation of the Association controls.

12.2. SEVERABILITY. Whenever possible, each provision of these Bylaws will be interpreted in a manner as to be effective and valid. Invalidation of any provision of these Bylaws, by judgment or court order, does not affect any other provision which remains in full force and effect.

12.3. CONSTRUCTION. The effect of a general statement is not limited by the enumerations of specific matters similar to the general. 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. The singular is construed to mean the plural, when applicable, and the use of masculine or neuter pronouns includes the feminine.

12.4. FISCAL YEAR. The fiscal year of the Association is the calendar year.

12.5. WAIVER. No restriction, condition, obligation, or covenant contained in these Bylaws may be deemed to have been abrogated or waived by reason of failure to enforce the same, irrespective of the number of violations or breaches thereof which may occur.

CERTIFICATION & ACKNOWLEDGMENT

The undersigned, Sheila Cooper, the duly elected and qualified Secretary of CROWN POINT ESTATE HOMEOWNERS ASSOCIATION, INC., does hereby CERTIFY that this instrument is the Bylaws of CROWN POINT ESTATE HOMEOWNERS ASSOCIATION, INC., a Texas nonprofit corporation, as adopted by its initial Board of directors at its organizational meeting on the 11th day of May, 2017.

SIGNED this 11th day of May, 2017.

CROWN POINT ESTATES OWNERS ASSOCIATION, INC.
A Texas nonprofit corporation

By: ______________________
Shelia Cooper, Secretary

Smith County

DO NOT REMOVE

THIS PAGE IS PART OF THE INSTRUMENT

Filed for Record in
Smith County, Texas
05/12/2017 03:31:49 PM
Fee: $254.00
20170100018551
BY LAWS
Deputy -Shanita Fields
I hereby certify that this instrument was
filed and duly recorded in the Official
Public Records of Smith County, Texas

Karen Phillips

Karen Phillips
County Clerk