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THE STATE OF TEXAS)
COUNTY OF DENTON]

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Cynthia Mitchell
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AMENDED and RESTATED
DECLARATION
of
COVENANTS, CONDITIONS AND RESTRICTIONS
EASEMENTS, CHARGES AND LIENS
On and for
PHILLIPS CREEK RANCH ADDITION

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**AMENDED AND RESTATED
DECLARATION
OF
COVENANTS, CONDITIONS, RESTRICTIONS
EASEMENTS, CHARGES AND LIENS

ON AND FOR

PHILLIPS CREEK RANCH ADDITION**

This **AMENDED AND RESTATED DECLARATION OF COVENANTS, CONDITIONS, RESTRICTIONS, EASEMENTS, CHARGES AND LIENS** (this "**Agreement**") is made and effective as of the 5th day of April, 2012, by **PCR LAND COMPANY LLC**, a Texas limited liability company (sometimes referred to herein as the "**Declarant**");

RECITALS

WHEREAS, on December 1, 2010, Declarant, executed that certain Declaration of Covenants, Conditions, Restrictions Easements, Charges and Liens on and for Phillips Creek Ranch Addition (the "**Original Declaration**"), which Original Declaration was filed of record on December 3, 2010, as Document No. 2010-121029, in the Denton County Land Records.

WHEREAS, Declarant desires to amend and restate the Original Agreement in its entirety by this Agreement.

PREAMBLE

The Declarant is the owner and developer of certain real property to be hereafter commonly known and described as the Phillips Creek Ranch Addition which is a master planned community consisting of an approximately 883 acre tract of land (the "**Addition**").

The Declarant desires to take advantage of the unique features of the Addition, including property located within the Development Tract and Common Properties, as hereinafter defined, and proposes to establish and implement plans for residential living, recreation, aesthetic and quality-of-life considerations. The purposes of this Declaration are to (a) protect the Declarant and the Owners, as hereinafter defined, against the improper development and use of Lots, as hereinafter defined, within the Addition; (b) assure compatibility of design of improvements within the Development Tract and Common Properties and the balance of the Addition; (c) secure and preserve sufficient setbacks and space between buildings so as to create an aesthetically pleasing environment; (d) provide for landscaping and the maintenance thereof and of the Common Properties, as hereinafter defined; and (e) in general to encourage construction of attractive, high quality, permanent improvements that will promote the general welfare of the Declarant and the Owners. In view of the Declarant's long-range plans, the Declarant desires to impose these restrictions on the Development Tract and Common Properties now and yet retain

reasonable flexibility to respond to changing or unforeseen circumstances so as to guide, control and maintain the first-class quality and distinction of the Addition. The restrictive covenants hereinbelow are designed to also preserve the best interests of the Declarant and of the Owners of Lots, as hereinafter defined, located within the Addition after completion of all development and construction therein.

The PCR Community Association, Inc., is chartered as a non-profit Texas corporation to assist in the ownership, management, use and care of the various properties located within the Addition, including the Common Properties, and to assist in the administration and enforcement of the covenants, conditions, restrictions, easements, charges and liens set forth with this Declaration.

DECLARATION

The Declarant hereby declares that the Development Tract and Common Properties and such additions thereto as may hereafter be made pursuant to **Article II** hereof, are and shall be owned, held, mortgaged, transferred, sold, conveyed and occupied subject to the covenants, conditions restrictions, easements, charges and liens hereinafter set forth.

ARTICLE I

CONCEPTS AND DEFINITIONS

The following words, when used in this Declaration or in any amended or supplementary Declaration (unless the context shall otherwise clearly indicate or prohibit), shall have the following respective concepts and meanings:

"Addition" shall mean and refer to the tracts or parcels of real property more particularly described on **Exhibit "A"** attached hereto and made a part hereof for all purposes, together with all and singular all easements in or upon or benefiting the Addition and all other rights and appurtenances belonging or in anywise pertaining thereto.

"Administrative Assessments" shall mean and refer to the assessments that are imposed upon an individual Owner in accordance with the provisions of **Section 5.5** hereof.

"Amended Declaration" shall mean and refer to each and every instrument recorded in the Records which amends, supplements, modifies, clarifies or restates some or all of the terms and provisions of this Declaration.

"Annual Assessment" shall have the meaning specified in **Section 5.3** below.

"Articles" shall mean and refer to the Certificate of Formation of the Association dated April 22, 2009, as the same may be from time to time duly amended or modified.

"ARC" or **"ARCS"** shall mean one or more of the Architectural Review Committees which may be from time to time appointed or selected pursuant to **Article VIII** hereof.

"Assessment" or **"Assessments"** shall mean and refer individually or collectively to the Annual Assessments, the Special Group Assessments, the Administrative Assessments and the Individual Assessments, where the context requires.

"Association" shall mean and refer to the **PCR COMMUNITY ASSOCIATION, INC.**, a non-profit Texas corporation which shall have the power, duty and responsibility of maintaining and administering certain portions of the Addition and all of the Common Properties, administering and enforcing the Covenants and otherwise maintaining and enhancing the quality of life within the Development Tract, Common Properties and/or the Subdivisions.

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

"Bylaws" shall mean and refer to the Bylaws of the Association, adopted April 27, 2009, as amended from time to time in accordance with the provisions of this Declaration and the Texas Non-Profit Corporation Act or other applicable laws promulgated by the State of Texas.

"Charges" shall mean and refer to charges imposed against an Owner delinquent in the payment of his/her/its Assessments, including, but not limited to the "fines" as described in **Section 6.2(d)** hereof, together with the charges and fees contemplated by **Section 4.7** hereof.

"Class A Member" shall mean each Owner of a Single-Family Lot and each Resident (other than an Owner) of a Single-Family Lot.

"Class B Member" shall mean the Declarant.

"Class C Member" shall mean each Owner of a Commercial Lot and each Owner of a Multifamily Lot.

"Commercial Lot" shall mean any Lot allowed to be used under this Declaration for a purpose other than Residential Use.

"Commercial Design Guidelines" shall mean and refer to those particular standards, restrictions, guidelines, recommendations and specifications, described herein or from time to time promulgated by the ARC, applicable to most of the aspects of construction, placement, location, alteration, maintenance and design of any improvements to any Commercial Lot, and all amendments, bulletins, modifications, supplements and interpretations thereof.

"Common Properties" shall mean and refer to any and all areas of land within the Addition which are known, described or designated as green areas, common areas, any controlled access areas and monitoring devices, flood gates, street lighting and signs (and all elements thereof), parks, Creek and Greenbelt Easement Areas (hereinafter defined), entryways, monuments, gates and gate houses, recreational easements, lakes, ponds, dams, perimeter fences and column, off-site monuments and directional signs, landscape easements, greenbelt, swimming pool(s), tennis courts(s), open spaces, paths and trails, and the like, including, without

limitation, those shown on any Plat, as well as those not shown on a Plat but which are intended for or devoted to the common use and enjoyment of the Members of the Association, together with any and all improvements that are now, or that may hereafter be constructed thereon. The **"Common Properties"** shall not include any and all public right-of-way lands or common areas owned by the City of Frisco or any other governmental entity unless such entities require that the Declarant and/or the Association expend private time and monies to care for and maintain, such as, but not limited to, street medians, streetscape, hike and bike trails and park areas.

"Covenants" shall mean and refer to all covenants, conditions, restrictions, easements, charges and liens set forth within this Declaration or any Amended Declaration.

"Declarant" shall mean and refer to **PCR LAND COMPANY LLC**, Texas limited liability company and any or all successor(s) and assign(s) of **PCR LAND COMPANY LLC** with respect to the voluntary disposition of all (or substantially all) of the right, title and interest of **PCR LAND COMPANY LLC** in and to the Addition; provided however, no Person merely purchasing one or more Lots from **PCR LAND COMPANY LLC** or its successor or assigns in the ordinary course of business shall be considered a **"Declarant"**.

"Declaration" shall mean and refer to this particular instrument entitled **"AMENDED AND RESTATED DECLARATION OF COVENANTS, CONDITIONS, RESTRICTIONS, EASEMENTS, CHARGES AND LIENS ON AND FOR PHILLIPS CREEK RANCH ADDITION**, together with any and all amendments or supplements hereto.

"Deed" shall mean and refer to any deed, assignment, testamentary bequest, muniment of title or other instrument, or intestate inheritance and succession, conveying or transferring fee simple tide or a leasehold interest or another legally recognized estate in a Lot.

"Development Period" shall mean a period commencing on the date of the recording of this Declaration in the Records and continuing thereafter until and ending on the earlier of (a) the date of the sale by the Declarant of the last Lot owned by Declarant in the Development Tract, or (b) the date the Declarant voluntarily terminates its Class B Member status by recording a written notice of such termination in the Records.

"Development Tract" shall mean and refer to those portions of the Addition (plus any additional real property added to the scheme of this Declaration pursuant to **Section 2.2(a)** hereof) which are or hereafter will be (i) platted into Lots and become a part of a Subdivision pursuant to a Plat filed and recorded in the Records, and (ii) assessed by any one or more of the Taxing Authorities, and (c) are not intended to constitute any portion of the Common Properties.

"Director" shall mean and refer to any duly elected member of the Board.

"Dwelling Unit" shall mean and refer to any building or portion of a building situated upon any Lot which is designed and intended for Residential Use.

"Easement Areas" shall mean and refer to those areas which may be covered by an easement specified in Article X below.

"Eligible Insurers" is defined in Article XII below.

"Eligible Mortgagees" is defined in Article XII below.

"Exempt Property" shall mean and refer to the following portions of the Addition: (a) all land and Improvements owned by the United States of America, the State of Texas, City of Frisco or any instrumentality, political subdivision or agency of any such governmental entity acting in a governmental (rather than a proprietary) capacity; (b) all land and Improvements owned (including legal and beneficial ownership, whether now or in the future) by the Association or constituting a portion of the Common Properties; (c) all land and Improvements which are not only exempt from the payment of ad valorem real property taxes by Taxing Authorities, but also are exempt from the payment of any assessments hereunder as expressly determined by written resolution of the Declarant and/or the Board; (d) such other land(s) and/or Improvement(s) and/or Lot(s) which are specifically exempted from the payment of Annual Assessments in accordance with a special resolution of the Board; and (e) any portion of the Development Tract that is owned by the Declarant, including any portion of the Common Properties.

"Fiscal Year" shall mean each twelve (12) month period commencing on January 1 and ending on the following December 31, unless the Board shall otherwise select an alternative twelve month period.

"Front Yard" shall mean and refer to (a) as to interior Lots, the front yard area of the residence between the street (on the one hand) and the dwelling exterior and fence (on the other hand) and (b) as to corner Lots, the front yard area of the residence between the street (on the one hand) and the dwelling exterior and fence (on the other hand), and that portion of the side yard area exposed to the street, between the street (on the one hand) and the dwelling exterior and fence (on the other hand), but excluding patios, courtyards and fenced areas, unless otherwise defined by the Board.

"Front Yard Maintenance" shall mean and refer to normal and routine maintenance of Front Yards, as determined from time to time by the Board, including but not limited to (a) mowing and edging Front Yards, (b) trimming Front Yards with lawn maintenance equipment, and (c) fertilizing, trimming, shrubbery, turning flower beds and applying insect control chemicals to Front Yards. The term **"Front Yard Maintenance"** shall not, in any event, include the trimming of trees, planting of shrubbery, grass, trees or other landscaping, installing or maintaining irrigation systems, or any other maintenance or service determined by the Board not to be within normal and routine maintenance of Front Yards.

"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, the new construction of a Structure or Structures and related amenities, adding or removing square footage area or space to or from a Structure, painting or repainting a Structure, or in any way altering the size, shape or physical appearance of any Structure or any building or other improvement, temporary or permanent, located on any Lot.

"Individual Assessments" shall mean and refer to the assessments that may be from time to time imposed upon an individual Owner in accordance with the provisions of **Section 5.1** hereof.

"Institutional Mortgage" shall mean and refer to any bona-fide mortgage, lien or security interest held by a bank, trust company, insurance company, savings and loan association or other recognized lending institution, or by an institutional or governmental purchaser of mortgage loans in the secondary market, such as Federal National Mortgage Association ("FNMA"), Federal Home Loan Mortgage Corporation ("FHLMC"), The Federal Housing Administration ("FHA"), The Veterans Administration ("VA"), or their successors, or guaranteed or subsidized by the FHA and/or VA.

