

without limitation, retroactively assess any shortfalls in collections or reimburse any excess in collections.

6.12 Capitalization of Association. Upon the initial acquisition of record title to a Lot by an Owner other than the Declarant, a contribution shall be made by or on behalf of the purchaser at closing to the working capital of the Association in the amount of \$30.00 per acre (rounded to the nearest acre) for each Lot so acquired. Capital contributions, if any, shall be in addition to, not in lieu of, the annual assessment and shall not be considered an advance payment of such assessment. Capital contributions, if any, shall be deposited into a separate account and disbursed therefrom to the Association for use in covering operating expenses and other expenses incurred by the Association pursuant to the terms of this Declaration and the Bylaws.

6.13 Exempt Property. The following property shall be exempt from payment of assessments:

- (a) any Lot owned in fee simple by the Association as Common Property; and
- (b) any property dedicated to and accepted by any governmental authority or public utility.

## ARTICLE VII ARCHITECTURAL STANDARDS

7.1 General. No structure shall be placed, erected or installed upon any Lot, and no improvements (including staking, clearing, excavation, grading and other site work, exterior alteration of existing improvements and planting or removal of landscaping materials) shall take place except in compliance with this Article and the Design Guidelines and upon approval of the Architectural Review Committee as required herein.

Any Owner may remodel, paint or redecorate the interior of structures on his Lot without approval unless modifications are visible from outside the structures. No approval shall be required to repaint the exterior of a structure in accordance with the originally-approved color scheme or to rebuild in accordance with originally approved plans and specifications.

All dwellings constructed on any portion of the Properties shall be designed by and built in accordance with the plans and specifications of a licensed building designer or licensed architect and shall conform to all applicable laws, codes and ordinances.

This Article shall not apply to activities of the Declarant, nor to improvements to the Common Property by or on behalf of the Association.

This Article may not be amended without the Declarant's written consent so long as

the Declarant owns a Lot or owns any land subject to annexation to this Declaration.

7.2 Architectural Review Committee. Responsibility for administration of the Design Guidelines, as defined below, and review of all applications for construction and modifications under this Article shall be handled by an Architectural Review Committee ("ARC") consisting of not less than three (3) nor more than five (5) persons.

So long as the Declarant owns any property for development and/or sale in the Community, the Declarant shall have the right to appoint all members of the Architectural Review Committee. Upon the expiration of this right, the Board shall appoint the members of the ARC, a majority of whom shall be Board members. The remaining members of the ARC need not be Members of the Association or representatives of Members, and may, but need not, include architects, engineers or similar professionals, whose compensation, if any, shall be established from time to time by the Board. **The Board may establish and charge reasonable fees for review of applications hereunder and may require such fees to be paid in full prior to review.**

7.3 Guidelines and Procedures. The ARC may prepare, adopt and amend design and development guidelines and application and review procedures (the "Design Guidelines") which shall apply to all construction activities within the Community. Any amendments to the Design Guidelines shall apply to construction and modifications commenced after the date of such amendment only and shall not apply to require modifications to or removal of structures previously approved once the approved construction or modification has commenced.

The ARC shall make the Design Guidelines available to Owners, Builders, and contractors who seek to engage in construction within the Community and all such Persons shall conduct their activities in accordance with such Design Guidelines.

7.4 Submission of Plans and Specifications.

(a) No construction or improvements shall be commenced, erected, placed or maintained on any Lot, nor shall any exterior addition, change or alteration be made thereto, until the plans and specifications ("Plans") showing, as applicable, site layout, structural design, exterior elevations, exterior materials and colors, signs, landscaping, drainage, lighting, irrigation, utility facilities layout, screening and estimated time schedules for commencement and completion of construction have been submitted to and approved in writing by the ARC or appropriate subcommittee. A complete copy of the final Plans shall be submitted at least fifteen (15) days prior to the construction of improvements. The Plans shall show the nature, kind, shape, height, materials and improvements including, but not limited to, elevations and floor plans on each house intended to be built, square footage, roof pitch and percentage of brick or other material to be used as siding. The documents shall specify any requested variance from the setback lines, garage location or any other requirement set forth in this Declaration or the Design Guidelines. Samples of proposed construction materials shall be delivered promptly to the ARC upon request. At such time as the

Plans meet the approval of the ARC, the ARC shall send written authorization to proceed and will retain the Plans. If disapproved by the ARC, the Plans shall be returned marked "Disapproved" and shall be accompanied by a statement of the reasons for disapproval, which statement shall be signed by a representative of the ARC. Any modification of the approved set of Plans must again be submitted to the ARC for its approval. The ARC's approval or disapproval, as required herein, shall be in writing. In no event shall the ARC give verbal approval of any Plans. If the ARC fails to approve or disapprove such Plans within forty-five (45) days after the date of submission, written approval of the matters submitted shall not be required and compliance with this Section 7.4 shall be deemed to have been completed. The ARC may consider pre-approval of standard Builder plans and landscaping specifications for each home planned for construction in the Community. Each Builder shall provide to the ARC the following information for the pre-approval process: (a) elevations of all home slides, (b) floor plan of first and second floors; and (c) landscaping standard specifications. The ARC may authorize certain types of modifications and improvements to be made without the necessity of applying for approval hereunder, provided they are made in strict compliance with the Design Guidelines.

(b) In reviewing each submission, the ARC may consider visual and environmental impact, ecological compatibility, natural platforms and finish grade elevation, harmony of external design with surrounding structures and environment, and location in relation to surrounding structures and plant life, among other things.

(c) If construction does not commence on a project for which Plans have been approved within thirty (30) days of the estimated commencement date set forth in such approved Plans, such approval shall be deemed withdrawn, and it shall be necessary for the Owner to re-submit the Plans to the ARC for reconsideration.

(d) If construction has commenced but is not completed on a project for which Plans have been approved within thirty (30) days of the estimated completion date set forth in such approved Plans, the Board may, in addition to any other remedy provided in this Declaration, cause the completion of the construction at the Owner's sole cost and expense, subject to the following procedures. The Board shall give the Owner prior written notice of the Association's intent to complete construction at the Owner's sole cost and expense. The notice shall set forth with reasonable particularity the construction deemed necessary. The Owner shall have ten (10) days after delivery of such notice within which to complete such construction or, in the event that construction cannot be completed within a ten (10) day period, to diligently pursue completion of construction within a reasonable time. If the Owner fails to do so, the Association may, among other remedies, complete construction without further notice, and all costs shall be added to and become a part of the assessment to which such Owner is subject and shall become a lien against the Lot pursuant to Section 6.6 of this Declaration.

7.5 No Waiver of Future Approvals. Each Owner acknowledges that the members of the ARC will change from time to time and that interpretation, application and enforcement of the Design

Guidelines may vary accordingly. Approval of proposals, plans and specifications or drawings for any work done or proposed, or in connection with any other matter requiring approval, shall not be deemed to constitute a waiver of the right to withhold approval as to any similar proposals, plans and specifications, drawings or other matters subsequently or additionally submitted for approval.

7.6 Variance. The ARC may authorize variances from compliance with any of its guidelines and procedures when circumstances such as topography, natural obstructions, hardship or aesthetic or environmental considerations require. No variance shall (a) be effective unless in writing, (b) be contrary to this Declaration, or (c) estop the ARC from denying a variance in other circumstances. For purposes of this Section, the inability to obtain approval of any governmental agency, the issuance of any permit, the cost of compliance, or the terms of any financing shall not be considered a hardship warranting a variance.

7.7 Limitation of Liability. Review and approval of any application pursuant to this Article is made on the basis of aesthetic considerations only and not for engineering, structural design or quality of materials. Neither the ARC nor the Declarant shall bear any responsibility for ensuring the structural integrity or soundness of approved construction or modifications, for reviewing drainage plans or ensuring the effectiveness thereof, nor for ensuring compliance with building codes and other governmental requirements. Neither the Declarant, the Association, the Board, the ARC, nor any member of any of the foregoing shall be held liable for any injury, damages or loss arising out of the manner or quality of approved construction on or modifications to any Lot, nor for any defect in any structure constructed from approved Plans.

