

**PONDEROSA VALLEY
PHASES II - IV**

**MASTER DESIGN
GUIDELINES**

(SINGLE-FAMILY RESIDENTIAL)

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MASTER DESIGN GUIDELINES

PONDEROSA VALLEY PHASES II - IV

ARTICLE 1

INTRODUCTION, DEFINITIONS AND CONCEPTS

These Master Design Guidelines (the "Guidelines") for the single-family residential dwellings within Ponderosa Valley (the "Community"), more particularly described in Exhibit "A" attached hereto, are promulgated in accordance with Section 7.3 of the Declaration of Covenants, Conditions and Restrictions (the "Declaration") applicable to the Community, recorded in the Real Property Records of Denton County, Texas under Instrument File Number 99-R0064911, in the Official Public Records of Denton County, Texas and a copy attached hereto as Exhibit "B" and incorporated by this reference for all purposes, as they may be amended from time to time. Articles VII and VIII of the Declaration contain various architectural, construction and use matters about which the provisions hereinbelow are intended to provide amplitude, examples, suggestions and guidelines.

Ponderosa Valley is a planned community where one may live, work and play without leaving the familiar features of home. These features, particularly architecture and landscape, both natural and man-made, have been selectively woven into the Community's infrastructure and serve to unite the Community's function and visual appearance and affirm the sense of belonging and community pride of its inhabitants. The primary purpose of the Guidelines is to better assure that builders of single-family residential properties within the Community will conform and adhere to the same high standards of design excellence and successfully integrate the various land uses into a cohesive Community. The Guidelines seek to establish a design framework which the individual builder will use as a guide for site improvement, with latitude and flexibility as well as to establish a balance against preserving the value, consistency and integrity of the Community. The Guidelines will, hopefully, serve to guide, inform, aid and inspire to the same extent as they may prohibit, restrict and require. While some features are mandated, the Architectural Review Committee (the "ARC") may make discretionary judgments to reduce or waive any requirement when it can be demonstrated (to the reasonable satisfaction of the ARC) that appropriate mitigating measures have been taken and that the overall spirit and intent will be preserved. However, such discretionary approval(s) shall not represent or constitute a binding precedent since no two or more lots within the Community or circumstances are likely to be the same.

1.1 Architectural Review Committee. "Architectural Review Committee" (sometimes referred to herein as the "ARC") shall mean and refer to that particular committee which is described in Section 7.2 of the Declaration, as the same may be amended from time to time.

1.2 Association. "Association" shall mean and refer to the Ponderosa Valley Homeowners Association, Inc., a Texas non-profit corporation, its successors and/or assigns,

which has the power, duty and responsibility of maintaining and administering certain portions of the Community and all of the Common Properties, administering and enforcing the Declaration and otherwise maintaining and enhancing the quality of life within the Community.

1.3 Board. "Board" shall mean and refer to the Board of Directors of the Association.

1.4 Builder. "Builder" shall mean and refer to any person which purchases one or more Lots within the Community for the purpose of constructing improvements thereon for later sale to consumers or purchasers of parcels of land within the Community for further subdivision, development and/or resale in the ordinary course of such Person's business and may include the Declarant.

1.5 Commercial Use. "Commercial Use" shall mean and refer to those uses permitted by the Zoning Ordinance for the conduct of a trade, business or enterprise, such as, but not necessarily limited to, office, retail, business, shopping and other commonly understood commercial activities.

1.6 Common Properties. "Common Properties" shall mean and refer to any and all real and personal property and easements and other interests therein, together with the facilities and improvements located thereon, if any, now or hereafter owned by the Association for the common use and enjoyment of the Owners.

1.7 Community. "Community" shall mean and refer to that certain real property described in Exhibit "A" attached hereto and incorporated by reference, together with any additional property which is hereafter made subject to the Declaration in accordance with Article XII of the Declaration.

1.8 County. "County" shall mean and refer to Denton County, Texas.

1.9 Declarant. "Declarant" shall mean and refer to Aristocrat Fund XXIV, L. P. and its successors-in-title and assigns, provided any such successor-in-title or assign shall acquire such interest for the purpose of development or sale of all or any portion of the remaining undeveloped or unsold portions of the Community and is designated as the "Declarant" hereunder in a recorded instrument executed by the immediately-preceding "Declarant". Upon designation of such successor Declarant, all rights of the former Declarant in and to such status as "Declarant" hereunder shall cease, it being understood that there shall be only one "Declarant" hereunder at any given time.