"Lot" or **"Lots"** shall mean and refer to a Residential Lot, a Commercial Lot, or any other type of lot reflected on any Plat currently or hereafter filed, or all of the Residential Lots and Commercial Lots and such other lots.

"Managing Agent" shall mean and refer to any Person who has been designated or engaged by the Board to manage the affairs of the Association, to the extent the Board elects to make such designation.

"Maximum Rate" shall mean and refer to the lesser of (a) the maximum rate of interest permitted to be charged from time to time for the use or forbearance of money by applicable law, or (b) eighteen per cent (18%) per annum.

"Member" shall mean and refer to Declarant, each Resident who is in good standing with the Association and who has filed a proper statement of residency with the Association and who has complied with all directives and requirements of the Association, each Owner of a Commercial Lot and each Owner of a Multifamily Lot. Each and every Owner shall and must take such affirmative steps as are necessary to become and remain a Member of, and in good standing in, the Association. Each and every Resident (who is not otherwise an Owner) may, but is not required to, be a Member of the Association. Membership shall consist of three (3) classes, the Class A Members, Class B Member and the Class C Members.

"Multifamily Lot " means and refers to any Residential Lot zoned multifamily by the City of Frisco.

"Multifamily Use" means and refers to any use and/or occupancy of any Multifamily Lot as a residence by one or more persons, couples, families or permitted family size groups of persons.

"Owner" shall mean and refer to the holder(s) of record title to the fee simple interest of any Lot whether or not such holder(s) actually reside(s) on any part of the Lot.

"Payment and Performance Lien" shall mean and refer to the lien described within Sections 5.8 and 5.9 below.

"Person" shall mean an individual, partnership, joint venture, corporation, limited liability company, joint stock company, trust (including a business trust), unincorporated association or other entity, or a government or any political subdivision or agency thereof.

"Plat" or **"Plats"** shall mean and refer to the final subdivision plat or plats of the Subdivisions, which have been approved by (as applicable or required) Denton County, City of Frisco and/or any other applicable governmental institution and filed and recorded in the Records.

"Records" shall mean the Public Real Estate Records of Denton County, Texas, including the Map and Plat Records of Denton County, Texas.

"Resident" shall mean and refer to:

- (a) each Owner of the fee simple title to any Single-Family Lot within the Development Tract; and
- (b) each Person residing within any part of the Development Tract who is a bona-fide lessee pursuant to a legally cognizable lease agreement with an Owner of a Single-Family Lot; and
- (c) each individual lawfully domiciled in a Dwelling Unit of a Single-Family Lot other than an Owner or bona-fide lessee of a Single-Family Lot.

"Residential Design Guidelines" shall mean and refer to those particular standards, restrictions, guidelines, recommendations and specifications, described herein or from time to time promulgated by the ARC, applicable to most of the aspects of construction, placement, location, alteration, maintenance and design of any improvements to any Residential Lot within a Subdivision, and all amendments, bulletins, modifications, supplements and interpretations thereof.

"Residential Lot" shall mean and refer to each separately identifiable portion of the Addition which is (a) platted into individual Lots and becomes a part of a Subdivision pursuant to a Plat filed and recorded in the Records, (b) assessed by any one or more of the Taxing Authorities, (c) to be used solely for a Residential Use or MultiFamily Use and (d) not intended to constitute any portion of the Common Properties.

"Residential Use" mean and refer to any use and/or occupancy of any Residential Lot as a residence by a person, a couple, a family or a permitted family size group of persons.

"Single-Family Lot" means and refers to any Residential Lot zoned single-family, patio home or townhome by the City of Frisco.

"Special Group Assessments" shall mean and refer to assessments imposed upon the Owners of Single-Family Lots for capital improvements or unusual or emergency matters, in accordance with the provisions of **Section 5.4** hereof.

"Street Reserve Funds" shall mean and refer to a street reserve fund to be established and maintained by the Association with a portion of the Assessments collected by the Association, in respect to the Streets and Alleys to be located within the Common Properties, which reserves shall be created and maintained for the purpose of paying future extraordinary maintenance costs of the Streets and Alleys located within the applicable portion of the Common Properties.

"Streets (and Alleys)" shall mean the right-of-way of all private streets, alleys, sidewalks and other rights-of-way situated within, and shown on the Plats, which have not been dedicated to, and are not owned by, the City of Frisco, any other city, county or governmental entity, together with all pavement, curbs, street lights, signs and related facilities thereon.

"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 in respect to a Lot) and landscaping (the placement of which upon any Residential Lot shall not adversely affect the appearance of such Lot), including but not limited, to any building, Improvement, parking facility or area, garage, porch, shed, greenhouse or bathhouse, cabana, coop or cage, covered or uncovered patio, swimming pool, play apparatus, fence, curbing, paving, wall or hedge (more than two (2) feet high if in the form of a hedge in respect to a Lot), 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; (c) any enclosure or receptacle for the concealment, collection and/or disposition of refuse; and (d) any change in the grade of any Lot which involves a change of more than three (3) inches from the existing grade initially approved by the ARC.

"Subdivision" or **"Subdivisions"** shall mean and refer to the subdivision or subdivisions of all or a portion of the Addition plus any additional real property added to the scheme of this Declaration pursuant to **Section 2.2(a)** hereof, in accordance with the Plats now or hereafter filed of record in the Records, as well as any and all revisions, modifications, corrections or clarifications thereto.

"Taxing Authorities" shall mean and refer to Denton County, Frisco Independent School District, the City of Frisco, and the State of Texas and any and all other governmental entities or agencies which have, or may in the future have, the power and authority to impose and collect ad valorem taxes on real property estates, in accordance with the Texas Constitution and applicable statutes and codes.

"Tree Preservation Guidelines" shall mean and refer to those particular standards, restrictions, guidelines, recommendations and specifications, described herein or from time to time promulgated by the Association or the ARC, applicable to the placement, location,

trimming, removal, and maintenance of any trees within a Subdivision, and all amendments, bulletins, modifications, supplements and interpretations thereof.

"Trustee" shall mean and refer to Republic Property Group, Ltd., a Texas limited partnership, and its successors and assigns.

ARTICLE II

PROPERTY SUBJECT TO THIS DECLARATION

Section 2.1. Development Tract and Common Properties. The real property which is, and shall be, held, transferred, sold, conveyed and occupied subject to this Declaration shall be the real property located within the Development Tract and the Common Properties.

Portions of the Addition (plus any additional real property added to the scheme of this Declaration pursuant to **Section 2.2(a)** below) which are (i) platted into Lots and become a part of a Subdivision pursuant to a Plat filed and recorded in the Records, and (ii) assessed by any one or more of the Taxing Authorities, and (c) are not intended to constitute any portion of the Common Properties automatically become part of the Development Tract and, along with the Common Properties, subject to the Declaration.

Section 2.2. Additions. The Development Tract and the Common Properties are within the perimeters of the Addition. Additional land(s) within or outside the Addition may become subject to this Declaration, or the general scheme envisioned by this Declaration, as follows:

(a) During the Development Period, the Declarant may (without the joinder and consent of any Person) add or annex additional real property to the scheme of this Declaration within the term of this Declaration by filing of record an appropriate amendment to this Declaration, or enabling declaration, generally similar to this Declaration, which may extend the scheme of the Covenants to such property; provided further however, such other declaration(s) may contain such complementary additions and modifications of these Covenants as may be necessary to reflect the different character, if any, of the added properties and as are not inconsistent with the concept and purpose of this Declaration.

(b) Any additions made pursuant to this **Section 2.2**, when made, shall automatically extend the jurisdiction, functions, duties and membership of the Association to the properties added and correspondingly subject the properties added to the covenants of the enabling declaration.

Section 2.3. Exclusions. Land within the Addition (or any land added to the scheme of the Declaration) may be removed from the Declaration or the scheme of the Declaration, as follows:

(a) During the Development Period, the Declarant may exclude or de-annex any real property from the scheme of the Declaration (with the joinder and consent of the owner of such property but no other Person) by filing of record an appropriate amendment to this Declaration which excludes the scheme of the covenants contained in this Declaration from such property.

(b) Any exclusions made pursuant to this **Section 2.3**, when made, shall automatically revoke the jurisdiction, functions, duties and membership of the Association to the properties so excluded and shall no longer subject the properties excluded to the covenants, conditions, restrictions, easements, charges and liens contained in the Declaration.

ARTICLE III

MEMBERSHIP; VOTING RIGHTS IN THE ASSOCIATION

Section 3.1. Membership.

(a) Each and every Owner of each and every Lot within the Development Tract or the Subdivisions shall automatically be, and must at all times remain, a Member of the Association in good standing. Each and every Resident (who is not otherwise an Owner) may, but is not required to, be a non-voting Member of the Association. Membership of an Owner in the Association shall be appurtenant to and may not be separated from the interest of such Owner in and to any portion of a Lot. Ownership of any Lot shall be the sole qualification for being a Member; however a Member's privileges to use the Common Properties may be regulated or suspended as provided in this Declaration, the Bylaws or the rules and regulations promulgated by the Board. Any Person who holds an interest in and to all or any part of a Lot merely as security for the performance of an obligation shall not be a Member.

(b) During the Development Period, the Association shall have three (3) classes of Members:

Class A: The Class A Members, shall include:

- (i) all Owners (other than the Declarant) of Single-Family Lots; and
- (ii) all Residents (not otherwise Owners) who have properly and timely fulfilled all registration and related requirements prescribed by the Association.

Class B: The Class B Member shall be the Declarant.

Class C: The Class C Members, shall include all Owners (other than the Declarant) of Commercial Lots and Owners of Multifamily Lots.

(c) Upon conclusion of the Development Period, the Class B membership shall terminate, and thereafter the Association shall have two (2) classes of Members, the Class A Members and Class C Members.

Section 3.2. Transfers. The membership of an Owner may not be severed from or in any way transferred, pledged, mortgaged or alienated except upon the sale or assignment of such Owner's interest in all or any part of such Owner's Lot and then only to the purchaser or assignee as the new Owner of the Lot in question. Each Owner shall notify the Association of any transfer or assignment of the fee title to his/her/its Lot. Such transfer shall automatically operate to transfer the membership to the new Owner thereof.

Section 3.3. Voting Rights.

(a) During the Development Period the following classes of Members shall constitute the voting Members of the Association:

Class B: The Class B Member shall be entitled to cast one (1) vote for each Residential Lot located with the Subdivision.

During the Development Period all votes relating to the ownership of a Residential Lot shall be cast by the Declarant to the exclusion of the Class A Members.

(b) Following the expiration of the Development Period the following classes of Members shall constitute the voting Members of the Association:

Class A: The Owner(s) of each Residential Lot in good standing shall be entitled to one (1) vote per Residential Lot. Where more than one (1) Owner owns and holds a record fee interest in a Residential Lot, such Owner(s) may divide and cast portions of the one (1) vote as they decide, but in no event shall any one (1) Lot yield more than one (1) vote.

Class C: The Owner(s) of each Commercial Lot and Owners of Multifamily Lots in good standing shall be entitled to one (1) vote per acre (or material portion thereof). Where more than one (1) Owner owns and holds a record fee interest in a such Lot, such Owner(s) may divide and cast portions of the one (1) vote as they decide, but in no event shall any one (1) acre yield more than one (1) vote.

(c) Any Owner or Member shall not be in "**good standing**" if such Person is:
(i) in violation of any portion of these Covenants, the Residential Design Guidelines or

Commercial Design Guidelines applicable to his/her/its Lot, the Tree Preservation Guidelines or any rule or regulation promulgated by the Board; or (ii) delinquent in the full, complete and timely payment of any Assessments or Charge which is levied, payable or collectible pursuant to the provisions of these Covenants, the Bylaws or any rule or regulation promulgated by the Board. The voting rights of any Member who is not in good standing may be suspended by the Board for any period during which such Member is not in good standing.