Neither the Declarant, the Association, the ARC, the Board nor the officers, directors, members, employees and agents of any of them, shall be liable in damages to anyone submitting plans and specifications to any of them for approval, or to any Owner of property affected by these restrictions, by reason of mistake in judgment, negligence or nonfeasance arising out of or in connection with the approval or disapproval or failure to approve or disapprove any such plans or specifications. Every Person who submits Plans and every Owner agrees that he will not bring any action or suit against the Declarant, the Association, the ARC, the Board or the officers, directors, members, employees and agents of any of them, to recover any such damages and hereby releases, promises, quitclaims and covenants not to sue for all claims, demands and causes of action arising out of or in connection with any judgment, negligence or nonfeasance and hereby waives the provisions of any law which provides that a general release does not extend to claims, demands and causes of action not known at the time the release is given.

7.8 Enforcement. Any structure or improvement placed or made in violation of this Article shall be deemed to be nonconforming. Upon written request from the Board or the Declarant, Owners shall, at their own cost and expense, remove such structure or improvement and restore the land to substantially the same condition as existed prior to the nonconforming work. Should an Owner fail to remove and restore as required, the Board or its designees shall have the right, in addition to any other remedy provided herein for the enforcement of this Declaration, to enter the

property, remove the violation and restore the property to substantially the same condition as previously existed. All costs, together with the interest at the maximum rate then allowed by law, may be assessed against the benefitted Lot and collected as a Specific Assessment in accordance with Section 6.6 of this Declaration.

Any contractor, subcontractor, agent, employee or other invitee of an Owner who fails to comply with the terms and provisions of this Article and the Design Guidelines may be excluded by the Board from further construction activity within the Community. In such event, neither the Declarant, the Association, its officers, nor its directors shall be held liable to any Person for exercising the rights granted by this Section.

In addition to the foregoing, the Association shall have the authority and standing to pursue all legal and equitable remedies available to enforce the provisions of this Article and the decisions of the ARC.

**7.9 Notice of Violation.** To evidence any violation of this Declaration, the Bylaws, rules or Design Guidelines by any Owner or Occupant, the Board of Directors may file, but is not required to file, in the deed records of the County, a notice of violation setting forth (i) the violation, (ii) the name of the Owner and Lot, and (iii) a sufficient legal description of the Lot. Such notice shall be signed and acknowledged by an officer or duly authorized agent or attorney of the Association. The cost of preparing and recording such notice shall be assessed as a Specific Assessment against the Owner who is responsible (or whose Occupants are responsible) for violating the foregoing pursuant to Section 6.6 hereof.

## **ARTICLE VIII USE RESTRICTIONS**

**8.1 General.** In addition to the use restrictions set forth herein, the Board may, from time to time, without consent of the Members, promulgate, modify or delete rules and regulations applicable to the Community, as provided in Section 3.3 hereof.

**8.2 Occupants Bound.** All provisions of the Declaration and of any rules promulgated by the Board which govern the conduct of Owners within the Properties and provide for sanctions against Owners shall also apply to all Occupants, tenants, guests and invitees of any Lot. Any lease on any Lot shall be deemed to provide that the lessee and all Occupants of the leased Lot shall be bound by the terms of this Declaration, the Bylaws and the rules of the Association.

**8.3 Restricted Activities.** The following activities are prohibited within the Community unless expressly authorized by, and then subject to such conditions as may be imposed by, the Board of Directors:

- (a) **Signs.** Displaying any sign of any kind to the public view on any Lot except (i)

one (1) sign of not more than five (5) square feet advertising the property for rent or sale; (ii) signs used by the Declarant or by a Builder to advertise the Community during the development, construction and sales periods; and (iii) political signs advocating the election of one or more political candidates or the sponsorship of a political party, issue or proposal provided that such signs shall not be erected more than a reasonable period of time (in no event to exceed sixty (60) days in advance of the election to which they pertain and are removed within fifty (15) days after the election. The ARC shall have the right to remove any sign, billboard or other advertising structure that does not comply with the above, and in so doing shall not be subject to any liability for trespass or any other liability in connection with such removal.

(b) Parking. Parking of commercial vehicles or equipment, mobile homes, recreational vehicles, boats and other watercraft, trailers, stored vehicles or inoperable vehicles in places which are not screened from public view; provided, service and delivery vehicles shall be exempt from this provision during daylight hours for such period of time as is reasonably necessary to provide service or to make a delivery to a Lot or the Common Property. For purposes of this paragraph, an "inoperable" vehicle is a vehicle which does not have a current license tag or current registration or inspection sticker, or is obviously inoperable. A vehicle shall be considered "stored" if it remains in the same location on the property for fourteen (14) consecutive days or longer without prior approval of the Board. Any vehicle parked in violation of this Section or parking rules adopted by the Board may be towed in accordance with applicable law. An Owner may not modify his Residence such that the Owner would be prevented from parking or storing at least two (2) four-wheeled passenger vehicles in the garage of such Residence unless such Owner obtains the prior written approval of the ARC.

(c) Pets. Raising, breeding or keeping of animals, livestock or poultry of any kind other than generally recognized household pets; except that one horse or cow may be kept for the first two acres (rounded to the nearest acre) of land comprising the Lot and one additional horse or cow may be kept for each additional acre (rounded to the nearest acre). Reptiles, goats, sheep, hogs, swine, pigs (including, but not limited to, pot bellied pigs), monkeys, chickens, ducks, peacocks, pigeons and guinea fowl shall not be deemed to be household pets and are expressly prohibited. The keeping of pets shall be subject to rules adopted by the Board, which may include a reasonable limitation on number. Pets which are permitted to roam free, or, in the sole discretion of the Board, are of a known vicious or dangerous breed, make objectionable noise, endanger the health or safety of, or constitute a nuisance or inconvenience to the occupants of other Lots, shall be removed upon request of the Board. If the pet owner fails to honor such request, the Board may remove the pet on behalf of the Owner.

(d) Odors. Any activity which emits foul or obnoxious odors outside the Lot or creates noise or other conditions which tend to disturb the peace or threaten the safety of the Occupants of other Lots.

(e) Laws. Any activity which violates local, state or federal laws or regulations;

provided, the Board shall have no obligation to take enforcement action in the event of a violation.

(f) Noxious or Offensive Activity. Any noxious or offensive activity which in the reasonable determination of the Board tends to cause embarrassment, discomfort, annoyance, or nuisance to persons using the Common Property or to the Occupants of other Lots.

(g) Burning of Trash. Outside burning of trash, leaves, debris or other materials.

(h) Noises. Use or discharge of any radio, loudspeaker, horn, whistle, bell or other sound device so as to be audible to Occupants of other Lots, except alarm devices used exclusively for security purposes.

(i) Fireworks. Use and discharge of firecrackers and other fireworks.

(j) Dumping. Dumping of grass clippings, leaves or other debris, petroleum products, fertilizers, or other potentially hazardous or toxic substances in any drainage ditch, stream or elsewhere within the Community, except that fertilizers may be applied to landscaping on Lots provided care is taken to minimize runoff.

(k) Rubbish, Trash and Garbage. Accumulation of rubbish, trash or garbage except within a reasonable time prior to regular garbage pick-ups, and then only in approved containers.

(l) Drainage. Altering the general grading, slope and drainage plan of a Lot after the Lot has been graded by the Declarant or a Builder without (i) written permission of the ARC and (ii) any approvals of the County and other appropriate agencies having authority to grant such approval which may be required. No person other than Declarant may obstruct or rechannel the drainage flows after location and installation of drainage swales, storm sewers or storm drains. The Declarant hereby reserves for itself and the Association perpetual easement across the Community for the purpose of altering drainage and water flow. However, the exercise of such an easement shall not materially diminish the value of or unreasonably interfere with the use of any adjacent property without the Owner's consent. Septic tanks and drain fields, other than those installed by or with the consent of the Declarant, are prohibited within the Community.