1.10 Development Period. "Development Period" shall mean a period commencing on the date of the recording of the Declaration in the real property records of the County and continuing thereafter until and ending the earlier to occur of: (i) substantial completion of all development with the Community as determined by the Declarant; or (ii) the twenty-fifth (25th) anniversary of the date of recordation of the Declaration in the real property records of the County.

1.11 Dwelling Unit. “Dwelling Unit” shall mean and refer to any building or portion of a building situated in the Community which is designed and intended for use and occupancy as a residence by a single person, a couple, a family or a permitted family size group of persons.

1.12 Improvement. “Improvement” shall mean any physical change to raw land or to an existing structure which alters the physical appearance, characteristics or properties of the land or structure, including but not limited to adding or removing square footage area space to or from a structure, painting or repainting a structure, or in any way altering the size, shape or physical appearance of any land or structure.

1.13 Lot. “Lot” shall mean and refer to any plot of land within the Community, other than the Common Properties, whether or not improvements are constructed thereon, which constitutes a single-family dwelling site as shown on a plat recorded in the land records of the County. Where the context indicates or requires, the term Lot includes any structure on the Lot.

1.14 Member. “Member” shall mean and refer to a person that (i) is entitled to membership in the Association, as provided in Section 2.2 of the Declaration; (ii) is in good standing with the Association; (iii) has filed a proper statement of residency with the Association; and (iv) has complied with all directives and requirements of the Association.

1.15 Occupant. “Occupant” shall mean and refer to any person occupying all or any portion of a Lot for any period of time, regardless of whether such Person is a tenant of the Owner of such property.

1.16 Owner. “Owner” shall mean and refer to the record owner(s) of the fee simple title to or an undivided fee interest in any Lot whether or not such Owner actually reside(s) on any part of the Lot, excluding, however, any Person holding such interest merely as security for the performance or satisfaction of any obligation.

1.17 Person. “Person” shall mean and refer to any natural person, as well as a corporation, joint venture, partnership (general or limited), association, or other legal entity.

1.18 Plat. “Plat” shall mean and refer to the recorded subdivision plat of the Community, as the same may be amended from time to time.

1.19 Properties. “Properties” shall mean and refer to land within the Plat of the Community.

1.20 Structure. “Structure” shall mean and refer to:

- a) Any thing or device, other than trees, shrubbery (less than two (2) feet high if in the form of a hedge) and landscaping (the placement of which upon any Lot shall not adversely affect the appearance of such Lot) including but not limited to any building, garage, porch, deck, shed, greenhouse or bathhouse, cabana, coop or cage, covered or uncovered patio, swimming pool, play apparatus, clothesline, fence, curbing, paving, wall or hedge more than two (2)

feet in height, signboard or other temporary or permanent living quarters or any temporary or permanent Improvement to any Lot;

- b) Any excavation, fill, ditch, diversion dam or other thing or device which affects or alters the flow of any waters in any natural or artificial stream, wash or drainage channel from, upon or across any Lot; and
- c) Any change in the grade of any Lot of more than three inches (3") from that existing at the time of initial approval by the ARC.

ARTICLE 2

ADMINISTRATION

2.1 Architectural Review Committee. The Architectural Review Committee ("ARC") is responsible for the administration of the Guidelines and the review of all applications for construction and modifications to any Lot.

2.2 ARC Jurisdiction.

- a) No building, structure, fence, wall or improvement of any kind or nature shall be erected, placed or altered on any Lot or easement (as recorded in the land records of the county) until all plans and specifications have been first submitted to and approved in writing by the ARC, or a majority of its members, as to:
 - i) quality of workmanship and materials, adequacy of site dimensions, adequacy of structural design, proper facing of main elevation with respect to nearby streets, in accordance with the Declaration and/or these Guidelines and/or bulletins;
 - ii) minimum finished floor elevation and proposed footprint of the dwelling;
 - iii) conformity and harmony of the external design, color, type and appearance of exterior surfaces and landscaping;
 - iv) drainage solutions; and
 - v) the observance of and compliance with applicable setback lines and easement areas and the enhancement of aesthetic views and visual corridors to and from the Common Properties.