(d) The Board may make such rules and regulations, consistent with the terms of this Declaration and the Bylaws, as it deems advisable, for (i) any meeting of Members; (ii) proof of membership in the Association; (iii) the status of good standing; (iv) evidence of right to vote; (v) the appointment and duties of examiners and inspectors of votes; (vi) the procedures for actual voting in person or by proxy; (vii) registration of Members for voting purposes; and (viii) such other matters concerning the conduct of meetings and voting as the Board shall deem fit.

Section 3.4. Notice; Voting Procedures; Meetings. Quorum, notice and voting requirements of and pertaining to the Association may be set forth within the Articles and Bylaws, as either or both may be amended from time to time, and shall be in accordance with permitted Texas law. During the Development Period, from time to time, as and when determined necessary by the Board, the Board may call and schedule a meeting of the Members. From and after the expiration of the Development Period, the Members shall meet annually to deal with and vote on matters relating to the business of the Association, as directed by the Board, including the election of the Directors.

Section 3.5. Matters Generally Subject of the Vote of Members. Members shall, at annual or special meetings called by the Board, deal with and make decisions with respect to (a) from and after the expiration of the Development Period, the election of the Board, (b) the approval of an amendment to this Declaration of a "**material nature**", as hereinafter defined, as contemplated by **Section 13.4** hereof, (c) following the expiration of the Development Period, an increase in the Annual Assessments beyond the thresholds established in **Section 5.3** hereof or the imposition of Special Group Assessments, as contemplated by **Section 5.4** hereof, and (d) such other matters as may be designated by the Board which are the subject matter of a vote of the Members. Additionally, to the extent that the Board desires to encumber any portion of the Common Properties as security for payment of indebtedness incurred in respect to improvements to the Common Properties, the Board shall obtain the prior approval of the Members in the same manner as approval of a Special Group Assessment as provided in **Section 5.4** hereof.

ARTICLE IV

RIGHTS OF ENJOYMENT IN THE COMMON PROPERTIES

Section 4.1. Easements.

(a) Subject to the provisions of **Sections 4.2** through **4.7** below, each and every Owner of a Single-Family Lot in good standing with the Association shall have a non-exclusive right and easement of enjoyment in and to the Common Properties, and such easement shall be appurtenant to and shall run with every Single-Family Lot, provided the conveyance and transfer is accomplished in accordance with this Declaration.

(b) All Residents in good standing with the Association shall have a non-transferable, non-exclusive privilege to use and enjoy all Common Properties for so long as they are Members in good standing with the Association.

(c) The Declarant reserves the right to use, during the Development Period, portions of the Common Properties for matters directly and indirectly related to the Addition.

(d) One or more portions of the Common Properties may from time to time be reasonably limited to private functions for use of Members and their guests and invitees (subject to the written consent of the Association), and conversely, one or more portions of otherwise private property (subject to the consent of the Owner thereof) may be utilized for Association functions and activities.

(e) The Declarant shall convey record title to some or all of the Common Properties to the Association if, as and when deemed appropriate by the Declarant or as may be required by governmental officials, and the Declarant shall at all times have and retain the right to effect minor redesigns or minor reconfiguration of the Common Properties and to execute any open space declarations applicable to the Common Properties which may be permitted in order to reduce property taxes, and to take whatever steps may be appropriate to lawfully avoid or minimize the imposition of ad valorem taxes by the Taxing Authorities.

(f) The Common Properties shall be used exclusively by the Members and their guests and invitees and access thereto shall be prohibited to any other Person. Access to the Common Properties may be restricted by gating and fencing to all other Persons. The Owners of the Lots shall be responsible for all Assessments associated with the costs of construction and the maintenance (including landscaping where applicable) of (i) the Streets and Alleys situated within the Development Tract or Common Properties, (ii) manned and unmanned gated areas serving the Development Tract or Common Properties accessible by the Residents only, and (iii) the balance of the Common Properties, including amenities constructed or installed in the Common Properties accessible only by Members in good standing with the Association, such as pools, hike and bike trails, fountains and other amenities located within the Common Properties.

(g) The Board shall have the right (i) to restrict the usage of the Common Properties by the Residents; however any restriction shall be imposed on a uniform basis on the Residents, and (ii) to amend this Declaration for the specific purposes of granting

or creating easements between the Association and certain of the Residential Lot Owners to grant the Association an easement within an area (herein called the "**Creek and Greenbelt Easement Areas**") from the center line of any creek, lake or greenbelt passing through a Residential Lot to a specified distance permitting the Association restricted access to the area covered thereby for the purpose of landscape maintenance and removal of trees and debris to keep water courses clear.

(h) Notwithstanding anything contained in this Declaration to the contrary, tenants of Dwelling Units who are not otherwise Residents on Lots whose Owners are Members in good standing with the Association shall have a non-transferable, non-exclusive privilege to use and enjoy such portions of the Common Properties which are not gated or have another form of restricted access.

Section 4.2. Extent of Members' Easements. The rights and easements of use, recreation and enjoyment created hereby shall be subject to the following:

(a) The right of the Declarant and/or Association to prescribe reasonable regulations and policies governing, and to charge fees and/or deposits (e.g., key and access card deposits) related to, the use, operation and maintenance of the Common Properties;

(b) Liens or mortgages placed against all or any portion of the Common Properties with respect to monies borrowed by the Association to construct, improve or maintain the Common Properties;

(c) The right of the Declarant and/or the Association to enter into and execute contracts with any party (including, without limitation, the Declarant or its corporate affiliates) for the purpose of financing the construction of improvements on the Common Properties and providing management, maintenance or such other materials or services consistent with the purposes of the Association and/or this Declaration;

(d) The right of the Declarant and/or the Association to take such steps as are reasonably necessary to protect the Common Properties against foreclosure;

(e) The right of the Declarant and/or the Association to suspend the voting rights of any Member, and to suspend the right of any Member to use or enjoy any of the Common Properties for any period during which any assessment (including without limitation "**fin**es") against a Lot owned and/or occupied by such Member remains unpaid, or during which non-compliance with this Declaration or the applicable Residential or Commercial Design Guidelines applicable to the Lot in question exists, and otherwise for any period deemed reasonable by the Association for an infraction of the then-existing rules and regulations;

(f) The right of the Declarant and/or the Association to dedicate or transfer all or any part of the Common Properties to the City of Frisco or any municipal corporation, public agency, governmental authority, or utility for such purposes and upon

such conditions as may be agreed to by the Declarant or the Board, including the right of the Declarant or the Association to enter into and execute contracts with the owner-operators of any utility system or other similar operations for the purpose of extending utility service on, over or under the Common Properties to ultimately provide service to one or more of the Lots or to adjacent properties which are not owned by the Declarant; and

(g) The right of the Declarant and/or the Association to grant permits, licenses and easements over the Common Properties for utilities and other purposes necessary for the proper development of the Addition or for any other reason deemed prudent by the Board.

Section 4.3. Restricted Actions by Members. No Member shall permit anything to be done on or in the Common Properties which would violate any applicable public law or which would result in the cancellation of or the increase of premiums for any insurance carried by the Association, or which would be in violation of any law or any rule or regulation promulgated by the Board.

Section 4.4. Damage to the Common Properties. Each Member shall be liable to the Association for any damage to any portion of the Common Properties caused by the negligence or willful misconduct of the Member or his/her family and/or guests and/or invitees and/or employees.

Section 4.5. Rules of the Board. All Members shall abide by any rules and regulations adopted by the Board. The Board shall have the power to enforce compliance with the rules and regulations established from time to time by the Board by all appropriate legal and equitable remedies, and a Member determined to have violated the Board's rules and regulations shall be liable to the Association for all damages and costs incurred by the Association as a result of such violation or in regard to the enforcement thereof, including reasonable attorneys' fees.

Section 4.6. Use of Common Properties. The Board shall have the power and authority to prescribe rules and regulations which extend to and cover matters such as (but not limited to) smoking, the possession and consumption of alcoholic beverages, loud and obnoxious noises and behavior, dress and attire and the supervision by attending adults of children. No Person (excluding the Declarant) shall use any portion of the Common Properties to:

- (a) solicit, promote or conduct business, religious, political or propaganda matters; or
- (b) distribute handbills, newsletters, flyers, circulars or other printed materials;

without the prior written consent of the Board (which consent may be withheld in its sole and absolute discretion).

Section 4.7. User Fees and Charges. The Board may levy and collect charges, user fees and other fees for the use, operation and maintenance of the Common Properties and services which the Board determines to be necessary for the advancement, benefit and welfare of the Members. In establishing user fees, the Board may formulate reasonable classifications of users. Such fees must be uniform within such classifications but need not be uniform throughout the classifications. If a Member shall fail to pay a Charge when due and payable, the unpaid Charge shall be delinquent and upon written notice to the Member shall become a personal debt of the Member in question. Failure of any Member to pay the Charge when due and payable, in addition, shall be a breach of these Covenants and shall result in suspension of the Member's rights or privileges with respect to the use of the Common Properties.

Section 4.8. Encroachments. If (a) construction, reconstruction or repair activities which have been approved by the ARC, or (b) shifting, settlement or other movements of any portion of Improvements which have been approved by the ARC, results either in the Common Properties encroaching on a Lot or Dwelling Unit or Structure, or in a Lot or Dwelling Unit or Structure encroaching on the Common Properties or on another Lot or Dwelling Unit or Structure, and unless otherwise directed by the ARC, a valid easement shall then and there exist to permit the encroachment and reasonable and necessary maintenance activities related thereto.

ARTICLE V

COVENANTS FOR ASSESSMENTS

Section 5.1. Creation of the Lien and Personal Obligation of Assessments. The Declarant, as owner of the Addition and for each Lot owned by it within the Subdivision, hereby covenants and agrees, and each subsequent Owner of any Lot, by acceptance of a Deed therefor, whether or not reference to the Covenants shall be so expressed in any such Deed or other conveyance, shall be deemed to have covenanted and agreed (and such covenant and agreement shall be deemed to constitute a portion of the purchase money and consideration for acquisition of the Lot so as to have affected the purchase price) to pay to the Association (or to an independent entity or agency which may be designated by the Association to receive such monies):

- (a) regular Annual Assessments;
- (b) Special Group Assessments, to be fixed, established and collected from time to time as hereinafter provided;
- (c) Administrative Assessments; and
- (d) Individual Assessments and fines levied against individual Owners, Members or Residents to reimburse the Association for (i) extra or unusual costs incurred for items such as (but not limited to) (A) maintenance and repairs to portions of the Addition required to be made as a result of the willful or negligent acts of the individual Owner, Member or Resident; or (B) the remedy, cure or minimizing of problems caused by, or as a result of, violations of these Covenants by an Owner,

Member or Resident; and (ii) costs incurred relating to or resulting from violations by individual Owners, Members or Residents of rules and regulations pertaining to the Association and/or the Common Properties.

The Annual, Special Group, Administrative Assessments and Individual Assessments, together with such late charges, interest and costs of collection thereof as are hereinafter provided, shall be a charge running with the land and shall be a continuing lien upon each Lot against which each such Assessment is made and shall also be the continuing personal obligation of the then-existing Owner, Member and Resident of such Lot at the time when the Assessment fell due. Each Owner of each Lot shall be directly liable and responsible to the Association for the acts, conduct and omission of each and every Member and Resident and their respective guests, invitees and employees, associated with the Dwelling Unit(s) or Structures located on such Owner's Lot.

Section 5.2. Purposes of Assessments; Improvement and Maintenance of the Common Properties; Services for Members and the Addition.

(a) The Assessments levied by the Association shall be used for the purposes of promoting the comfort, health, recreation, safety, convenience, welfare and quality of life of the Members of the Association and in supplementing some services and facilities normally provided by or associated with governmental or quasi-governmental entities, and otherwise for the construction, improvement and maintenance of the Common Properties, including, walkways, hike and bike trails, landscaping, ponds, lakes, recreational areas, Streets and Alleys and other properties, services and facilities devoted and related to the use and enjoyment of the Common Properties and operation of the Association, including, but not limited to or for, (i) the payment of taxes on the Common Properties and insurance in connection with the Common Properties; (ii) the payment for utilities and the construction, repair, replacement and additions of various items within the Common Properties; (iii) paying the cost of labor, equipment (including the expense of leasing any equipment) and materials required for, the construction and management and supervision of, the Common Properties; (iv) carrying out the duties of the Board as set forth in Article VI of this Declaration, (v) carrying out the other various matters set forth or envisioned herein or in any Amended Declaration related hereto; (vi) services provided to the Addition by service providers, including, without limitation, cable television, security and intranet services; (vii) for any matter or thing designated by the City of Frisco in connection with any zoning, subdivision, platting, building, development or occupancy requirements, and (viii) the repayment to third parties (including the Declarant) for payments advanced for any of the foregoing or other purposes. The items and areas described above are not intended to be exhaustive but merely illustrative.