(m) Subdivision of Lots. Subdivision of a Lot into two or more Lots, or changing the boundary lines of any Lot after a subdivision plat including such Lot has been approved and filed in the County.

(n) Single-Family. Occupancy of a Lot by more than a single family. For purposes of this restriction, a single family shall be defined as any number of persons related by blood, adoption or marriage living with not more than one person who is not so related as a single household unit, or not more than three adults who are not so related living together as a single household unit, and the

household employees of either such household unit; provided, nothing herein shall be interpreted to restrict the ability of one or more adults meeting the definition of a single family from residing with any number of persons under the age of 18 over whom such adult has legal custody.

(o) Dangerous Conditions. Introduction of any plants, animals, devices or other things of any sort whose activities or existence in any way is noxious, dangerous, unsightly, unpleasant or of a nature as may diminish or destroy the enjoyment of the Community.

(p) Business Use. Any business, trade, manufacturing, commercial or similar activity, except that an Owner or Occupant residing on a Lot may conduct business activities within the Lot so long as: (a) the existence or operation of the business activity is not apparent or detectable by sight, sound or smell from outside the Lot; (b) the business activity conforms to all zoning requirements for the Community; (c) the business activity does not involve regular visitation of the Lot by clients, customers, suppliers or other business invitees or door-to-door solicitation of residents of the Community; and (d) the business activity is consistent with the residential character of the Community and does not constitute a nuisance, or a hazardous or offensive use, or threaten the security or safety of other residents of the Community, as may be determined in the sole discretion of the Board.

The terms "business" and "trade", as used in this provision, shall be construed to have their ordinary, generally accepted meanings and shall include, without limitation, any occupation, work or activity undertaken on an ongoing basis which involves the provisions of goods or services to persons other than the provider's family and for which the provider receives a fee, compensation or other form of consideration, regardless of whether: (a) such activity is engaged in full or part time, (b) such activity is intended to or does generate a profit, or (c) a license is required.

The leasing of a Lot shall not be considered a business or trade within the meaning of this subsection.

This subsection shall not apply to any activity conducted by the Declarant or a Builder with respect to their development, construction and sale of Lots in the Community or their use of any Lots within the Community.

(q) Antennae and Roof Structures. Erection, construction, placement or installation of any television, radio or other electronic towers, serials, antennae, satellite dishes or device of any type for the reception or transmission of radio or television broadcasts or other means of communication upon a Lot or upon any improvement thereon, except that this prohibition shall not apply to those antennae specifically covered by 47 C.F.R. Part 1, Subpart S, Section 1.4000 (or any successor provision) promulgated under the Telecommunications Act of 1996, as amended from time to time. The Association shall be empowered to adopt rules governing the types of antennae that are permissible hereunder and establishing reasonable, non-discriminatory restrictions relating to safety,



location and maintenance of antennae.

To the extent that reception of an acceptable signal would not be impaired or the cost of installation would not be unreasonably increased, an antenna permissible pursuant to rules of the Association may only be installed in a side or rear yard location, not visible from the street or neighboring property, and integrated with the dwelling and surrounding landscape. Antennae shall be installed in compliance with all state and local laws and regulations, including zoning, land-use and building regulations.

(r) Picketing. Engaging in any picketing on any Lot, easement, right-of-way or Common Property within or adjacent to the Community, or parking, storing or driving any vehicle in or adjacent to the Community which bears or displays any signs, slogans, symbols, words or decorations intended to create controversy, invite ridicule or disparagement, or interfere in any way with the exercise of the property rights, occupancy or permitted business activities of any Owner, Declarant or Builder.

8.4 Prohibited Conditions. The following shall be prohibited within the Community:

(a) Structures, equipment or other items on the exterior portions of a Lot which have become rusty, dilapidated or otherwise fallen into disrepair;

(b) Clotheslines, garbage cans, above-ground storage tanks, mechanical equipment and other similar items, unless located or screened so as to be concealed from view of neighboring Lots and streets;

(c) Any fence, wall, hedge or shrub planting located near or adjacent to a roadway so as to obstruct the view of oncoming traffic;

(d) Any vegetable garden, hammock, statuary or play equipment unless located between the rear of the Residence and the rear lot line;

(e) Above-ground swimming pools; provided jacuzzis, whirlpools or spas approved pursuant to Article VII shall not be considered an above-ground pool for the purposes of this section;

(f) Flag poles, exterior sculpture, fountains, flags, birdhouses, bird baths, other decorative embellishments, or similar items, unless approved in accordance with Article VII of this Declaration and the Design Guidelines;

(g) Any fence located within the 15' wide drainage and utility easement or street right-of-way as shown on the recorded plat.

8.5 Leasing of Residences. "Leasing", for purposes of this Declaration, is defined as regular, exclusive occupancy of a Residence by any person, other than the Owner for which the Owner receives any consideration or benefit, including, but not limited to, a fee, service, gratuity or emolument. Residences may be leased only in their entirety. No fraction or portion may be leased. There shall be no subleasing of Residence or assignment of leases unless prior written approval is obtained from the Board of Directors. No transient tenants may be accommodated in a Residence. All leases shall be in writing and shall be for an initial term of no less than thirty (30) days, except with the prior written consent of the Board of Directors. Notice of any lease, together with such additional information as may be required by the Board, shall be given to the Board by the Owner within ten (10) days of execution of the lease. The Owner must make available to the lessee copies of the Declaration, Bylaws and the rules and regulations. The Board may adopt reasonable rules regulating leasing and subleasing.

8.6 Driveway Culverts. All driveway culverts must be constructed in accordance with the applicable Denton County Culvert Permit issued by the Department of Centralized Road & Bridge for Denton County, Texas.

## ARTICLE IX CONDEMNATION

In the event of a taking by eminent domain of any portion of the Common Property on which improvements have been constructed, then, unless within sixty (60) days after such taking, Class "A" Members representing at least seventy-five percent (75%) of the total Class "A" votes and the Class "B" Member, if any, shall otherwise agree, the Association shall restore or replace such improvements so taken on the remaining land included in the Common Property to the extent lands are available therefor. The provisions of Section 5.3 applicable to damage to improvements on the Common Property shall govern replacement or restoration and the actions to be taken in the event that the improvements are not restored or replaced.

## ARTICLE X MORTGAGEE PROVISIONS

The following provisions are for the benefit of holders of First Mortgages on Lots in the Community. The provisions of this Article apply to both this Declaration and to the Bylaws, notwithstanding any other provisions contained therein.

10.1 Notices of Action. An institutional holder, insurer or guarantor of a First Mortgage who provides a written request to the Association (such request to state the name and address of such holder, insurer or guarantor and the Lot number, therefore becoming an "Eligible Holder") will be entitled to timely written notice of:

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

(b) any delinquency in the payment of assessments or charges owed by an Owner of a Lot subject to the Mortgage of such Eligible Holder, where such delinquency has continued for a period of sixty (60) days; provided, however, notwithstanding this provision, any holder of a First Mortgage, upon request, is entitled to written notice from the Association of any default in the performance by the Owner of the encumbered Lot of any obligation under the Declaration or Bylaws of the Association which is not cured within sixty (60) days; or

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

10.2 No Priority. No provision of this Declaration or the Bylaws gives or shall be construed as giving any Owner or other party priority over any rights of the First Mortgagee of any Lot in the case of distribution to such Owner of insurance proceeds or condemnation awards for losses to or a taking of the Common Property.