- b) The ARC is authorized and empowered to:
 - i) Inspect all properties from time to time and at any time during construction; and
 - ii) Consider and review any and all aspects of dwelling construction, construction of other improvements and location, quality and quantity of landscaping, which may, in the reasonable opinion of the ARC, adversely affect the living enjoyment of one or more Owners or residents or the general value of the Properties.

Also, the ARC is permitted to consider technological advances in design and materials (with a UL designation, if appropriate, or with other adequate testing and certification by appropriate agencies and institutions) and comparable or alternative techniques, methods or materials may or may not be permitted, in accordance with the reasonable opinion of the ARC. The ARC is also authorized to request, receive and transmit cost data to the Board which would enable the Association to carry out its duties as prescribed by the Declaration.

- c) The following is a general outline of the steps likely to be involved in the review of plans and specifications:
 - i) Submit plans and specifications to the ARC.
 - ii) Submit plans and specifications to the County.
 - iii) Submit copy of building permit to the ARC.
- d) The ARC may require, as a condition precedent to any approval of the final plans and specifications, that the applicant obtain and produce an appropriate building permit from the County. The ARC is also authorized to coordinate with the County in connection with the applicant's observance and compliance of the construction standards set forth in the Declaration, the Guidelines, and any bulletins or Lot information sheets promulgated thereunder. However, the mere fact that the County issues a building permit with respect to a proposed structure does not automatically mean that the ARC is obliged to unconditionally approve the plans and specifications. Similarly, the ARC's approval of any plans and specifications does not mean that all applicable building requirements of the County have been satisfied. The Community development criteria may be more restrictive in land use, site development standards, landscape requirements, etc. than the County. In every case in which the Community requirements may be at variance with public agency requirements, the more restrictive regulations shall govern.
- e) Once final approval has been given by the ARC and the County and any and all other applicable governmental agencies, best efforts should be made to

commence the proposed improvement within ninety (90) days thereafter and diligently pursue through to completion.

- f) The ARC may, from time to time, publish and promulgate additional or revised Guidelines and such design guidelines shall be explanatory and illustrative of the general intent of the proposed development on the property and are intended as a guide to assist the ARC in reviewing plans and specifications. The ARC shall have the right, power and authority to establish and prescribe architectural restrictions and guidelines pertaining to items and topics such as, but not necessarily limited to, the applicant's preparations and submission of:
 - i) A site plan showing the "footprint" of the building, location of all existing trees, indicating size and type, and proposed improvements, including but not limited to, structures, patios, driveways, parking areas and structures, fences and walls.
 - ii) Exterior elevations of all proposed buildings and structures.
 - iii) Utility connections, including routing of electrical, gas, water, sanitary sewer, telephone cables and pre-wired CATV facilities.
 - iv) Dimensional floor plan of all enclosed spaces and any garages or parking facilities, particularly where the garages face the street.
 - v) Drainage solutions.
 - vi) Such other matters as may be required by the then applicable zoning and building codes of the County.
 - vii) The items described with this Section 2.2 above and any other data or information requested or deemed reasonably necessary by the ARC.

2.3 Final Plan Submissions.

- a) Each and all sets of plans must show, or contain thereon, the respective names, addresses and telephone numbers of the Owner, Builder and architect. The ARC is authorized and empowered to and shall consider, review and comment on preliminary plans submitted in duplicate on an informal basis to assist developers and Builders in complying with the Declaration and these Guidelines and to assist in the completion of feasibility studies undertaken by such persons or entities. At a minimum, the preliminary plans must include:
 - i) a site plan (and depicted on the Lot information sheet, if applicable) at 1/8"=1'0" scale;