(b) Front Yards of Single-Family Lots situated within the Addition shall be maintained by the Association with sums provided by Assessments to be funded by the Owners of Single-Family Lots and such maintenance shall include and be limited to the items included within the defined term "Front Yard Maintenance." Each Owner of a Single-Family Lot shall be obligated to immediately advise the Board from time to time

in writing of any adverse condition or problem affecting or relating to the Front Yard Maintenance conducted for such Owner as a condition precedent to any obligation of the Association to correct such adverse condition or problem. In the event that the Board shall at any time determine, in its sole discretion, that the correction of any adverse condition or problem relating to any Front Yard Maintenance, then the costs of such maintenance and correction, if requested by such Owner and carried out by the Board, shall be charged to such Owner by the Board and shall be payable by such Owner within fifteen (15) days after receipt of a statement from the Board requesting payment therefor. Under no circumstance shall any Director or any officer or agent of the Association be liable to any Owner for any action or inaction of the Board with respect to any Front Yard Maintenance, and each Owner hereby releases and relinquishes forever any claims, demands or actions which such Owner may at any time have or be deemed to have against the Board, any Director or the Association with regard to Front Yard Maintenance, whether arising out of the alleged negligence, misfeasance, malfeasance (but not gross negligence or willful misconduct) of any agent of the Association, any officer of the Association or any Director.

Section 5.3. Basis and Amount of Annual Assessments.

(a) Regular Annual Assessments and Special Group Assessments in respect to the Common Properties shall be borne one hundred percent (100%) by the Owners of the Residential Lots, Commercial Lots (provided Owners of Multi-Family Lots and Commercial Lots shall not be responsible for Special Group Assessments) and, if applicable, the Declarant.

(b) Until December 31, 2010, Annual and Special Group Assessments with respect to the Common Properties shall be borne solely by the Declarant.

(c) Commencing with the year beginning January 1, 2011, and each year thereafter, the regular Annual Assessments for the current Fiscal Year in respect to the Common Properties shall be established and assessed in the following manner:

(i) Sums due in respect to Annual Assessments relating to the Common Properties shall be included in and covered by the regular Annual Assessments to be imposed upon Owners of Single Family Lots pursuant to subparagraph (e) below, and upon Owners of Multifamily Lots and Commercial Lots pursuant to subparagraph (h) below.

(ii) For the period commencing on January 1, 2011, and ending on the expiration of the Development Period, advances made by the Declarant to subsidize the net operating losses incurred in respect to the Common Properties shall be repaid to the Declarant out of subsequent Assessments. From and after the expiration of the Development Period, to the extent that the Declarant owns one (1) or more Residential Lots, the Declarant shall pay regular Annual Assessments in the same manner as the other Owners of Residential Lots.

(d) In determining each regular Annual Assessment the Board shall separately assess each Lot in the manner herein provided and each Lot shall be charged with and subjected to a lien for the amount of such separate Assessment which shall be deemed the "**Annual Assessment**" with respect to such Lot.

(e) The initial regular Annual Assessments in respect to the Common Properties for each Single-Family Lot for the Fiscal Year beginning January 1, 2011 (or such subsequent Fiscal Year in which the first Single-Family Lot is developed), shall be set by the Declarant. The Declarant shall have the right to establish different classifications of Lots within a Subdivision, which may result in different initial regular Annual Assessments with respect to each classification. In addition, the Declarant shall have the right to set different initial regular Annual Assessments for different Subdivisions within the Addition.

(f) The Board may be permitted at any time during the term of this Declaration to increase the regular Annual Assessment for each Single-Family Lot without a vote of the Members from Fiscal Year to Fiscal Year, but such an adjustment shall not exceed twenty-five percent (25%) of the previous Fiscal Year's regular Annual Assessment assessed against the Single-Family Lots in question.

(g) The maximum Annual Assessment may not be otherwise increased beyond the restrictions set forth in subparagraph (f) above without the assent of:

(i) the Declarant during the Development Period, and

(ii) thereafter with the approval of at least fifty-one percent (51%) of the Class A Members in attendance at a meeting or meetings called for that purpose with at least fifty percent (50%) of the Class A Members (or their proxies) after adequate notice. If fifty percent (50%) of the Class A Members (or their proxies) are not attendance, a second meeting may be called with the same notice and the quorum may be reduced to thirty percent (30%) of the Class A Members. The Board shall not take formal action on the Annual Assessment more than once in any Fiscal Year. Each and every meeting of the Board in which final action on an Annual Assessment or Special Group Assessment is taken shall be open to the Owners.

(h) The initial regular Annual Assessments in respect to the Common Properties for each Commercial Lot and each Multifamily Lot for the Fiscal Year beginning January 1, 2011 (or such subsequent Fiscal Year in which the first such is developed), shall be at the rate of \$900 per acre (or any portion thereof); provided, however, the Annual Assessment for such Lots shall be assessed at the rate of 50% of the current annual rate until such time as the first Structure on any part of the Lot receives a certificate of occupancy (or equivalent completion certification) from the City of Frisco.

(i) The Board may be permitted at any time during the term of this Declaration to increase the regular Annual Assessment for each Commercial Lot and each

Multifamily Lot without a vote of the Members from Fiscal Year to Fiscal Year, but such an adjustment shall not exceed the percentage increase assessed against the Single-Family Lots described in Section 5.3(f) above.

(j) In addition to regular Annual Assessments, Special Group Assessments Administrative Assessments and Individual Assessments, each Owner of a Lot shall be obligated, at the time of the purchase of the Lot by such Owner and simultaneously therewith, to pay the Association the sum of One Hundred Dollars (\$100.00) as a one-time acquisition and transfer fee to supplement the funds of the Association.

Section 5.4. Special Group Assessments. In addition to the regular Annual Assessments authorized by **Section 5.3** hereof, the Association may levy in any Fiscal Year a Special Group Assessment, applicable to that Fiscal Year only, for the purpose of defraying, in whole or in part, the cost of any construction, reconstruction, unexpected repair or replacement of a capital improvement upon the Common Properties, including any necessary fixtures and personal property related thereto or for any unusual or emergency purpose(s) (including without limitation those matters arising out of litigation and/or judgments). Prior to the expiration of the Development Period, any Special Group Assessment must have the affirmative vote of the Declarant. From and after the expiration of the Development Period, any Special Group Assessment must have the affirmative approval of at least fifty-one percent (51%) of the Class A Members in attendance at a duly convened meeting.

Section 5.5. Administrative Assessments. In addition to the regular Annual Assessments authorized by **Section 5.3** hereof and the Special Group Assessments authorized by **Section 5.4** hereof, the Association will levy upon the transfer of all Lots an Administrative Assessment equal to one-twentieth of one percent (0.05%) of the first Two Million Dollars (\$2,000,000) of the gross sales price of the Lot. Each Owner, upon selling any Lot, by execution and delivery of a deed or other conveyance document creating in a purchaser the interest required to be deemed an Owner, whether or not it shall be so expressed in any such deed or other conveyance document, shall be deemed to covenant and agree (and such covenant and agreement shall be deemed to constitute a portion of the consideration and purchase money for the sale of such Lot) to pay the Association an assessment equal to one-twentieth of one percent (0.05%) of the gross sales price (on the first \$2,000,000) of the Lot. The purchaser of such Lot shall be obligated to ensure that such assessment is paid at the closing of its acquisition of said Lot and if such assessment is not paid at the closing of its acquisition of said Lot, the Association shall have a lien on said Lot pursuant to **Section 5.8** hereof. Said assessment shall be due and payable by Owner at the closing of the sale of any Lot. The Administrative Assessment may be used by the Association for any of its lawful purposes.

Section 5.6 Rate of Assessments. Prior to the expiration of the Development Period, both regular Annual Assessments and Special Group Assessments in respect to Single-Family Lots within a classification of Lots established by Declarant pursuant to **Section 5.3(e)** hereof, must be fixed at a uniform rate for all such Single-Family Lots within such classification, unless otherwise approved by the Declarant. From and after the expiration of the Development Period both regular Annual Assessments and Special Group Assessments in respect to Single-Family Lots within a classification of Lots must be fixed at a uniform rate for all Single-Family Lots

within such classification, unless otherwise approved by at least three-fourths (3/4ths) of the individuals comprising the Board appointed by the Class A Members.

Section 5.7. Date of Commencement of Assessments; Due Dates. The Annual Assessment shall be paid, at the option of the Declarant, (i) in full on the first day of each Fiscal Year, (ii) in four (4) equal installments on the first day of each quarter during each Fiscal Year, or (iii) in twelve (12) equal installments on the first day of each month during each Fiscal Year, and each such applicable payment shall, if not paid within ten (10) days after the applicable payment date, automatically become delinquent. The Board shall use reasonable efforts to provide each Owner with an invoice statement of the appropriate amount due, but any failure to provide such a notice shall not relieve any Owner of the obligation established by the preceding sentence. The Board may prescribe (a) procedures for collecting advance regular Annual Assessments from new Owners, Members or Residents out of "closing transactions"; and (b) different procedures for collecting Assessments from Owners who have had a recent history of being untimely in the payment of Assessments. Written notice of the applicable Assessment shall be furnished in a timely manner by the Board to every Owner by mail or personal delivery.

Section 5.8. Effect of Non-Payment of Assessment: the Personal Obligation of the Owner; the Lien in Respect to a Lot; and Remedies of Association.

(a) Effective as of, and from and after the filing and recordation of this Declaration, there shall exist a self-executing and continuing contract Payment and Performance Lien and equitable charge on each Lot to secure the full and timely payment of each and all Assessments and all other Charges and monetary amounts and performance obligations due hereunder in respect of the Lots, including the obligations of the Declarant under **Section 5.3(c)(ii)** hereof. Such lien shall be at all times superior to any claim of homestead by or in any Owner of a Lot. If any Assessment or Charge or other monetary amount or any part thereof is not paid by the Owner of a Lot on the date(s) when due, then the unpaid amount of the Assessment or Charge or other monetary amount shall (after the passage of any stated grace period) be considered delinquent and shall, together with any late charge and interest thereon at the Maximum Rate and costs of collection thereof, become a continuing debt secured by the self-executing Payment and Performance Lien on the Lot of the non-paying Owner/Member/Resident which shall bind such Lot in the hands of the Owner and Owner's heirs, executors, administrators, devisees, personal representatives, successors and assigns. The Association shall have the right to reject partial payments of an unpaid Assessment or other monetary obligation and demand the full payment thereof. The personal obligation of the then-existing Owner to pay such Assessment or other monetary obligation, however, shall remain the Owner's personal obligation and shall not pass to Owner's successors in title unless expressly assumed by them. However, the lien for unpaid Assessments or other monetary obligation shall be unaffected by any sale, conveyance or transfer of a Lot and shall continue in full force and effect.

Each Owner, and each prospective Owner, is hereby placed on notice that the covenant to pay Assessments and Charges may operate to place upon him or her the responsibility for payment of Assessments and Charges which arose prior to the time of conveyance.

Whether by voluntary or involuntary conveyance, the purchasing Owner ("*Grantee*") is jointly and severally liable with the selling Owner ("*Grantor*") for all unpaid Assessments and Charges levied by the Association against Grantor or his/her Lot prior to conveyance of such Lot, without prejudice to Grantee's right to obtain reimbursement from Grantor. Any prospective purchaser may request and is entitled to a statement from the Association stating the amount of unpaid Assessments and Charges owed by Grantor or his/her Lot. Grantee is not liable for any unpaid Assessments and Charges owed by Grantor in excess of the amount set forth in such statement; provided, however, that Grantee shall be liable for any Assessments or Charges having a due date after the date of any such statement. Notwithstanding the foregoing, any foreclosure purchaser, other than Grantor, who obtains title to a Lot as a result of the foreclosure of a lien to which the Payment and Performance Lien is subordinate under **Section 5.10** hereof, shall not be liable for Assessments and Charges due prior to the date of the foreclosure sale."