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

10.4 Special FHLMC Provision. So long as required by the Federal Home Loan Mortgage Corporation, the following provisions apply in addition to and not in lieu of the foregoing. Unless at least sixty-seven percent (67%) of the First Mortgagees or Class "A" Members representing at least sixty-seven percent (67%) of the total Class "A" votes and the Class "B" Member, if any, consent, the Association shall not:

(a) By act or omission seek to abandon, partition, subdivide, encumber, sell or transfer all or any portion of the real property comprising the Common Property which the Association owns, directly or indirectly (the granting of easements for public utilities or other similar purposes consistent with the intended use of the Common Property shall not be deemed a transfer within the meaning of this subsection);

(b) Change the method of determining the obligations, assessments, dues or other charges which may be levied against an Owner of a Lot;

(c) By act or omission change, waive or abandon any scheme of regulations or enforcement pertaining to architectural design, exterior appearance or maintenance of Lots and the Common Property (the issuance and amendment of architectural standards, procedures, rules and regulations or use restrictions shall not constitute a change, waiver or abandonment within the

meaning of this provision);

(d) Fail to maintain insurance, as required by this Declaration; or

(e) Use hazard insurance proceeds for any Common Property losses for other than the repair, replacement or reconstruction of such property.

First Mortgagees may, jointly or singularly, pay taxes or other charges which are in default and which may or have become a charge against the Common Property and may pay overdue premiums on casualty insurance policies or secure new casualty insurance coverage upon the lapse of an Association policy, and First Mortgagees making such payments shall be entitled to immediate reimbursement from the Association.

10.5 Other Provisions for Mortgagees. To the extent possible under Texas law:

(a) Any restoration or repair of the Community after a partial condemnation or damage due to an insurable hazard shall be performed substantially in accordance with this Declaration and the original plans and specifications unless the approval is obtained of the Eligible Holders of First Mortgages on Lots to which at least fifty-one percent (51%) of the votes of Lots subject to Mortgages held by such Eligible Holders are allocated.

(b) Any election to terminate the Association after substantial destruction or a substantial taking in condemnation shall require the approval of the Eligible Holders of First Mortgages on Lots to which at least fifty-one percent (51%) of the votes of Lots subject to Mortgages held by such Eligible Holders are allocated.

10.6 Amendments to Documents. The following provisions do not apply to amendments to the constituent documents or termination of the Association made as a result of destruction, damage or condemnation pursuant to Sections 10.5(a) and (b) of this Article or to the addition of land in accordance with Article XII.

(a) The consent of Members representing at least sixty-seven percent (67%) of the Class "A" votes and of the Declarant, so long as it owns any land subject to this Declaration, and the approval of the Eligible Holders of First Mortgages on Lots to which at least sixty-seven percent (67%) of the votes of Lots subject to a Mortgage appertain shall be required to terminate the Association.

(b) The consent of Members representing at least sixty-seven percent (67%) of the Class "A" votes and of the Declarant, so long as it owns any land subject to this Declaration, and the approval of Eligible Holders of First Mortgages on Lots to which at least fifty-one percent (51%) of the votes of Lots subject to a Mortgage appertain shall be required to materially amend any provisions

of the Declaration, Bylaws or Articles of Incorporation or to add any material provisions thereto which establish, provide for, modify, govern or regulate any of the following:

- (i) voting;
- (ii) assessments, assessment liens or subordination of such liens;
- (iii) reserves for maintenance, repair and replacement of the Common Property;
- (iv) insurance or fidelity bonds;
- (v) rights to use the Common Property;
- (vi) responsibility for maintenance and repair of the Community;
- (vii) expansion or contraction of the Community or the addition, annexation or withdrawal of Community to or from the Association;
- (viii) boundaries of any Lot;
- (ix) leasing of Lots;
- (x) imposition of any right of first refusal or similar restriction of the right of any Owner to sell, transfer or otherwise convey his or her Lot;
- (xi) establishment of self-management by the Association where professional management has been required by an Eligible Holder; or
- (xii) any provisions included in the Declaration, Bylaws or Articles of Incorporation which are for the express benefit of holders, guarantors or insurers of First Mortgages on Lots.

10.7 VA/HUD Approval. As long as the Declarant has the right to appoint and remove the directors of the Association and so long as the project is approved by the U. S. Department of Housing and Urban Development ("HUD") for insuring by the U. S. Department of Veterans Affairs ("VA") for guaranteeing any Mortgage in the Community, the following actions shall require the prior approval of the VA or HUD: annexation of additional property to the Community; dedication of Common Property to any public entity; mergers and consolidations; dissolution of the Association; and material amendment of the Declaration, Bylaws or Articles of Incorporation.

10.8 Amendments by Board. Should the Federal National Mortgage Association, the Federal Home Loan Mortgage Corporation, HUD or VA subsequently delete any of their respective requirements which necessitate the provisions of this Article or make any such requirements less stringent, the Board, without approval of the Owners, may cause an amendment to this Article to be recorded to reflect such changes.

10.9 Failure of Mortgagee to Respond. Any Mortgagee who receives a written request from the Board to respond to or consent to any action shall be deemed to have approved such action if the Association does not receive a written response from the Mortgagee within thirty (30) days of the date of the Association's request; provided such request is delivered to the Mortgagee by certified or registered mail, return receipt requested.

10.10 Applicability of Article X. Nothing contained in this Article shall be construed to reduce the percentage vote that must otherwise be obtained under the Declaration, Bylaws or Texas law for any of the acts set out in this Article.

## **ARTICLE XI** **EASEMENTS**

11.1 Easements for Encroachment and Overhang. There shall be reciprocal appurtenant easements for encroachment and overhang as between each Lot and such portion or portions of the Common Property adjacent thereto or as between adjacent Lots due to the unintentional placement or settling or shifting of the improvements constructed, reconstructed or altered thereon (in accordance with the terms of this Declaration) to a distance of not more than one (1) foot, as measured from any point on the common boundary between each Lot and the adjacent portion of the Common Property or as between adjacent Lots, as the case may be, along a line perpendicular to such boundary at such point; provided, however, in no event shall an easement for encroachment exist if such encroachment occurred due to willful conduct on the part of an Owner, Occupant or the Association.

### 11.2 Easements for Use and Enjoyment.

(a) Every Owner of a Lot shall have a right and easement of ingress and egress, use and enjoyment in and to the Common Property which shall be appurtenant to and shall pass with the title to each Lot, subject to the following provisions:

(i) the right of the Association to charge reasonable admission and other fees for the use of any portion of the Common Property, to limit the number of guests of Owners and tenants who may use the Common Property, and to provide for the exclusive use and enjoyment of specific portions thereof at certain designated times by an Owner, and the family, tenants, guests and invitees of an Owner;

(ii) the right of the Association to suspend the voting rights of a Lot Owner and the right of an Owner to use the recreational facilities available for use by the Community, if any, for any period during which any assessment against such Owner's Lot which is herein provided for remains unpaid; and, for a reasonable period of time for an infraction of the Declaration, Bylaws or rules and regulations;

(iii) the right of the Association to borrow money for the purpose of improving the Common Property, or any portion thereof, or for construction, repairing or improving any facilities located or to be located thereon, and to give as security for the payment of any such loan a Mortgage conveying all or any portion of the Common Property; provided, however, the lien and encumbrance of any such Mortgage given by the Association shall be subject and subordinate to any rights, interests, options, easements and privileges herein reserved or established for the benefit of Declarant, or any Lot or Lot Owner, or the holder of any Mortgage, irrespective of when executed, given by Declarant or any Lot Owner encumbering any Lot or other property located within the Community (any provision in this Declaration or in any such Mortgage given by the Association to the contrary notwithstanding, the exercise of any rights therein by the holder thereof in the event of a default thereunder shall not cancel or terminate any rights, easements or privileges herein reserved or established for the benefit of Declarant or any Lot or Lot Owner, or the holder of any Mortgage, irrespective of when executed, given by Declarant or any Lot Owner encumbering any Lot or other property located within the Community). No such Mortgage shall be effective unless an instrument agreeing to such Mortgage has been approved by Declarant (so long as Declarant owns any property for development and/or sale within the Community) and two-thirds (2/3) of the Class "A" Members;

(iv) the right of the Association to dedicate or grant licenses, permits or easements over, under and through the Common Property to governmental entities for public purposes; and

(v) the right of the Association to dedicate or transfer all or any portion of the Common Property subject to such conditions as may be agreed to by the members of the Association. No such dedication, transfer or conveyance shall be effective unless an instrument agreeing to such dedication or transfer has been approved by Declarant (so long as Declarant owns any property for development and/or sale within the Community) and two-thirds (2/3) of the Class "A" Members.