- ii) a preliminary floor plan (and depicted on the Lot information sheet, if applicable) at 1/4"=1'0" scale;
 - iii) preliminary architectural elevation(s), showing materials and roof pitch, at 1/4"=1'0" scale;
 - iv) proposed lot drainage plan indicating the direction and manner in which water will be drained from the lot (i.e., retaining walls, area drains, piping systems, site grading, etc.);
 - v) finished floor elevation and finished grades of all structures;
 - vi) side yard wing walls; and
 - vii) location of any and all masonry walls (or permanent walls of any other approved materials) and fencing extended to rear and/or front building lines.
- b) The ARC is authorized and empowered to and shall consider, review and comment on plans submitted in duplicate on an informal basis to assist Owners, developers, Builders and prospective purchasers of the Lots in complying with these Guidelines and to assist in the completion of any feasibility studies undertaken by such persons or entities. The ARC shall have the right, however, to prescribe reasonable limitations concerning the time, effort and expense likely to be involved in handling such matters on an informal basis. If the plans and specifications are approved by the ARC, the Owner or the Owner's designated representative will be so advised by letter. If found not to be in compliance with these Guidelines, the Owner or the Owner's designated representative will be so advised by letter containing a reasonable statement and explanation of items found not to comply with these Guidelines. If the ARC fails to approve or disapprove such plans and specifications within thirty (30) days after the actual date of the received submission, approval of the matters submitted shall be presumed. Comments on and approvals of preliminary plans and specifications shall be binding upon the ARC provided that confirming final plans and specifications are submitted within ninety (90) days of such preliminary comments or approvals.
- c) Final plans, specifications and surveys shall be submitted in duplicate to the ARC for approval or disapproval. At a minimum, the final plans and specifications must include:
- i) a Site Plan at 1/8"=1'0" scale showing:
 - A. location of each structure on a Lot;

- B. exterior walls/roof including gutters and downspouts (if otherwise required);
 - C. any exterior improvements such as screening walls, swimming pools, etc.;
 - ~~B.~~ D. the location and size of CATV and security system conduit;
 - E. existing and finished grades (1' intervals);
- d) The ARC is authorized to request the submission of samples of proposed construction materials. At such time as the plans, specifications and surveys meet the approval of the ARC, one complete set of plans, specifications and surveys will be retained by the ARC and the other complete set will be marked "Approved" and returned to the Builder or developer or a designated representative. If found not to be in compliance with the applicable requirements, one set of such plans, specifications and surveys shall be returned marked "Disapproved", accompanied by a reasonable statement of items found not to comply with applicable requirements. Any modification or change to the approved set of plans, specifications and surveys must again be submitted to the ARC for its inspection and approval prior to construction. The ARC's approval or disapproval, as required herein, shall be in writing. If the ARC fails to approve or disapprove such plans, specifications and surveys within thirty (30) days after the actual date of the received submission, then the ARC approval shall be presumed.
- e) The ARC may from time to time publish and promulgate architectural standards bulletins which shall be fair and reasonable and shall carry forward the spirit and intention of these Guidelines. Such bulletins shall supplement these Guidelines and are incorporated herein by reference.

2.4 General. The ARC shall be entitled, at any time and from time to time, to associate or employ a staff and to seek and obtain professional advice and counsel (including but not limited to architects, attorneys, designers, engineers and landscape architects) in connection with the performance of its duties with all reasonable costs and expenses related thereto paid for or reimbursed by the Association in accordance with its budget. The Association may, in turn, reasonably recoup some or all of these expenses from the applicants seeking review and approval of plans and specifications.

- a) The Declarant and/or the Association and/or the ARC may require any Owner to restore such Owner's improvements or alteration to the condition existing prior to the construction thereof (including, without limitation, the demolition and removal of any unapproved improvement) if such improvements or alterations were commenced or constructed in violation of these Guidelines and the Declaration. In addition, the Declarant and/or the Association and/or the ARC may, with Board approval, but have no obligation to do so, cause

such restoration, demolition and removal and levy the amount of the cost thereof as a special individual assessment against the Lot upon which such improvements or alterations were commenced or constructed. A material violation of these Guidelines and the Declaration shall be deemed to have occurred if no prior express written approval of the ARC has been obtained where it was originally required, even if hindsight reveals that the actual plans and specifications would have been approved by the ARC had they been properly and timely submitted.