(b) No Owner may waive or otherwise escape liability for any Assessment or other monetary obligation provided, herein by non-use of the Common Properties or abandonment of his/her/its Lot. No diminution or abatement of Assessments or other monetary obligation shall be claimed or allowed by reason of any alleged failure of the Association to take some action or to perform some function required to be taken or performed by the Association, or for inconvenience or discomfort arising from the making of improvements or repairs which are the responsibility of the Association, or from any action taken by the Association to comply with any law, ordinance, or with any order or directive of any municipal or other governmental authority, the obligation to pay such Assessments or other monetary obligation being a separate and independent covenant on the part of each Owner.

(c) The Association may also give written notification to the holder(s) of any mortgage on the Lot of the non-paying Owner of such Owner's default in paying any Assessment or Charge or other monetary obligation, particularly where the Association has theretofore been furnished in writing with the correct name and address of the holder(s) of such mortgage, and a written request to receive such notification.

(d) If any Assessment or Charge or other monetary obligation or part thereof is not paid when due, the Association shall have the right and option to impose a late charge (but only to the extent permitted by applicable law) to cover the additional administrative costs involved in handling the account and/or to reflect any time-price differential assessment schedule adopted by, the Association. The unpaid amount of any such delinquent Assessment or Charge or other monetary obligation shall bear interest from and after the date when due at the Maximum Rate until fully paid. The Association may, at its election, retain the services of an attorney to review, monitor and/or collect unpaid Assessments or Charges and delinquent accounts, and there shall also be added to the amount of any unpaid Assessment or Charge or any delinquent account any and all reasonable attorneys' fees and other costs of collection incurred by the Association.

(e) In respect to the Lots, the Association may, at its discretion but subject to all applicable debt collection statutes (i) prepare and file a lien affidavit in the Records

which specifically identifies the unpaid Assessments or Charges or other monetary obligation; and (ii) publish and post, within one or more locations within the Addition, a list of those individuals or entities who are delinquent and, if applicable, suspend their use and enjoyment of the Common Properties until and unless the delinquency has been cured to the reasonable satisfaction of the Association. Each Owner consents to these procedures and authorizes the Board to undertake such measures for the general benefit of the Association.

(f) All agreements between any Owner and the Association and/or the Declarant, whether now existing or hereafter arising and whether written or oral and whether implied or otherwise, are hereby expressly limited so that in no contingency or event whatsoever shall the amount paid, or agreed to be paid, to the Association and/or the Declarant or for the payment or performance of any covenant or obligation contained herein or in any other document exceed the maximum amount permissible under applicable law. If from any circumstance whatsoever fulfillment of any provision hereof or of such other document at the time performance of such provision shall be due, shall involve transcending the limit of validity prescribed by law, then, ipso facto, the obligation to be fulfilled shall be reduced to the limit of such validity, and if from any such circumstance the Association and/or the Declarant should ever receive an amount deemed interest by applicable law which shall exceed the Maximum Rate, such amount which would be excessive interest shall be applied to the reduction of the actual base assessment amount or principal amount owing hereunder and other indebtedness of the Owner to the Association and/or the Declarant and not to the payment of interest, and if such excessive interest exceeds the unpaid balance of the actual Annual Assessment due and such other indebtedness, the excess shall be refunded to the Owner in question. All sums paid or agreed to be paid by any Owner for the use, forbearance or detention of any indebtedness to the Association and/or the Declarant shall, to the extent permitted by applicable law, be amortized, prorated, allocated and spread throughout the full term of such indebtedness until payment in full so that the interest charged, collected or received on account of such indebtedness is never more than the maximum amount permitted by applicable law. The terms and provisions of this subparagraph (f) shall control and supersede every other provision of all agreements between any Owner and the Association and/or the Declarant.

Section 5.9. Power of Sale in Respect to Lots.

(a) The lien covering the Lots described within **Section 5.8** above is and shall be a contract Payment and Performance Lien. Each Owner of a Lot, for the purpose of better securing each and all monetary obligations described within these Covenants, and in consideration of the benefits received and to be received by virtue of the ownership of its Lot within the Addition, by acceptance of its Deed, is deemed to have granted, sold and conveyed unto the Trustee with a private power of sale, such Owner's Lot, to have and to hold such Lot, together with the rights, privileges and appurtenances thereto belonging unto the Trustee, and to its substitutes or successors, forever. Each Owner, by its acceptance of the Deed is deemed to have bound himself and/or herself and/or itself, and his or her or its heirs, executors, administrators, devisees, personal representatives,

successors and assigns to warrant and forever defend such Owner's Lot unto the Trustee, its substitutes or successors and assigns, forever, against the claim, or claims of all Persons claiming or to claim the same or any part thereof.

(b) This conveyance by the Owners of the Lots is made in trust to secure payment by the Owners of all Lots of each and all Assessments and other obligations prescribed by these Covenants to and for the benefit of the Association, as the beneficiary. In the event of default in the payment of any obligation hereby secured, in accordance with the terms thereof, then and in such event, the Association may elect to declare the entire indebtedness hereby secured with all interest accrued thereon and all other sums hereby secured due and payable (subject, however, to the notice and cure provisions set forth in Section 51.002 of the Texas Property Code), and in the event of default in the payment of such indebtedness when due or declared due, it shall thereupon, or at any time thereafter, be the duty of the Trustee, or its successor or substitute as hereinafter provided, at the request of the Association (which request is hereby conclusively presumed), to enforce this trust; and after advertising the time, place and terms of the sale of the Lot then subject to the lien hereof, and mailing and filing notices as required by Section 51.002, Texas Property Code, as then amended, and otherwise complying with that statute, the Trustee shall sell the Lot of the non-paying Owner, then subject to the lien hereof, at public auction in accordance with such notices on the first Tuesday in any month between the hours of ten o'clock A.M. and four o'clock P.M., to the highest bidder for cash, selling all of the Lot then subject to the lien hereof as an entirety or in such parcels as the Trustee acting may elect, and make due conveyance to the purchaser or purchasers (the "**Purchaser**" or "**Purchasers**" herein), with general warranty binding upon the Owner, his or her or its heirs, executors, administrators, devisee, personal representatives, successors and assigns; and out of the money arising from such sale, the Trustee acting shall pay first, all the expenses of advertising the sale and making the conveyance, including a reasonable commission to itself, which commission shall be due and owing in addition to the attorney's fees herein provided for, and then to the Association the full amount of principal, interest, attorney's fees and other charges due and unpaid on such indebtedness secured hereby, rendering the balance of the sales price, if any, to the Owner, his or her or its heirs, executors, administrators, devisees, personal representatives, successors and assigns and/or to any other lienholders (if so required by applicable law); and the recitals in the conveyance to the Purchaser or Purchasers shall be full and conclusive evidence of the truth of the matters therein stated, and all prerequisites to such sale shall be presumed to have been performed, and such sale and conveyance shall be conclusive against the Owner, his or her or its heirs, executors, administrators, devisees, personal representatives, successors and assigns.

(c) It is agreed that in the event a foreclosure of the contract Performance and Payment Lien hereunder should be commenced by the Trustee, or its substitute or successor, the Association may at any time before the sale of the Lot of the non-paying Owner direct the Trustee to abandon the sale, and may then institute suit for the collection of such indebtedness and for the foreclosure of the contract Payment and Performance Lien created hereby. It is further agreed that if the Association should institute a suit for the collection thereof and/or for a foreclosure of the contract Payment

and Performance Lien created hereby, that the Association may at any time before the entry of a final judgment in such suit dismiss the same, and require the Trustee, its substitute or successor, to sell the Lot of the non-paying Owner in accordance with the provisions of this **Section 5.9**. The Association, if it is the highest bidder, shall have the right to purchase at any sale of the Lot in question and to have the amount for which such Lot is sold credited on the debt then owing. Trustee may resign at any time as trustee upon prior written notice of resignation to the Association. The Association in any event is hereby authorized to appoint a substitute trustee, or a successor trustee, to act instead of the Trustee named herein without any other formality than the designation in writing of a substitute or successor trustee; and the authority hereby conferred shall extend to the appointment of another successor and substitute trustees successively until the indebtedness hereby secured has been paid in full, or until the Lot of the non-paying Owner is sold hereunder, and each substitute and successor trustee shall succeed to all of the rights and powers of the original Trustee named herein. In the event any sale is made of the Lot of the non-paying Owner, or any portion thereof, under the terms of this **Section 5.9**, the Owner, his or her or its heirs, executors, administrators, devisees, personal representatives, successors and assigns, shall forthwith upon the making of such sale surrender and deliver possession of the Lot so sold to the Purchaser or Purchasers at such sale, and in the event of the Owner's failure to do so, the Owner shall thereupon from and after the making of such sale be and continue as a tenant at will of such Purchaser or Purchasers, and in the event of the Owner's failure to surrender possession of the Lot in question upon demand, the Purchaser or Purchasers, his or her or its or their heirs, executors, administrators, devisees, personal representatives, successors and assigns, shall be entitled to institute and maintain an action for forcible detainer of the Lot of the non-paying Owner in the Justice of the Peace Court in the Justice Precinct in which such Lot, or any part thereof, is situated. The foreclosure of the continuing contract Payment and Performance Lien on any one or more occasions shall not remove, replace, impair or extinguish the same continuing Payment and Performance Lien from securing all obligations arising from and after the date of foreclosure. Trustee shall not be liable for any act or omission or error of judgment. Trustee may rely on any document believed by it in good faith to be genuine. All money received by Trustee shall, until used or applied as herein provided, be held in trust, but need not be segregated (except to the extent required by law), and Trustee shall not be liable for interest thereon. The non-paying Owner shall indemnify Trustee against all liability and expenses which he may incur in the performance of its duties hereunder.

Section 5.10. Subordination of the Lien to Mortgages. The lien on the Lots securing the payment of the Assessments and other obligations provided for herein shall be superior to any and all other charges, liens or encumbrances which may hereafter in any manner arise or be imposed upon any Lot whether arising from or imposed by judgment or decree or by any agreement, contract, mortgage or other instrument, except for:

- (a) bona-fide first mortgage or deed of trust liens for purchase money and/or improvement purposes placed against a Lot, including without limitation Institutional Mortgages and Eligible Mortgages, in which event the Association's lien shall automatically become subordinate and inferior to such first lien;

(b) liens for taxes or other public charges as are by applicable law made superior to the Association's lien; and

(c) such other liens about which the Board may, in the exercise of its reasonable discretion, elect to voluntarily subordinate the Association's lien;

provided however, such subordination shall apply only to (i) the Assessments which have been due and payable prior to the foreclosure sale (whether public or private) of such Lot pursuant to the terms and conditions of any such first mortgage or deed of trust or tax lien; (ii) the permitted Payment and Performance Lien on the Lot alone and not on or to any easement appurtenant for use and enjoyment of the Common Properties. Such sale shall not relieve such Lot from liability for the amount of any Assessment thereafter becoming due nor from the lien of any such subsequent Assessment. Such subordination shall not apply where the first mortgage or deed of trust or tax lien is used as a device, scheme or artifice to evade the obligation to pay Assessments and/or to hinder the Association in performing its functions hereunder.

Section 5.11. Exempt Property. The Exempt Property shall be exempted from any Assessments or Charge created herein, save and except a Payment and Performance Lien which shall secure payment and performance of the Declarant's obligations under **Section 5.3** hereof and which shall encumber all of the Lots owned by the Declarant during its period of ownership.

ARTICLE VI

GENERAL POWERS AND DUTIES OF THE BOARD OF DIRECTORS OF THE ASSOCIATION

Section 6.1. Constitution of the Board of Directors.

(a) Prior to the expiration of the Development Period, the affairs of the Association shall be managed by a Board consisting of three (3) individuals elected by the Declarant.

(b) From and after the expiration of the Development Period the affairs of the Association shall be managed by a Board consisting of no fewer than five (5) and no more than seven (7) individuals elected by the Class A Members, and one (1) individual elected by the Class C Members if such Class C Members elect to hold such position.