(b) Any Owner may delegate such Owner's right of use and enjoyment in and to the Common Property and facilities located thereon to the members of such Owner's family and to such Owner's tenants and guests and shall be deemed to have made a delegation of all such rights to the Occupants of such Owner's Lot, if leased.

11.3 Easements for Utilities. There is hereby reserved to the Declarant blanket easements upon, across, above and under all property within the Community for access, ingress, egress, installation, repairing, replacing and maintaining all utilities serving the Community or any portion thereof, including, but not limited to, gas, water, sanitary sewer, telephone and electricity, as well as storm drainage and any other service such as, but not limited to, a master television antenna system, cable television system, or security system which Declarant or the Association might decide to have installed to serve the Community. It shall be expressly permissible for the Declarant to install, repair, replace and maintain or to authorize the installation, repairing, replacing and maintaining of such wires, conduits, cables and other equipment related to the providing of any such utility or service. Should any party furnishing any such utility or service request a specific license or easement by separate recordable document, the Declarant shall have the right to grant such easement.

11.4 Easement for Entry. In addition to the right of the Board to exercise self-help as provided in this Declaration, the Association shall have the right, but shall not be obligated, to enter upon any property within the Community for emergency, security and safety reasons, which right may be exercised by the manager and all policemen, firemen, ambulance personnel and similar emergency personnel in the performance of their respective duties. Except in an emergency situation, entry shall only be during reasonable hours and after notice to the Owner, and the entering party shall be responsible for any damage caused. This right of entry shall include the right of the Association to enter to cure any condition which may increase the possibility of a fire, slope erosion or other hazard in the event an Owner or Occupant fails or refuses to cure the condition upon request by the Board.

11.5 Easement for Maintenance. The Declarant hereby expressly reserves a perpetual easement for the benefit of the Association across such portions of the Community, determined in the sole discretion of the Association, as are necessary to allow for the maintenance required under Article IV. Such maintenance shall be performed with a minimum of interference to the quiet enjoyment to Lots, reasonable steps shall be taken to protect such property, and damage shall be repaired by the Person causing the damage at its sole expense.

11.6 Easement for Entry Features. There is hereby reserved to the Declarant and the Association an easement for ingress, egress, installation, construction landscaping and maintenance of entry features and similar streetscapes for the Community, over and upon each Lot as more fully described on the recorded subdivision plats for the Community. The easement and right herein reserved shall include the right to cut, remove and plant trees, shrubbery, flowers and other vegetation around such entry features and the right to grade the land under and around such entry features.

11.7 Easement for Screening Walls. Declarant does hereby perpetually dedicate, establish, create and set aside a non-exclusive ten foot (10') wide easement over, across and upon the Community, such easement to be five feet (5') on either side of the entry features, monuments and screening/retaining walls. Such easements are reserved for the exclusive benefit of Declarant and the Association, and the designees of each (which may include, without limitation, the County and any



utility) for the construction, maintenance and repair of entry features, monuments and screening/retaining walls. Owners shall not alter, paint, attach fences to or otherwise use such walls even though certain of such walls and/or the easement reserved herein may be located on such Owner's Lot.

11.8 Construction and Sale Period Easement. Notwithstanding any provisions contained in this Declaration, the Bylaws, Articles of Incorporation, rules, Design Guidelines and any amendments thereto, so long as Declarant owns any property in the Community for development and/or sale, Declarant reserves an easement across the Community for Declarant and any Builder to maintain and carry on, upon such portion of the Community as Declarant may reasonably deem necessary, such facilities and activities as, in the sole opinion of the Declarant, may be reasonably required, convenient or incidental to the construction or sale of such Lots including, but not limited to, business offices, signs and sales offices.

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

## ARTICLE XII ANNEXATION AND WITHDRAWAL OF PROPERTY

12.1 Annexation Without Approval of Membership. The Declarant shall have the unilateral right, privilege and option, from time to time at any time until the Declarant no longer owns property for development and/or sale in the Community or until December 31, 2010, whichever is earlier, to subject to the provisions of this Declaration and the jurisdiction of the Association all or any portion of the real property described on Exhibit "B" or any property within a one-half (1/2) mile radius of the perimeter boundaries of such property. The Declarant shall have the unilateral right to transfer to any other Person the right, privilege and option to annex additional property which is herein reserved to Declarant, provided that such transferee or assignee shall be the owner of at least a portion of the real property described in Exhibit "A" and Exhibit "B" and that such transfer is memorialized in a written, recorded instrument executed by the Declarant. Nothing in this Declaration shall be construed to require the Declarant or any successor to annex or develop any of

the property set forth in Exhibit "B" in any manner whatsoever.

Such annexation shall be accomplished by filing a supplemental declaration annexing such property in the County Clerk official records of the County. Such supplemental declaration shall not require the consent of Members but shall require the consent of the owner of such property, if other than Declarant. Any such annexation shall be effective upon the filing for record of such supplemental declaration unless otherwise provided therein.

12.2 Annexation With Approval of Membership. Subject to the consent of the owner thereof, the Association may annex real property other than that described on Exhibit "B" and following the expiration of the right in Section 12.1, any property described on Exhibit "B", to the provisions of this Declaration and the jurisdiction of the Association. Such annexation shall require the affirmative vote of Members representing a majority of the Class "A" votes of the Association represented at a meeting duly called for such purpose.

Annexation shall be accomplished by filing a supplemental declaration describing the property being annexed in the County Clerk official records of the County. Any such supplemental declaration shall be signed by the President and the Secretary of the Association and by the owner of the property being annexed. Any such annexation shall be effective upon filing unless otherwise provided therein.

12.3 Withdrawal of Property. The Declarant reserves the right to amend this Declaration unilaterally at any time so long as it holds an unexpired option to expand the Community pursuant to Section 12.1 of this Article XII without prior notice and without the consent of any Person, for the purpose of removing certain portions of the Community then owned by the Declarant or its affiliates or the Association from the provisions of this Declaration, to the extent originally included in error or as a result of any changes whatsoever in the plans for the Community desired to be effected by the Declarant.

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

12.5 Amendment. This Article shall not be amended without the prior written consent of Declarant so long as the Declarant owns any property described in Exhibit "A" or Exhibit "B".

**ARTICLE XIII**  
**GENERAL PROVISIONS**

13.1 Duration. This Declaration shall run with and bind the Community, and shall inure to the benefit of and shall be enforceable by the Association or any Owner, their respective legal representatives, heirs, successors and assigns, perpetually to the extent provided by law; provided, however, so long as, and to the extent that, Texas law limits the period during which covenants restricting land to certain uses may run, any provisions of this Declaration affected thereby shall run with and bind the land so long as permitted by such law, after which time, any such provision shall be (a) automatically extended (to the extent allowed by applicable law) for successive periods of ten (10) years, unless a written instrument reflecting disapproval of the extensions signed by the then Owners of at least two-thirds (2/3) of the Lots and the Declarant (so long as Declarant owns any property for development and/or sale in the Community) has been recorded within the year immediately preceding the beginning of a ten (10) year renewal period agreeing to change such provisions, in whole or in part, or to terminate the same, in which case this Declaration shall be modified or terminated to the extent specified therein; or (b) extended as otherwise provided by law. Every purchaser or grantee of any interest (including, without limitation, a security interest) in any real property subject to this Declaration, by acceptance of a deed or other conveyance therefor, thereby agrees that such provisions of this Declaration may be extended and renewed as provided in this Section.