- b) Neither the Declarant, nor the Association, nor the ARC, nor the Board, nor the officers, directors, managers, 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 judgement, 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. No approval of plans and specifications and no publication of any Guidelines, architectural bulletins or Lot information sheets shall be construed as representing or implying that such plans, specifications, guidelines, bulletins or sheets will, if followed, result in properly designed improvements and/or improvements built in a good and workmanlike manner. Every person or entity who submits plans or specifications, and every Owner of each and every Lot, agrees that he will not bring any action or suit against the Declarant, the Association, the ARC, the Board or the officers directors, managers, members, employees and agents of any of them, to recover any such damages and hereby releases, remises, and quitclaims 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.
- c) After reasonable notice to the Owner (and any applicable resident), any member or agent of the ARC may from time to time at any reasonable hour or hours enter and inspect any property to confirm improvement or maintenance or alteration in compliance with the provisions hereof.
- d) No improvements or addition or change or alteration thereof shall be constructed, erected, placed, altered or maintained on any Lot which is in violation of any of laws or ordinances of the County or any other applicable governmental laws, rules or regulations. However, the Declarant, the Association, the ARC and their respective officers, directors, managers, agents and employees shall have no obligation to enforce or to report the violation of any such law, ordinance, rule or regulation.
- e) Matters of "quality", "adequacy" and "propriety" are to be considered by the ARC generally from an aesthetic standpoint, rather than from an engineering

standpoint. Plans and specifications are not reviewed or approved for engineering or structural design or technical quality of materials, and by approving such plans and specifications neither the ARC, nor the Members thereof, nor the Association assumes liability or responsibility therefor, nor for any defect in any structure constructed from such plans and specifications.

ARTICLE 3

RESIDENTIAL ARCHITECTURAL MATTERS

3.1 Minimum Square Feet. The total floor area of each Dwelling Unit shall not be less than two thousand eight hundred (2,800) square feet of air conditioned floor area (exclusive of porches, garages, patios, terraces and breezeways).

3.2 Yard Setbacks. The required front yard setback is 50' and the required back and side yard setbacks are 30'.

3.3 Exterior Residential Materials. Exterior wall surface materials shall be limited to three (3) approved materials (excluding windows and trim) with no more than thirty percent (30%) being wood, unless otherwise approved in writing by the ARC. The ARC shall have the right to review and approve proposed screen doors, storm doors and security gates and bars. Residential improvements shall not be adorned with stylistic ornamentation or details that are out of character with the Community image. All painted improvements and other painted structures (where the paint color and texture was originally approved by the ARC) on each Lot shall be repainted by the Owner thereof at his sole cost and expense as often as is reasonably necessary to ensure the attractiveness and aesthetic quality of such improvement. The subsequent approval of the ARC for such repainting shall not be required so long as neither the color scheme nor the arrangement of the colors of any improvements, nor the color of any paint thereon is materially altered.

3.4 Masonry. Masonry includes brick, stone and stucco. All brick must satisfy the ASTM Standard Specifications for Facing Brick (ASTM Designation C-216) applicable to Grade SW. The ARC shall, in its discretion, have the right to require that any proposed brick be accompanied by manufacturer specifications, or reputable independent laboratory test results, evidencing compliance with the ASTM specifications. All brick, stone and stucco used is subject to specific ARC approval for color, style and texture. Masonry approval must be received prior to construction.

3.5 Roof. The minimum Dwelling Unit roof pitch shall be a 4:12 pitch. Steeper slopes should be used only to add drama or interest. Some façade and roof relief is encouraged to provide shadows and interest to the building elevation. Roof materials shall be constructed of slate, tile, metal, composition (where the type, weight, quality and color has been specifically approved by the ARC) or other materials as are specifically approved by the ARC. Roof vents, vent stacks, galvanized roof valleys and any other roof item must be painted to match the roof materials. Galvanized roof valleys must be primed before being painted to insure prevention of rusting.

3.6 Elevation Benchmarks. The ARC reserves the right to establish, or cause the establishment of, elevation benchmarks in one or more places within the Community and to require the builder's reference to and calculation from a specific benchmark in making any and all calculations required hereunder.

3.7 Walls and Fencing. All screening walls must be constructed with approved brick, stone, architecturally-finished concrete, or a combination thereof, or decorative metal such as wrought iron or other materials approved by the ARC. All portions of wood fences shall have flat wood caps. Chain link or other wire fabric fences will not be allowed except temporarily as a container at construction sites. Complete plans on any wall or fence (including the gates) showing materials to be used, location and height, must be submitted to the ARC for approval prior to construction. All fences must be constructed outside of the street right-of-way and the fifteen foot (15') wide drainage and utility easement.