(c) The Directors need not be Members of the Association. Other than the constitution of the initial Board to be elected immediately following the expiration of the Development Period, Directors shall be elected for two (2) year terms of office and shall serve until their respective successors are elected and qualified. The terms of office for the Directors constituting the initial Board elected immediately following the expiration of the Development Period shall be one (1) year for one-half of the Directors (or if there is an odd number of directors, one-half plus 0.5) and two (2) years for the remaining Directors. Any vacancy which occurs in the Board, by reason of death, resignation,

removal, or otherwise, may be filled at any meeting of the Board by the affirmative vote of a majority of the remaining Directors. Any Director elected to fill a vacancy shall serve as such until the expiration of the term of the Director whose position he or she was elected to fill.

Section 6.2. Powers and Duties.

(a) The affairs of the Association shall be conducted by its Board. The Board, for the benefit of the Association, the Owners, the Members and the Residents, may provide and may pay for, out of the Assessment fund(s) provided for in **Article V** above, costs and expenses incurred in connection the affairs of the Association. If for any reason during the Development Period, the Board is not deemed authorized to act for and on behalf of the Association, and the Owners, Members and Residents, then the Declarant may exercise the powers and authority granted under this **Section 6.1**, to act for and on behalf of the Association, the Owners, the Members and the Residents, and the Association shall reimburse the Declarant for any and all reasonable expenses incurred in so acting.

(b) The Board may provide and may pay for, out of the Assessment fund(s) provided for in **Article V** above, one or more of the following:

(i) Care, preservation and maintenance of the Common Properties (including without limitation the proper maintenance of lake water quality and lake shorelines), the furnishing and upkeep of any desired personal property for use in or on the Common Properties and the performance of Front Yard Maintenance;

(ii) Recreational and social programs and activities for the general benefit of the Residents and programs which are designed only for separately identifiable sub-groups of Residents, such as (but not limited to) infants, adolescents, teenagers, students, mothers and senior citizens;

(iii) Supplementing (to the extent, if any, deemed necessary, appropriate and affordable by the Board) the police, fire, ambulance, garbage and trash collection and similar services within the Addition traditionally provided by local governmental agencies;

(iv) Taxes, insurance and utilities (including, without limitation, electricity, gas, water, sewer and telephone charges) which pertain to the Common Properties;

(v) The services of any Person (including the Declarant and any affiliates of the Declarant) to manage the Association or any separate portion thereof, to the extent deemed advisable by the Board, and the services of such other personnel as the Board shall determine to be necessary or proper for the operation of the Association, whether such personnel are employed directly by the

Board or by the manager of the Association, including the hiring and employment of one or more managers, secretarial, clerical, staff and support employees;

(vi) Such fidelity bonds as the Board may determine to be advisable;

(vii) Legal and accounting services (including audit fees) and all costs and expenses reasonably incurred by the Board; and

(viii) Any other materials, supplies, furniture, labor, services, maintenance, repairs, structural alterations, taxes or Assessments which the Board is required to obtain or pay for pursuant to the terms of this Declaration or which in its opinion shall be necessary or proper for the operation or protection of the Association or for the enforcement of this Declaration.

(ix) the cost of services provided to the Addition by service providers, including, without limitation, cable television, security and intranet services;

(c) The Board shall have the following additional rights, powers and duties:

(i) To execute all declarations of ownership for tax assessment purposes with regard to any of the Common Properties owned by the Association;

(ii) To enter into agreements or contracts with insurance companies, Taxing Authorities, the holders of first mortgage liens on individual Lots and utility companies with respect to (A) any taxes on the Common Properties, (B) monthly escrow and impound payments by a mortgagee regarding the assessment, collection and disbursement process envisioned by **Article V** hereinabove, (C) utility installation, utility franchise agreements, consumption and service matters, and (D) the escrow or impounding of monies sufficient to timely pay the Annual Assessment applicable to any Lot;

(iii) To borrow funds (including, without limitation, the borrowing of funds from the Declarant and/or its affiliates) to pay costs of operation, secured by such assets of the Association as deemed appropriate by the lender and the Association;

(iv) To enter into contracts, maintain one or more bank accounts and, generally, to have all the powers necessary or incidental to the operation and management of the Association;

(v) To enter into contracts with one or more providers of services to the Addition, including, without limitation, cable television, security and intranet services;

(vi) To protect or defend the Common Properties from loss or damage by suit or otherwise, to sue or defend in any court on behalf of the Association and to provide adequate reserves for repairs and replacements;

(vii) To make reasonable rules and regulations for the operation of the Common Properties and to amend them from time to time and to enter into concession agreements regarding food, beverage, vending and other products and services within the Common Properties;

(viii) To prepare an annual operating budget and to make available for review by each Owner, upon the written request of the Owner desiring such review, at the Association offices within ninety (90) days after the end of each Fiscal Year an annual report;

(ix) Pursuant to **Article VII** herein, to adjust the amount, collect and use any insurance proceeds to repair damage or replace lost property; and if proceeds are insufficient to repair damage or replace lost property; to assess the Owners in proportionate amounts to cover the deficiency;

(x) To provide adequate reserves for maintenance, repairs, operations, taxes and assessments for the Common Properties;

(xi) To engage the services of attorneys and accountants (including an annual audit) in connection the business of the Association; and

(xii) To enforce the provisions of this Declaration and any rules made hereunder or by the Board and to enjoin and seek damages from any Owner, Member or Resident for violation of such provisions or rules.

(d) The Board is specifically authorized and empowered to establish (and to revise and amend from time to time) a monetary "fines" system which may include component steps such as warning citations, ticketing, due process hearings and appeals and a flat rate or discretionary range or geometric progression of fine amounts, which, when pronounced, shall constitute a permitted Individual Assessment secured by the continuing contract Payment and Performance Lien herein established.

(e) The Association may (i) borrow monies from the Declarant; (ii) lease equipment from the Declarant; (iii) contract with the Declarant concerning the provision of any personnel, labor, supplies, materials and services, provided such contract terms and conditions are (A) generally comparable (in terms of price, quality and timeliness) with those that might be otherwise obtained from unrelated third parties, and (B) as to professional management contracts, terminable by the Association at any time for any reason whatsoever and without penalty upon furnishing at least ninety (90) days advance notice thereof to the Declarant. The Board shall not be required to solicit bids from unrelated third parties before entering into any contract with the Declarant and the reasonable judgment and resolution of the Board to enter into any such contract with the

Declarant (absent fraud, gross negligence or willful misconduct) shall be final and conclusive and binding upon the Association and all of its Members.

Section 6.3. Duties of the Board of Directors with Respect to Assessments.

(a) In the event of a revision to the amount or rate of the Annual Assessment for the prior Fiscal Year or the establishment of a Special Group Assessment, the Board shall fix the amount of the Assessment in question against each Lot and the applicable due date(s) for each Assessment, at least thirty (30) days in advance of such date or period, and shall, at that time, prepare a roster of the Lots and Assessments applicable thereto which shall be kept in the office of the Association.

(b) The Board shall, upon reasonable demand, furnish to any Owner originally liable for any Assessment, a certificate in writing signed by an officer of the Association or the Managing Agent, setting forth whether the Assessment in question has been paid. Such certificate shall be conclusive evidence of payment of any Assessment therein stated to have been paid. A reasonable charge may be made by the Board for the issuance of such certificate.

Section 6.4. Maintenance Contracts. The Board, on behalf of the Association, shall have full power and authority to contract with any Owner, Member or Resident (including, without limitation, the Declarant) for performance, on behalf of the Association, of services which the Association is otherwise required to perform pursuant to the terms hereof, such contracts to be upon such terms and conditions and for such consideration as the Board may deem proper, advisable and in the best interests of the Association.

Section 6.5. Liability Limitations. Neither any Owner, Member or Resident nor a Director nor the officers and managers of the Association, including the Managing Agent, shall be personally liable for debts contracted for or otherwise incurred by the Association or for any torts committed by or on behalf of the Association or for a tort of another Owner, Member or Resident, whether such other Owner, Member or Resident was acting on behalf of the Association or otherwise. Neither the Declarant, the Association, its Directors, officers, managers, agents or employees shall be liable for any actual, incidental or consequential damages for failure to inspect any Lot or the Improvements located thereon or portion thereof or for failure to repair or maintain the same. The Declarant, the Association or any other Person liable to make such repairs or maintenance shall not be liable for any personal injury or other actual, incidental or consequential damages occasioned by any act or omission in the repair or maintenance of any Lot or any Improvement located thereon or portion thereof.

Section 6.6. Reserve Funds. The Board may establish reserve funds, including the Street Reserve Funds, which may be maintained and accounted for separately from other funds maintained for annual operating expenses and may establish separate, irrevocable trust accounts or any other recognized bookkeeping or tax procedures in order to better demonstrate that the amounts deposited therein are capital contributions and not net or taxable income to the Association.

ARTICLE VII

INSURANCE REPAIR; RESTORATION

Section 7.1. Right to Purchase Insurance. The Association shall have the right and option to purchase, carry and maintain in force insurance covering any or all portions of the Common Properties, any improvements thereon or appurtenant thereto, for the interest of the Association, its Board, officers, managers, agents and employees, and of all Members of the Association, in such amounts and with such endorsements and coverage as shall be deemed appropriate by the Board and/or as specifically required by the Eligible Mortgagees or Eligible Insurers. Such insurance may include, but need not be limited to:

(a) Insurance against loss or damage by fire and hazards covered by a standard extended coverage endorsement in an amount which shall be equal to the maximum insurable replacement value, excluding foundation and excavation costs;

(b) Comprehensive public liability and property damage insurance on a broad form basis, including coverage of personal liability (if any) of the Board, and the Owners, Members and Residents with respect to the Common Properties;

(c) Fidelity bonds for all officers and employees of the Association having control over the receipt or disbursement of funds; and

(d) Liability insurance regarding the errors and omissions of Directors, officers, managers, employees and representatives of the Association.

Section 7.2. Insurance and Condemnation Proceeds. The Association shall be the exclusive representative of the Owners, Members and Residents in any proceedings, negotiations, settlements or agreements concerning insurance or condemnation with respect to the Common Properties. The Association and the Members may use the net insurance or condemnation proceeds to repair and replace any damage or destruction of property, real or personal, covered by such insurance or condemnation. Any balance from the proceeds of insurance or condemnation paid to the Association, remaining after satisfactory completion of repair, restoration and replacement or after the Board has elected to waive the repair, restoration or replacement, shall be retained by the Association as part of a general reserve fund for repair, restoration, maintenance and replacement of the Common Properties.

Section 7.3. Insufficient Proceeds. If the insurance or condemnation proceeds are insufficient to repair or replace any loss or damage, the Association may levy a Special Group Assessment as provided for in **Article V** of this Declaration to cover the deficiency.

Section 7.4. Liability Insurance Arrangements. The Association will seek to carry public liability insurance generally covering bodily injury and property damage arising out of negligent acts by employees, Members or authorized representatives of the Association. The Declarant and Association will not carry any insurance pertaining to, nor does it assume any liabilities or responsibility for, the real or personal property of the Owners, Members and

Residents (and their respective family members and guests). Each Owner, Member or Resident expressly understands, covenants and agrees with the Declarant and the Association that:

(a) neither the Declarant nor the Association has any responsibility or liability of any kind or character whatsoever regarding or pertaining to the real and personal property of any Owner, Member and Resident;

(b) each Owner, Member and Resident shall, from time to time and at various times, consult with reputable insurance industry representatives of each Owner's, Member's and Resident's own selection to select, purchase, obtain and maintain appropriate insurance providing the amount, type and kind of insurance deemed satisfactory to each Owner, Member and Resident covering his or her real and personal property.

ARTICLE VIII

ARCHITECTURAL REVIEW

Section 8.1. Architectural Review Committee. The Architectural Review Committee ("ARC") shall be composed of at least three (3) individuals initially selected and appointed by the Declarant, each generally familiar with community development design matters and knowledgeable about the Declarant's concern for a consistent first class approach to and construction of improvements within the Development Tract. In the event of the death, incapacity, removal or resignation of any member of the ARC, the Declarant, during the Development Period, shall have full authority to designate and appoint a successor. From and after expiration of the Development Period, the ARC members shall be selected, appointed and replaced, in the event of death, incapacity, removal or resignation, by the Board.