13.2 Amendment.

(a) By Declarant. Until termination of the Class "B" Control Period, this Declaration may be amended unilaterally at any time and from time to time by the Declarant. Thereafter, Declarant may unilaterally amend this Declaration if such amendment is (i) necessary to bring any provision into compliance with any applicable governmental statute, rule, regulation, or judicial determination; (ii) necessary to enable any reputable title insurance company to issue title insurance coverage on the Lots; (iii) required by an institutional or governmental lender, purchaser, insurer or guarantor of Mortgage loans, including, for example, the Federal National Mortgage Association or Federal Home Loan Mortgage Corporation, to enable it to make, purchase, insure or guarantee mortgage loans on the Lots; or (iv) otherwise necessary to satisfy the requirements of any governmental agency. However, any such amendment shall not adversely affect the title to any Lot unless the Lot Owner shall consent thereto in writing. So long as the Declarant still owns property for development and/or sale as part of the Community, the Declarant may unilaterally amend this Declaration for any other purpose, provided the amendment has no material adverse affect upon the right of any Owner.

(b) By Owners. Thereafter and otherwise, this Declaration may be amended only by the affirmative vote or written consent, or any combination thereof, of the Class "A" Members representing at least two-thirds (2/3) of the Class "A" votes and the consent of the Declarant (so long

as the Declarant owns any property for development and/or sale in the Community). Amendments to this Declaration shall become effective upon recordation, unless a later effective date is specified therein. Any procedural challenge to an amendment must be made within six (6) months of its recordation or such amendment shall be presumed to have been validly adopted. In no event shall a change of conditions or circumstances operate to amend any provision of this Declaration.

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

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

No amendment may remove, revoke or modify any right or privilege of the Declarant without the written consent of the Declarant or the assignee of such right or privilege.

13.3 Partition. The Common Property shall remain undivided, and no Owner nor any other Person shall bring any action for partition or division of the whole or any part thereof without the written consent of all Owners of all portions of the property located within the Community and without the written consent of all holders of all Mortgages encumbering any portion of the property, including, but not necessarily limited to, the Lots.

13.4 Gender and Grammar. The singular, wherever used herein, shall be construed to mean the plural, when applicable, and the use of the masculine pronoun shall include the neuter and feminine.

13.5 Severability. Whenever possible, each provision of this Declaration shall be interpreted in such manner as to be effective and valid, but if the application of any provision of this Declaration to any person or to any property shall be prohibited or held invalid, such prohibition or invalidity shall not affect any other provision or the application of any provision which can be given effect without the invalid provision or application, and, to this end, the provisions of this Declaration are declared to be severable.

13.6 Captions. The captions of each Article and Section hereof, as to the contents of each Article and Section, are inserted only for convenience and are in no way to be construed as defining, limiting, extending or otherwise modifying or adding to the particular Article or Section to which they refer.

13.7 Perpetuities. If any of the covenants, conditions, restrictions or other provisions of this Declaration shall be unlawful, void or voidable for violation of the rule against perpetuities, then such provisions shall continue only until 21 years after the death of the last survivor of the now living descendants of Elizabeth II, Queen of England.

13.8 Notice of Sale, Lease or Acquisition. In the event an Owner sells or leases such Owner's Lot, the Owner shall give to the Association, in writing, within thirty (30) days of the effective date of such sale or lease, the name of the purchaser or lessee of the Lot and such other information as the Board may reasonably require. Upon acquisition of a Lot each new Owner shall give the Association, in writing, the name and mailing address of the Owner and such other information as the Board may reasonably require.

13.9 Agreements. Subject to the prior approval of Declarant (so long as Declarant owns any property for development and/or sale in the Community), all agreements and determinations, including settlement agreements regarding litigation involving the Association, lawfully authorized by the Board of Directors, shall be binding upon all Owners, their heirs, legal representatives, successors, assigns and others having an interest in the Community or the privilege of possession and enjoyment of any part of the Community.

13.10 Litigation. No judicial or administrative proceeding (including, without limitation, arbitration proceedings) shall be commenced or prosecuted by the Association unless approved by Class "A" Members representing at least seventy-five percent (75%) of the total Class "A" votes and the Class "B" Member, if any. This Section shall not apply, however, to (a) actions or proceedings brought by the Association to enforce the provisions of this Declaration (including, without limitation, the judicial or nonjudicial foreclosure of liens), (b) the imposition and collection of assessments as provided in Article VI hereof, (c) proceedings involving challenges to ad valorem taxation, or (d) counterclaims brought by the Association in proceedings instituted against it. This Section shall not be amended unless such amendment is approved by Class "A" Members representing at least seventy-five percent (75%) of the total Class "A" votes and the Class "B" Member, if any.

13.11 Use of the Words "Ponderosa". No Person shall use the words "Ponderosa" or any derivative or any other term which Declarant may select as the name of the development or any component thereof in any printed or promotional material without the Declarant's prior written consent. However, Owners may use the words "Ponderosa" in printed or promotional matter solely to specify that particular property is located within the Community, and the Association shall be entitled to use the words "Ponderosa" in its name.

IN WITNESS WHEREOF, the Declarant hereby executes this instrument under seal this \_\_\_ day of June, 1999.

DECLARANT: ARISTOCRAT FUND XXIV, L.P., a Texas limited partnership

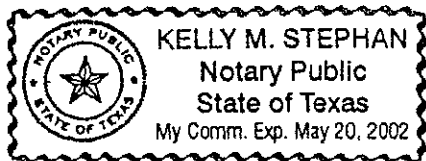
By: TODAY PONDEROSA VALLEY GP, INC., a Texas corporation Its: General Partner

By: Sue Shelton Its: Executive Vice President

ACKNOWLEDGEMENT

STATE OF TEXAS §  
  §  
COUNTY OF DALLAS §

BEFORE ME, the undersigned, a Notary Public in and for the State of Texas, on the 4 day of June, 1999, personally appeared Sue Shelton, Executive Vice President of Today Ponderosa Valley GP, Inc., general partner of Aristocrat Fund XXIV, L.P., a Texas limited partnership, and acknowledged that she executed the foregoing document on behalf of said limited partnership.



Kelly M. Stephan  
Notary Public in and for  
the State of Texas

**AFTER RECORDING RETURN TO:**

Lance E. Williams, Esq.  
Riddle & Williams, P.C.  
3811 Turtle Creek Boulevard, Suite 1050  
Dallas, Texas 75219

## EXHIBIT "A"

## LEGAL DESCRIPTION

All that certain tract of land situated in the T. & P. RR Survey, Abstract Number 1296, M. Lacy Survey, Abstract Number 726, J. Lewis Survey, Abstract Number 1517, S. Scott Survey, Abstract Number 1186 and the W. Spear Survey, Abstract Number 1197, Denton County, Texas and being a part of the called 1676.36 acre tract described in the deed from Dieter Schwarz to Aristocrat Fund II L.P. recorded under Clerk's File Number 98-R009552 Real Property Records of Denton County, Texas; the subject tract being more particularly described as follows;

BEGINNING at the Northeast corner of the tract being described herein at a capped iron rod found for corner at the Northeast corner of Lot 1, Block A of Ponderosa Valley, Phase I, an Addition in Denton County, Texas according to the Plat thereof recorded in Cabinet O, Page 202 of the Plat Records of Denton County, Texas and being in the West right-of-way line of a road under apparent public use posted as Bud Williams Road from which the Northeast corner of said 1676.36 acre tract and said Lacy Survey bears South 87 degrees 56 Minutes 46 Seconds East a distance of 30.00 feet;

THENCE South 00 degrees 53 minutes 24 seconds West with said right-of-way line a distance of 3509.56 feet to a 1/2" capped iron rod found for corner at the Southeast corner of Lot 10, Block A of said Addition;

THENCE South 89 degrees 06 minutes 36 seconds East for a distance of 30.00 feet to a 1/2" capped iron rod found for corner at the Southeast corner of said Addition and being in or near the centerline of said road;

THENCE South 00 degrees 53 minutes 24 seconds West along or near said centerline for a distance of 667.78 feet to a 1/2" capped iron rod set for corner at the re-entrant corner of said Lewis Survey;

THENCE South 89 degrees 05 minutes 33 seconds East along or near said centerline for a distance of 886.89 feet to a 1/4" capped iron rod set for corner at the most Easterly Northeast corner of said 1676.36 acre tract and the most Easterly Northeast corner of said Lewis Survey;