3.8 Garages. Garage doors must be closed when the garage is not in use. ARC approval will be required for all garage locations and for the materials and appearance of doors, gates and screening methods. Each garage must have a minimum 20' - 0" apron or drive directly in front of its entrance.

3.9 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.

3.10 Barns. ARC approval will be required for all barn locations and for the materials and appearance. All barns shall be of new construction.

3.11 Screening and Garbage Pickup. All propane tanks must be visually screened (so as not to be visible from any street or common area) and located as approved by the ARC. Since it is likely that municipal garbage and trash collection will occur at curbside locations along the front street, the ARC shall have the power to prescribe additional regulations concerning:

- a) the time(s) at which the trash and garbage (in the appropriate plastic bags or other containers specified by the County) shall be placed at curbside for pickup;
- b) the placement of landscape debris for pickup;
- c) the procedure for removal of extraordinary junk (e.g., worn out appliances, spring cleaning, etc.).

Each dwelling unit shall contain a water flushing garbage grinder disposal and smoke detectors.

3.12 Drainage. Each Builder in the Community is responsible for designing and providing a drainage system and solution. The drainage program and flow directions must be shown on all plans. Grading plans for each Lot shall include a consideration of all adjoining

Lots so that any adverse consequences are minimized. Gutters and downspouts may be required at the discretion of the ARC to improve the drainage quality.

3.13 Mail Boxes. The ARC shall have the right to designate the exclusive design, motif and materials for mailboxes, including the individual or gang "housing" for the mailboxes, within the Community and may, at its option, purchase such items in bulk and resell them to each Builder at cost.

3.14 Utilities. Improvements situated on a Lot shall be connected to a septic system and to the water system as soon as possible after same are available at the property line. No privy or cesspool shall be placed or maintained upon or in any Lot. The installation and use of any propane, butane, LP gas or other gas tank, bottle or cylinder of any type (excluding those normally associated with outdoor barbecue grills), shall require the prior written approval of the ARC. All telephone, electric, cable or other service lines shall be installed underground and shall meet all requirements of the County.

3.15 Prohibited Items.

- a) The following items are prohibited from appearing within the residential subdivision:
 - i) clotheslines, clothes, reels, hanging articles and exterior clothes drying;
 - ii) exterior above-ground antennae which are not screened from public view;
 - iii) above-ground swimming pools (unless appropriately screened and approved by the ARC);
 - iv) window unit air conditioners on the Dwelling Unit;
 - v) signs (except for certain "For Sale" and "For Lease" signs);
 - vi) satellite dish(es) greater than thirty-six inches (36") in diameter;
 - vii) inflatable and other temporary swimming pool enclosures;
 - viii) storage of more than twenty-five (25) gallons of fuel outside of regular vehicle gas tanks; and
 - ix) inoperable motor vehicles which are not screened from public view
- b) The ARC reserves the right to review and approve plans for the storage and use of, and to prescribe limitations (even if severe) on, the following:

- i) pavement surfaces (e.g. the use of stone, gravel, concrete, washed aggregate, wood, brick, asphalt) of visible front, side and rear yards;
- ii) large screened-in patio and yard areas encompassing an area greater than five percent (5%) of the air-conditioned square feet of the primary Dwelling Unit;
- iii) grading;
- iv) retaining walls; and
- v) fences which tie in to common area perimeter fences.

3.16 Site Construction. Prior to any construction, the Builder shall be required by the ARC to prepare and submit a plan or plans showing how the following site construction and protection guidelines will be accomplished:

- a) respect and maintain the major drainage patterns of the site;
- b) leave as much ground cover vegetation growing as possible during construction to reduce soil erosion;
- c) stockpile topsoil prior to mass grading and respread in landscape areas after construction is complete;
- d) new grades should blend into existing grades and be natural in appearance;
- e) where retaining walls are required to return to existing grade, concrete or stone walls are preferred;
- f) existing trees should be protected during construction and grading and paving should be kept outside the drip line of the tree;
- g) nearby streets and rights-of-way shall be cleared of mud, dirt and construction debris.