Section 8.2. ARC Jurisdiction.

(a) No building, Structure, Fence, Wall or Improvement of any kind or nature shall be erected, placed or altered on any Lot until all plans and specifications have been submitted to and approved in writing by the ARC, or a majority of its members, as to:

(i) quality of workmanship and materials in, adequacy of site dimensions, proper facing of main elevation with respect to nearby streets, in accordance with this Declaration, the Tree Preservation Guidelines, and/or the Residential or Commercial Design Guidelines and/or bulletins;

(ii) minimum finished floor elevation and proposed footprint of the Dwelling Unit;

(iii) conformity and harmony of the external design, color, type and appearance of exterior surfaces and landscaping;

(iv) drainage solutions;

(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; and

(vi) the other standards set forth within this Declaration (and any amendments hereto) or as may be set forth within the Residential or Commercial Design Guidelines, the Tree Preservation Guidelines, bulletins promulgated by the ARC, or matters in which the ARC has been vested with the authority to render a final interpretation and decision.

In addition to the foregoing, the ARC, in reviewing plans and specifications, shall have absolute discretion in determining whether the proposed plans are consistent with the general plan of development for the Addition and/or any particular phase or subdivision within the Addition including, but without limitation, construction materials, landscaping, colors, square footage, design and other considerations, aesthetic, subjective or otherwise, that the ARC deems appropriate. The ARC is further authorized and empowered to consider and review any and all aspects of construction, location, and landscaping, which may, in its sole and absolute discretion, adversely affect the living enjoyment of one or more Owner(s) or Residents or the general value of the Subdivision. In addition, the ARC shall be permitted to consider technological advances and changes in design and materials and such comparable or alternative techniques, methods or materials may or may not be permitted, in accordance with the reasonable opinion of the ARC.

(b) The following is a general outline of the steps likely to be involved in the review of plans and specifications:

- (1) Submission of preliminary plans and specifications to the ARC;
and
- (2) Submission of final plans and specifications to the ARC.

(c) The ARC's approval of any plans and specifications shall not mean that all applicable building requirements of the City of Frisco, or any other city or county with jurisdiction over same, have been satisfied.

Section 8.3. Residential Design Guidelines. The ARC may, from time to time, publish and promulgate Tree Preservation Guidelines and Residential Design Guidelines and additions or revisions thereto, and such guidelines shall be explanatory and illustrative of the general intent of the proposed development of Residential Lots to be developed within the Addition and are intended as a guide to assist the ARC in reviewing plans and specifications for Improvements to be located and constructed on each Residential Lot. 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):

(a) A site plan showing the "footprint" of the Structure, location of all existing trees (indicate size and type) and proposed improvements, including but not limited to, Structures, patios, driveways, parking areas and structures, fences and walls.

- (b) Exterior elevations of all proposed Structures.
- (c) A description and samples of exterior materials, colors, textures and shapes of all Structures.
- (d) Landscape plans, which shall include walkways, fences, walls, details, elevation changes, irrigation and watering systems, vegetation and ground cover (indicating size, spacing and quantity), and the protection and preservation of trees and other existing and introduced vegetation.
- (e) The location of air conditioning compressors and pool equipment.
- (f) Exterior illumination and location.
- (g) Dimensional floor plan of all enclosed spaces and any garages or parking facilities (particularly where the garages face the street).
- (h) Mailbox location and design.
- (i) Drainage solutions.
- (j) Such other matters as may be required by the building code of the City of Frisco.
- (k) The items described within **Section 8.2** above and any other data or information requested or deemed reasonably necessary by the ARC.
- (l) The installation and equipment of first-class fire and burglar alarms, smoke detectors and such other safety and security devices which, from time to time, become technologically feasible for residential use as may be further described and defined by the ARC.

Section 8.3.1. Commercial Design Guidelines. The ARC may, from time to time, publish and promulgate Commercial Design Guidelines and additions or revisions thereto, and such guidelines shall be explanatory and illustrative of the general intent of the proposed development of Commercial Lots to be developed within the Addition and are intended as a guide to assist the ARC in reviewing plans and specifications for Improvements to be located and constructed on each Commercial Lot. The ARC shall have the right, power and authority to establish and prescribe architectural restrictions and guidelines pertaining to the items and topics set forth in the Commercial Design Guidelines. 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 items set forth in Section 8.3 above, and such other items unique to Commercial Lots.

Section 8.4. Preliminary and Final Plan Submissions.

(a) The ARC is authorized and empowered to and shall consider, review and comment on preliminary plans and specifications submitted in duplicate on an informal basis to assist Owners, developers, homebuilders and prospective purchasers of the Lots in complying with these Covenants 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 preliminary 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 Covenants, the Owner or the Owner's designated representative will be so advised by letter containing a reasonably detailed statement and explanation of items found not to comply with these Covenants. If the ARC fails to approve or disapprove such plans and specifications within thirty (30) days after the actual date on which the submission is received, approval of the matters submitted shall be presumed to have been approved; provided however, that in no event shall the failure to formally approve such plans and specifications be deemed to have approved any plans and specifications that violate in any manner this Declaration, the Tree Preservation Guidelines, the Residential Design Guidelines or the Commercial Design Guidelines. Comments on and approvals of preliminary plans and specifications shall be binding upon the ARC provided that conforming final plans and specifications are submitted within ninety (90) days of such preliminary comments or approvals.

(b) Final plans, specifications and surveys shall be submitted in duplicate to the ARC for approval or disapproval. 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 Owner of the Lot in question or his/her/its designated representative. If found not to be in compliance with these Covenants, one set of such plans, specifications and surveys shall be returned marked "Disapproved," accompanied by a reasonably detailed statement and explanation of items found not to comply with these Covenants. Any modification or change to the approved set of plans, specifications and surveys be resubmitted to the ARC for its inspection and approval. 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 on which the submission is received, then the ARC approval shall be presumed.

(c) The ARC may from time to time publish and promulgate architectural standards bulletins and/or lot information sheets which shall be fair and reasonable and shall carry forward the spirit and intention of these Covenants. Such bulletins and lot information sheets shall supplement these Covenants and are incorporated herein by reference.

PRIOR TO THE ACQUISITION OF ANY, INTEREST IN, AND CONSTRUCTION ON, A LOT, EACH PROSPECTIVE PURCHASER, TRANSFEREE, MORTGAGEE AND OWNER OF ANY LOT IN THE SUBDIVISION IS STRONGLY ENCOURAGED TO CONTACT THE DECLARANT OR THE ASSOCIATION OR THE ARC TO OBTAIN AND REVIEW AND BECOME THOROUGHLY FAMILIAR WITH ANY AND ALL ARCHITECTURAL STANDARDS, BULLETINS AND LOT INFORMATION SHEETS AND THE MOST RECENT RESIDENTIAL DESIGN GUIDELINES, COMMERCIAL DESIGN GUIDELINES AND TREE PRESERVATION GUIDELINES WHICH WILL CONTROL THE DEVELOPMENT, CONSTRUCTION AND USE OF THE LOT IN QUESTION.

Section 8.5. General.

(a) 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 technicians) in connection with the performance of its duties with all reasonable costs and expenses related thereto paid for or reimbursed by the Association. The Association may, in turn, reasonably recoup some or all of these expenses from the applicants seeking review and approval of plans and specifications.

(b) 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 this **Article VIII**. In addition, the Declarant and/or the Association and/or the ARC may, but has no obligation to do so, cause such restoration, demolition and removal and levy the amount of the cost thereof as an Individual Assessment against the Lot upon, which such improvements or alterations were commenced or constructed. A material violation of these Covenants 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.

(c) 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 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. No approval of plans and specifications and no publication of any Residential Design Guidelines, Commercial Design 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 who submits plans or specifications, and every Owner of each and every Lot, agrees that he/she/it will not bring any action or suit against the Declarant, the Association, the ARC,

the Board, or the officers, managers, members, employees and agents of any of them, to recover any such damages and each and every Owner 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.

(d) 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 Lot or the Improvements located thereon subject to the jurisdiction of the ARC to confirm improvement or maintenance or alteration in compliance with the provisions hereof. 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 the other laws, rules, regulations or ordinances of the City of Frisco 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) The ARC shall have the power to grant variances, waivers, tolerances or modifications of the standards set forth within the Covenants under circumstances and conditions deemed reasonable, appropriate and prudent by the ARC. 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 to be 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 IX

USE OF LOTS IN THE ADDITION; PROTECTIVE COVENANTS

Each Lot situated in the Addition shall be constructed, developed, reconstructed, repaired, occupied and used as follows:

Section 9.1. Residential Lots. All Lots within the Development Tract zoned Single Family, Patio Home, Townhome and Multifamily shall be used, known and described as Residential Lots, unless otherwise indicated on the applicable Plat. Lots shall not be further subdivided and, except for the powers and privileges herein reserved by the Declarant, the boundaries between Residential Lots shall not be relocated without the prior express written consent of the ARC. No Structure shall be erected, altered, placed or permitted to remain on any Single-Family Lot other than one (1) single-family dwelling and, if any, its customary and usual accessory structures (unless otherwise prohibited herein). No building or structure intended for or adapted to business or commercial purposes or commercial use shall be erected, placed, permitted or maintained on any Residential Lot, or any part hereof, save and except those related

to development, construction and sales purposes of a bona-fide homebuilder or the Declarant. No Owner, Member or Resident shall conduct, transmit, permit or allow any type or kind of home business or home profession or hobby on any Residential Lot or within any Dwelling Unit which would (a) attract automobile, vehicular or pedestrian traffic to the Residential Lot, or (b) involve lights, sounds, smells, visual effects, pollution and the like which would adversely affect the peace and tranquility of any one or more of the Residents within the Development Tract. The restrictions on use herein contained shall be cumulative of, and in addition to, such restrictions on usage as may from time to time be applicable under and pursuant to any statutes, rules, regulations and ordinances of the City of Frisco or any other governmental authority having jurisdiction over the Addition.

Section 9.1.1. Commercial Lots. All Lots which are not zoned Single Family, Patio Home, Townhome and Multifamily, shall be used, known and described as Commercial Lots, unless otherwise indicated on the applicable Plat. The following uses and operations shall not be permitted anywhere on a Commercial Lot:

- a. any use which is illegal or offensive by reason of odor, fumes, dust, smoke, noise or pollution or which is hazardous by reason of excessive danger of fire or explosion; or
- b. any use which is obnoxious to or out of harmony with the development of the Addition including, but not limited to: trailer court; mobile home park; labor camp; junk yard; scrap metal yard; waste material business; any dumping, disposal, incineration or reduction of garbage or refuse; sanitary landfill; or
- c. industrial and/or manufacturing use; any refining of petroleum or its products; smelting of iron, tin, zinc or other ores; or
- d. any use of the surface for drilling for and/or removal of oil, gas or other hydrocarbon substances; or
- e. sexually-oriented businesses or a business including any establishment that offers or sells a product or service that is intended to provide sexual gratification to its users (including; but not limited to, the dissemination or exhibition of obscene materials; any establishment featuring topless, bottomless, or totally nude performances or personnel; or any establishment that regularly shows NC-17, X-rated or pornographic movies, or sells or rents pornographic material or movies, adult arcades, adult bookstores, adult video stores, adult motels, adult motion picture theaters, nude model studios, sexual encounter centers, adult cabarets and adult theatres); any massage parlor, modeling studio, or establishment where men and/or women are engaged in salacious activities; or
- f. carnival or fair; or
- g. sale of new or used motor vehicles; automobile body and fender repair facility; the performance of any automobile repair work; or

- h. stockyard; animal husbandry; feed lot for storage or housing of animals; slaughterhouse; or
- i. cemeteries, mortuaries or funeral homes; or
- j. prisons, jails or other detention or correctional facilities; or
- k. any noise or sound that is objectionable due to intermittence, beat, frequency, shrillness or volume; or
- l. any type of "flea market", "sidewalk sale" or "tent" sale; any Army, Navy, or governmental type "surplus" store; pawn shop; fire sale; bankruptcy sale (unless pursuant to a court order); auction house operation; any "second hand" store (but excluding stores primarily selling antiques); or
- m. any casino, video poker facility, bingo hall, off-track betting parlor or similar facility at which games of chance are conducted; or
- n. pool or billiard establishment; shooting gallery; or
- o. employment agency; or
- p. any establishment engaged in the retail sale of alcoholic beverages for on premises consumption, which establishment derives 50% or more of its gross revenue during any twelve month period from the sale of alcoholic beverages in individual servings, including but not limited to bars, lounges, and taverns; provided, however nothing contained herein shall prohibit the location of a bar or lounge within and ancillary to a restaurant, hotel, motel or similar transient lodging. For purposes of this subsection 9.1.1 (p), a Commercial Lot Owner engaging in the retail sale of alcoholic beverages for on premises consumption shall provide to the Association such information as may be reasonably necessary, in the Board's judgment, to determine compliance with this subsection.