THENCE South 00 degrees 34 minutes 23 seconds West for a distance of 1832.83 feet to a fence corner post for corner at the most Easterly Southeast corner of said 1676.36 acre tract and the most Easterly Southeast corner of said Lewis Survey;

THENCE North 87 degrees 54 minutes 29 seconds West for a distance of 1812.71 feet to a 5/8" iron rod found for corner at a fence corner post;

THENCE South 02 degrees 18 minutes 20 seconds West for a distance of 1465.48 feet to a fence corner post for corner;

THENCE North 89 degrees 28 minutes 25 seconds West for a distance of 1020.25 feet to a 1/2" capped iron rod found for corner in or near Denton creek;

THENCE along said creek the following;

North 08 degrees 37 minutes 27 seconds West for a distance of 68.02 feet;

North 31 degrees 14 minutes 38 seconds East for a distance of 136.65 feet;

North 65 degrees 26 minutes 28 seconds East for a distance of 357.77 feet;

North 34 degrees 05 minutes 06 seconds East for a distance of 166.72 feet;

North 09 degrees 30 minutes 58 seconds West for a distance of 136.41 feet;

North 18 degrees 36 minutes 15 seconds West for a distance of 192.43 feet;

North 01 degrees 16 minutes 17 seconds East for a distance of 231.18 feet;

North 38 degrees 51 minutes 14 seconds West for a distance of 220.78 feet;

North 85 degrees 30 minutes 43 seconds West for a distance of 218.12 feet;

South 74 degrees 38 minutes 18 seconds West for a distance of 202.16 feet;

South 61 degrees 12 minutes 48 seconds West for a distance of 362.90 feet;

South 18 degrees 58 minutes 19 seconds West for a distance of 134.12 feet;

South 66 degrees 31 minutes 03 seconds West for a distance of 120.25 feet;

North 44 degrees 28 minutes 30 seconds West for a distance of 150.10 feet;

North 10 degrees 54 minutes 27 seconds West for a distance of 243.99 feet;

North 04 degrees 26 minutes 24 seconds East for a distance of 323.83 feet;

North 61 degrees 12 minutes 48 seconds East for a distance of 173.19 feet;

North 86 degrees 36 minutes 02 seconds East for a distance of 175.81 feet;

North 53 degrees 46 minutes 24 seconds East for a distance of 70.56 feet;

North 00 degrees 00 minutes 00 seconds East for a distance of 119.88 feet;

North 22 degrees 33 minutes 35 seconds West for a distance of 259.83 feet;

North 49 degrees 51 minutes 27 seconds West for a distance of 268.81 feet;

North 15 degrees 43 minutes 51 seconds West for a distance of 454.87 feet;

North 51 degrees 33 minutes 46 seconds West for a distance of 218.00 feet;

North 63 degrees 46 minutes 58 seconds West for a distance of 174.31 feet;

North 84 degrees 28 minutes 55 seconds West for a distance of 421.71 feet;

North 61 degrees 49 minutes 36 seconds West for a distance of 311.34 feet;

North 75 degrees 11 minutes 24 seconds West for a distance of 317.29 feet;

CC MEMO.  
LEGIBILITY OF THIS DOCUMENT  
UNSATISFACTORY FOR  
MICROFILMING OR REPRODUCING

North 18 degrees 00 minutes 28 seconds West for a distance of 379.30 feet;  
 North 51 degrees 35 minutes 52 seconds West for a distance of 188.09 feet;  
 North 89 degrees 00 minutes 59 seconds West for a distance of 309.34 feet;  
 North 68 degrees 18 minutes 13 seconds West for a distance of 150.83 feet;  
 North 09 degrees 23 minutes 41 seconds West for a distance of 118.42 feet;  
 North 64 degrees 39 minutes 17 seconds East for a distance of 155.08 feet;  
 North 42 degrees 18 minutes 08 seconds East for a distance of 114.89 feet;  
 North 27 degrees 35 minutes 57 seconds West for a distance of 140.83 feet;  
 North 70 degrees 23 minutes 04 seconds West for a distance of 148.29 feet;  
 South 79 degrees 47 minutes 47 seconds West for a distance of 221.51 feet;  
 North 59 degrees 10 minutes 55 seconds West for a distance of 76.59 feet;  
 North 26 degrees 06 minutes 17 seconds East for a distance of 179.39 feet;  
 North 37 degrees 57 minutes 15 seconds West for a distance of 91.67 feet;  
 North 88 degrees 24 minutes 25 seconds West for a distance of 131.82 feet;  
 South 81 degrees 04 minutes 41 seconds West for a distance of 13.32 feet;  
 THENCE North 00 degrees 53 minutes 47 seconds East for a distance of 2432.47 feet to a 5/8" iron  
 rod found for corner in the South right-of-way line of FM Road # 2449;  
 THENCE South 87 degrees 58 minutes 06 seconds East with said right-of-way line for a distance of  
 131.71 feet to a capped iron rod found;  
 THENCE North 53 degrees 21 minutes 47 seconds East with said right-of-way line for a distance of  
 97.30 feet to a 5/8" iron rod found for corner at the Northwest corner of Lot 6, Block B of Ponderosa  
 Valley, Phase II, an Addition in Denton County, Texas according to the Plat thereof recorded in  
 Cabinet P, Page 34 of the Plat Records of Denton County,  
 THENCE with said right-of-way line along a curve to the left having a radius of 1195.92 feet and an  
 arc length of 357.48 feet, being subtended by a chord of North 62 degrees 02 minutes 32 seconds  
 East for a distance of 356.15 feet to a wood right-of-way post for corner;  
 THENCE North 53 degrees 31 minutes 01 seconds East with said right-of-way line for a distance of  
 549.21 feet to a wood right-of-way post for corner;  
 THENCE with said right-of-way line along a curve to the right having a radius of 1095.92 feet and  
 an arc length of 737.93 feet, being subtended by a chord of North 72 degrees 47 minutes 56  
 seconds East for a distance of 724.07 feet to a wood right-of-way post for corner;  
 THENCE South 88 degrees 03 minutes 37 seconds East with said right-of-way line for a distance of  
 2548.87 feet to a capped iron rod found for corner;  
 THENCE North 82 degrees 40 minutes 28 seconds East with said right-of-way line for a distance of  
 382.01 feet to a 5/8" iron rod found for corner;  
 THENCE South 87 degrees 56 minutes 46 seconds East for a distance of 675.76 feet to the POINT  
 OF BEGINNING containing 673.13 acres more or less.

A portion of subject property is located in THE PONDEROSA VALLEY, PHASE I  
 ADDITION, recorded in Cabinet O, Slide 202, Plat Records, DENTON County,  
 Texas, and THE PONDEROSA VALLEY, PHASE II ADDITION, recorded in Cabinet P,  
 Slide 34, Plat Records, DENTON County, Texas.

SAVE AND EXCEPT Lot 6 of THE PONDEROSA VALLEY, PHASE I ADDITION, as  
 conveyed to Charles T. Bray and wife, by Deed recorded in Volume 4110, Page  
 1208, Deed Records, DENTON County, Texas.

ALSO SAVE AND EXCEPT Lot 8 of THE PONDEROSA VALLEY, PHASE I ADDITION, as  
 conveyed to James L. Skinner et ux, by Deed recorded in Volume 4041, Page  
 3262, Deed Records, DENTON County, Texas.

104-01  
 AUTHORITY OF THIS DOCUMENT  
 IS ATTESTATORY FOR  
 MICROFILMING OR REPRODUCING





Highway Dept. monument and South 88 degrees 05 minutes 25 seconds East at 560 cross center of Lanton Creek in all 1198.65 ft. to a wooden Highway Dept. monument; and North 83 degrees 22 minutes 46 seconds East 101.64 ft. to a wooden Highway Dept. monument and South 88 degrees 03 minutes 40 seconds East 274.19 ft. to 5/8 inch iron with a yellow plastic cap marked "RPS 314"; and South 87 degrees 00 minutes 54 seconds East 223.90 ft. to a wooden Highway Dept. monument; and North 87 degrees 06 minutes 48 seconds and South 87 degrees 10 minutes 34 seconds East 835.76 ft. to a 5/8 inch iron with a yellow plastic cap marked "RPS 314" at the beginning of a curve to the left having a radius of 1195.92 feet; and THENCE with said curve 248.39 ft (Long Chord North 86 degrees 52 minutes 26 seconds East 247.94 feet) to a 5/8 inch iron set at the intersection of said South line of said Highway with the North line of said John L. Brooks Survey.