3.17 Exterior Lighting. Landscape uplights are effective for accentuating plant material and other features. Front yard landscape lighting should not exceed 500 watts total. Except for Christmas season lights (which shall not be activated before December 5th or after January 5th), no colored or moving lights shall be permitted. Any and all proposed lighting schemes must be reviewed by the ARC relative to its purpose and surroundings. Light fixtures and standards should be chosen to blend into and enhance the residential Lot it is illuminating. Spillage of light or glare from one property to another must be avoided. Acceptable finish treatments include dark bronze, anodized aluminum or weather resistant coating. Light shields and timer/sensor systems should be used in areas where spill-over is a potential problem. No high or low pressure sodium light shall be permitted.

3.18 Miscellaneous. Any exterior electrical wiring must be located underground. The ARC may prescribe further requirements concerning the installation of an underground cable system.

ARTICLE 4 RESIDENTIAL SETBACKS

The Plat and/or the Guidelines and/or the County may indicate a minimum building setback line, within which above-ground development (excluding fencing and driveways which may otherwise be permitted) is discouraged. Development and use of the setback area as an attractive green area is encouraged. The following improvements are generally allowed within the minimum setback areas:

- a) structures below and covered by the ground;
- b) steps, walks, driveways and curbing;
- c) retaining walls;
- d) screening walls (except in the front yard);
- e) landscaping.

The plans and specifications for these items should be submitted to the ARC for review and approval.

EXHIBIT "A"

**Ponderosa Valley Phases II - IV
Property Description**

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 96-RD089552 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 55 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 3509.58 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 888.89 feet to a 1/2" 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 138.65 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 216.12 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 362.80 feet;
- South 18 degrees 58 minutes 19 seconds West for a distance of 134.12 feet;
- South 68 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 323.93 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 70.58 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 259.63 feet;
- North 49 degrees 51 minutes 27 seconds West for a distance of 266.81 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;

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 16 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 146.29 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 81.67 feet;
North 86 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 58 minutes 48 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.

EXHIBIT "B"

**Ponderosa Valley Phases II - IV
Declaration of Covenants, Conditions and Restrictions**

**Ponderosa Valley Homeowners Association
Amendments to the Master Design Guidelines**

Added and Effective as of March 15, 2004

A. Barns and outbuildings

Each lot owner may construct one outbuilding on the premises according to the following guidelines:

1. Must be built on site; no move-in buildings allowed.
2. Size and material requirements:
 - a. On two and three acre lots
 1. Minimum: 10'x15', max: 30'x50'.
 2. Must have at least 42" of main home exterior masonry around the perimeter base.
 3. Roof pitch- minimum of 3:12.
 - b. On four acre and above:
 1. Minimum: 10'x15'; max 40'x60'.
 2. Must be landscaped around perimeter visible to streets.
 3. Roof pitch- minimum of 3:12.
3. All structures must meet county wind resistance requirements and be constructed of appropriate materials as approved by the ARC.
4. Outside finish and location must be aesthetically compatible with main house, and all plans, specs and/or photos must be presented to ARC for approval.

B. Guesthouses

In addition to one outbuilding, one guesthouse may be constructed on the lot:

1. Must be a minimum of 1200 sq ft, must be the same likeness and material of the main house.
2. Scale drawings per the main house specifications must be presented to the ARC for approval.

C. Fences

Must be built of an approved material such as pipe, pipe and cable, or heavy vinyl plastic, but no wire or wire mesh will be allowed, and all plans must be submitted to, and approved by, the ARC.

D. Driveways

All driveways must be constructed of concrete, must be 4" thick, reinforced with 3/8" rebar on 18" centers, and be at least 12' wide with a minimum of a 20' apron in front of garage opening. Drawings/specs must be submitted to ARC as part of the site plan, and concrete must be finished before occupancy of home.

E. Antennae

No metal antennae for telecommunication extending above the roofline will be allowed, however, antennae for high-speed internet service are allowed but must be installed in a less noticeable location as approved by ARC.

F. Lot maintenance

All lots, whether built upon or vacant, must be kept in neat appearance with grass mowed to a length not to exceed 12" after spring flowers have waned. ARC has the

right to have unattended lots mowed and to bill owner for costs incurred.

Added and Effective as of January 1, 2005:

G. Propane and other storage tanks

All tanks must be buried in the ground in a safe location with all above ground connections properly noticeably marked.