THENCE South 87 degrees 58 minutes 02 seconds East with the North line of said survey, same being the South line of said Highway a distance of 132.00 ft. to a 2 inch pipe with a brass cap marked "RPS 314" set at the Northeast corner of said J.L. Brooks Survey, same being a re-entrant corner of the T & P.R.R. Co. Survey, Abstract No. 1296.

THENCE continuing with the South line of said F.M. Highway 2449; North 53 degrees 21 degrees 47 seconds East a distance of 97.30 feet to a 5/8 inch iron with a yellow plastic cap marked "RPS 314" set at the beginning of a curve to the left having a radius of 1195.92 feet.

THENCE along said curve and said South line of said Highway a distance of 357.48 ft. to a wooden Highway Dept. monument at end of said curve. (Long Chord-North 62 degrees 02 minutes 32 seconds East 356.15 feet).

THENCE continuing with the South line of said Highway, North 53 degrees 28 minutes 44 seconds East 549.07 ft. to a wooden Highway Dept. monument set at the beginning of a curve to the right having a radius of 1095.92 feet.

THENCE along said curve and continuing with the South line of said Highway a distance of 737.92 ft. to a wooden Highway Dept. monument at end of same.

THENCE South 88 degrees 03 minutes 33 seconds East continuing with the South line of said Highway, a distance of 2547.33 ft. to a wooden Highway Dept. monument set at the beginning of a curve to the left having a radius of 1195.92 feet.

THENCE continuing with the South line of said Highway and along said curve to the left a distance of 385.39 ft. to a 5/8 inch iron with a yellow plastic cap marked "RPS 314" set at the intersection with the North line of said Martin Lacy Survey, Abstract No. 726.

THENCE South 87 degrees 59 minutes 33 seconds East leaving said Highway and with the North line of said Lacy Survey, a distance of 705.67 ft. to a 5/8 inch iron with a yellow plastic cap marked "RPS 314" set at the Northeast corner of said Survey and being in the center of a County Road and in the West line of the Wm. G. Redding Survey, Abstract No. 1126.

THENCE with the common line between said Redding, Lacy and J.R. Lewis Surveys and with said County Road, South 0 degrees 52 minutes 06 seconds West a distance of 4176.73 ft. to a 2 inch pipe with a brass cap marked "RPS 314" set at the Southwest corner of said Redding Survey and being the Easterly re-entrant corner of said Lewis Survey and being where said County Road turns East.

THENCE South 89 degrees 25 minutes 04 seconds East with the South line of said Redding Survey same being the Easterly North line of said Lewis Survey and with said County Road, a distance of 888.89 ft. to a point for the Easterly Northeast corner of said Lewis Survey, same being the Northwest corner of the Jerry Burnett Survey. From said point a set stone at a fence corner bears South 0 degrees 33 minutes 31 seconds West 23.0 feet.

THENCE South 0 degrees 33 minutes 31 seconds West with the common line between said Lewis, Burnett and the Wm. C. Hallmark Survey, Abstract No. 609, and with a fence, a distance of 1836.16 to Bois D'Arc fence corner post at the common south corner of said Lewis and Hallmark Surveys and being in the North line of the Calvin Spears Survey, Abstract No. 1176.

THENCE North 87 degrees 57 minutes 56 seconds West with the common line between

CC MEMO:  
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said Lewis and Calvin Speers Survey and with a fence, a distance of 1813.46 ft. to a Bois D'Arc fence corner, same being the Northwest corner of said Calvin Speers Survey and the Southerly Southwest corner of said Lewis Survey and also being in the East line of the William Speers Survey, Abstract No. 1197.

THENCE South 2 degrees 16 minutes 10 seconds West with the common line between said Calvin Speers and the William Speers Surveys, a distance of 1464.69 ft to a Bois D'Arc fence corner, same being the most Southerly Southeast corner of the tract being described herein and also being a re-entrant corner of the tract conveyed to Jerry J. Hoseks and wife, by deed recorded in Volume 540, Page 255 Deed Records Denton County Texas.

THENCE North 89 degrees 28 minutes 56 seconds West with Hoseks Westerly North line at 1012 ft. cross the center of Denton Creek same being the Westerly Northwest of said Hoseks tract and the Northeast corner of the 454.8 acre tract conveyed to Ted Morris by deed recorded in Volume 429 Page 665 Deed Records Denton County, Texas, in all a distance of 1428.12 ft to a Bois D'Arc fence corner same being an angle point in the common line between said Morris tract and the tract being described herein.

THENCE continuing with said common line and with a fence, South 89 degrees 51 minutes 06 seconds West, a distance of 5568.86 ft to a 1/2 inch iron found at the common North corner of said Morris tract and the 50.026 tract conveyed to said Raymond Austin and wife, by said deed.

THENCE with the common line between said Austin tract and the tract being described herein, South 89 degrees 58 minutes 56 seconds West a distance of 1734.94 ft. to the PLACE OF BEGINNING and containing 1682.30 acres of which 5.93 acres is embraced within the County Roads along the East and West side of the above described tract leaving a net area of 1676.36 acres; save and except and less the following described tract of land:

A tract of land in the southwest part of Denton County, Texas and embracing a portion to the M. Cooper Survey Abstract 217, the J.T. Willis Survey Abstract 1391, and the Wm. Speers Survey Abstract 1197, and being more fully described as follows: All bearing recited herein are based on the Texas State Coordinate System, North Central Zone, 1927 Datum.

Beginning at a 2 inch pipe with a brass cap stamped "RPS 314" set at the northwest corner of said Cooper Survey, and being in the south line of the M. Brooks Survey Abstract 102 and also being at the northeast corner of the A.J. Hitchcock Survey Abstract 608.

Thence South 87 degrees 33 minutes 29 seconds East with the common line between said Brooks and Cooper Surveys, a distance of 4,450.73 feet to the southeast corner of said Brooks Survey, same being the most westerly southwest corner of said Willis Survey.

Thence North 2 degrees 15 minutes 09 seconds East with the common line between said Brooks and Willis Surveys, a distance of 1323.02 feet to a point, same being the northwest corner of said Willis survey and being also the southwest corner of the Sebart Scott Survey Abstract 1186.

Thence South 87 degrees 54 minutes 07 seconds East with the north line of said Willis and Speers Surveys, same being also the south line of said Scott and the J.R. Lewis Survey Abstract 1572, crossing Denton Creek, in all a distance of 4,343.12 feet to a point, same being the northeast corner of said Speers Survey and a re-entrant corner of said Lewis Survey.

Thence South 2 degrees 16 minutes 10 seconds West with the common line between said Speers and Lewis Surveys, at 1,192.18 feet pass a corner post of fence at the northwest corner of the Calvin Speer Survey Abstract 1176, and continuing with the common line of said Speers Surveys, in all a distance of 2,656.87 feet to a corner post of fence for the southeast corner of the tract being described herein.

Thence North 89 degrees 28 minutes 56 seconds West with a fence and crossing said Denton Creek, a distance of 1,428.12 feet to a corner post of fence.

Thence South 89 degrees 51 minutes 06 West with a fence, a distance of 5,568.86 feet to a 1/2 inch iron found in place at a fence corner.

Thence South 89 degrees 58 minutes 56 seconds West with said fence, at 1,712.44 feet found a 1/2 inch iron in the east line of a County Road, in all a distance of 1,734.94 feet to a point in said County Road, and also being in the common line between said Cooper and Hitchcock Surveys.

Thence North 00 degrees 03 minutes 46 seconds West with said common Survey lines in said Road, a distance of 1,683.49 feet to the place of beginning and containing 432.86 acres.

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