Section 9.2. Minimum Floor Space. Each Dwelling Unit shall contain such minimum square feet of air-conditioned floor area (exclusive of all porches, garages or breezeways main dwelling) as may now or hereafter be specified or provided by the Residential Design Guidelines applicable to the Lot on which such Dwelling Unit is to be constructed.

Section 9.3. Garages. Each Dwelling Unit erected on any Single-Family Lot shall provide garage space for a minimum of two (2) conventional automobiles, unless otherwise specifically approved by the ARC. Each Owner, Member and Resident shall have an affirmative duty and obligation to ensure that the garage space is fully utilized for the parking and storing of vehicles. Once the garage space has been fully utilized for the parking and storage of vehicles, each Owner, Member or Resident shall have an affirmative duty and obligation to park remaining vehicles on the driveway within the Single-Family Lot of said Owner, Member or Resident. All garage doors shall (a) be equipped with an automatic and remote controlled door opener, and (b) be closed at all times when not in use. Detached garages, servants quarters, storage rooms, and carports may be permitted under limited rigid circumstances if, as and when,

in the absolute opinion of the ARC, the exterior surface and appearance will substantially compare with a garage and if absolutely no storage of items, which would otherwise be visible, will occur thereunder. Any and all proposed garage or carport plans and specifications must be submitted to and approved in writing by the ARC. Additionally, no garage shall ever be used, changed, altered, reconstructed or otherwise converted for any purpose inconsistent with the garaging of automobiles unless approved in writing by the ARC.

Section 9.4. Parking and Storage of Vehicles. The limited and sporadic parking of vehicles on any street abutting a Lot by Owners, Members and Residents is discouraged but not absolutely prohibited hereunder. The recurring and habitual parking of vehicles on any street abutting a Lot is prohibited and shall constitute a violation of **Section 9.3** and this **Section 9.4**. For purposes of **Section 9.3** and this **Section 9.4**, a violation of these Sections shall be deemed to have occurred in the event any vehicles (not necessarily the same vehicle) belonging or corresponding to the Owners, Members or Residents of a Lot are found to have been parked on the street between the hours of 1:00 a.m. and 9:00 a.m., on at least four (4) separate occasions within a fifteen (15) day period. The Association, the Board and the Managing Agent are entitled to rely conclusively on reports from Owners, Members and Residents citing the parking of vehicles on the street to document incidents which may serve as the basis of a violation, and in determining if and when a violation of **Section 9.3** and **Section 9.4** has occurred. The restriction against recurring and habitual parking on the street shall not apply to guests, service providers or business invitees of Owners, Members or Occupants. Performing, permitting or allowing repair or maintenance work to any automobile or other vehicle outside the garage and visible from the abutting street(s) is prohibited. The storage of vehicles of any type in public view, either on the street or in the driveway, is prohibited. By way of illustration, and not limitation, this includes inoperative vehicles of any type and vehicles which are covered by a tarp or any type of covering. On-site parking shall be subject to such other reasonable rules and regulations, including sanctions for the violation thereof, as may from time to time be adopted by the Board. Under no circumstances or conditions shall any automobiles or other vehicle be parked on a non-paved portion of any Lot.

Section 9.5. Setback Requirements. Setback requirements shall be described within the Residential Design Guidelines and Commercial Design Guidelines. The ARC may establish additional setback lines (for fences, walls and for buildings) from the front property line of each Lot at varying distances. In order to allow flexibility for (a) implementation of state-of-the-art construction designs, and (b) any consolidation of two (2) or more Lots to accommodate the construction of a lesser number of Dwelling Units thereon, the ARC shall also have the authority to develop and refine rear and side yard setback requirements. Within the setback areas for each Lot and subject to the construction or installation of any other items otherwise permitted, a non-exclusive surface easement and right-of-way is reserved for and for the Association in order to properly facilitate and carry out its duties and responsibilities under this Declaration.

Section 9.6. Height Limitations. Unless expressly permitted by the Residential Design Guidelines applicable to a Single-Family Lot, no Structure on any Single-Family Lot shall contain more than two (2) stories or exceed, in height, the maximum height allowed by the City of Frisco, such height to be measured and determined in accordance with the methods approved by the City of Frisco.

Section 9.7. Fences. No fence, wall or hedge (which serves as a barrier) shall be erected, placed or altered on any Lot nearer to any street than the minimum front building setback line indicated on the Plats or established in the Residential or Commercial Design Guidelines, unless otherwise approved by the ARC. All exterior mechanical or service equipment must be enclosed within fences, walls or landscaping so as not to be visible from the immediate residential Street. The design of and the type and material of all fences or walls shall be governed by the Residential or Commercial Design Guidelines. No fence, wall or hedge shall be erected, placed or altered on any Lot without the approval of the ARC. Notwithstanding the foregoing, Declarant may install a metal rail fence along the boundary line between any Lot and Common Properties and other properties owned by the City of Frisco or other governmental entities or such other fences as the Declarant deems reasonable or appropriate.

Section 9.8. Signs. No sign or signs shall be displayed to the public view on any Lot without the prior written approval of the ARC, except (a) any builder, during the applicable initial construction and sales period, may utilize one (1) professional sign of not more than six (6) square feet in size per Lot for advertising and sales purposes upon the prior written consent of the ARC, which approval shall not be unreasonably withheld or delayed, (b) a dignified "For Sale" sign of not more than six (6) square feet in size may be utilized by the Owner of the respective Lot for the applicable sale situation; (c) no earlier than one hundred eighty (180) days after the purchase date of the Lot as reflected on the Deed filed in the Real Property Records of Denton, Texas, a dignified "For Lease" sign of not more than six (6) square feet in size may be utilized by the Owner of the respective Lot for the applicable lease situation; and (d) development-related signs owned or erected by the Declarant shall be permitted. The Declarant and/or the ARC shall have the right and privilege to develop and implement signage specifications and requirements applicable throughout the Development Tract, which may vary with respect to each Subdivision. In all events any and all signs, if allowed, shall comply with the sign standards of the City of Frisco applicable to the Development Tract.

Section 9.9. Temporary Structures and Vehicles.

(a) No temporary Structure of any kind shall be erected or placed upon any Residential Lot. Temporary Structures shall include, but not be limited to, any garage, servant's house or other improvement erected more than one hundred twenty (120) days prior to the completion of the main portion of the permanent Structure. However, upon receiving the prior, express written approval of the ARC, the Declarant or any bona-fide builder may maintain temporary sales or construction offices, provided such sales or construction offices are removed within sixty (60) days after completion of sales or construction, as the case may be.

(b) Any truck (over 3/4 ton and excluding conventional pickups), bus, boat, boat trailer, trailer, mobile home, golf cart, motorcycle, recreational vehicle, campmobile, camper and any vehicle other than a conventional automobile shall, if brought within the Addition by or on behalf of any Owner, Member or Resident, be stored, placed or parked within the enclosed garage on the appropriate Residential Lot unless otherwise directed

by the ARC; provided, however, motorcycles and golf carts do not need to be parked in enclosed garages on Multi-Family Lots .

(c) Parking on Commercial Lots shall be governed by the Commercial Design Guidelines and the City of Frisco.

Section 9.10. Site Maintenance, Garbage and Trash Collection.

(a) Owners of Lots shall be responsible to keep construction sites free of rubbish on a daily basis and streets (to the crown) scraped clear of any mud accumulation. Owners will not be allowed to store any excavation of soil on streets or adjacent sites. Soil runoff due to rain or irrigation will be removed promptly from streets and sidewalks by the Owner in question.

(b) All garbage shall be kept in plastic bags or other containers required (and meeting the specifications of) by the City of Frisco. Each Owner, Member and Resident shall observe and comply with any and all regulations or requirements promulgated by the Association and/or the City of Frisco in connection with the storage and removal of trash and garbage, particularly where the collection point is in front of the Dwelling Units.

(c) No Lot, or any portion of the Common Properties or any public right-of-way area, shall be used or maintained as a dumping ground for rubbish, trash or garbage. No Owner, Member or Resident shall dump grass clippings, landscape debris, garbage or trash of any kind on another Lot or the Common Properties. Each Owner shall be responsible for the appearance and condition of such Owner's Lot.

(d) If more than five (5) days after prior written notice an Owner shall fail to: (i) control weeds, grass and/or other unsightly growth; (ii) remove trash, rubble, building and construction debris; or (iii) exercise reasonable care or conduct to prevent or remedy an unclean, untidy or unsightly condition, then in such events the Declarant or the Association shall have the authority and right to go onto the Lot in question for the purpose of mowing and cleaning such Lot and shall have the authority and right to assess and collect from the Owner of Lot in question a reasonable charge for mowing or cleaning such Lot on each respective occasion of such mowing or cleaning which charge shall constitute an Individual Assessment hereunder.

Section 9.11. Offensive Activities; Pets.

(a) No noxious or offensive activity or pollution affecting sight/sound/smell, as determined by the ARC, shall be conducted or permitted on any portion of the Addition. Excluding activities of the Declarant and bona-fide homebuilders, no direct sales activities, garage sales, yard sales, patio sales, flea markets, bazaars, sample sales, promotional dinner parties or similar activities shall be conducted on any portion of the Development Tract.

(b) Any noise or odor emitted by, and any discharge or waste from, any animal (including without limitation dogs and cats) which can be seen, heard or smelled outside the perimeter of the subject Owner's (or Member's or Resident's) Lot shall be deemed noxious and offensive and is therefore prohibited. No animals, livestock or poultry of any kind shall be raised, bred or kept on any Lot, except that no more than five (5) dogs, cats or other household pets, in the aggregate, may be kept, provided that they are not kept, bred or maintained for commercial purposes and they are not noxious, offensive, vicious or dangerous, as determined by the Board, in its sole and absolute discretion, and based on documented observations of vicious or dangerous conduct. Without such documented observations or vicious or dangerous conduct, the Board shall have no obligation or duty whatsoever to initiate any action towards the removal of any such dog, cat or household pet. Any outside pen, cage, shelter, concrete pot pad, run, track or other building, structure or device directly or indirectly related to animals which can be seen, heard or smelled by anyone other than the subject Lot Owner must be approved by the ARC in its sole and absolute discretion. Each and every dog, cat or other household pet, if not kept and confined within an enclosed non-visible portion of the Owner's/Member's/Resident's Lot, must be leashed and accompanied by its corresponding Owner/Member/Resident, particularly when traveling beyond the perimeter of the Owner's/Member's/Resident's Lot, and such Owner/Member/Resident shall promptly clean and remove the discharge and waste of any pet.

Section 9.12. Landscaping; Sprinkler System; and Maintenance.

(a) Construction of each and every Dwelling Unit or Structure on any Lot shall include the installation and placement of appropriate landscaping as defined and described in the applicable Residential or Commercial Design Guidelines. Any and all plans and specifications of yards, including alterations, changes or additions thereto, shall be subject to the prior approval of the ARC. Each Lot shall be planted with trees as required by the Tree Preservation Guidelines. Preservation of existing trees is encouraged and is subject to the Tree Preservation Guidelines. The grass in all front yards and side yards shall be solid sod common bermuda grass, unless otherwise approved in writing by the ARC. Each Owner and Resident of any Lot shall have the duty and responsibility, at their sole cost and expense, to keep, maintain and landscape their Lot in a well maintained, clean and attractive condition at all times, including, without limitation, (i) the proper sodding, consistent watering and mowing (excluding Front Yards) of all lawns, (ii) the pruning and cutting of all trees and shrubbery, (iii) watering of all landscape, (iv) keeping lawn and garden areas alive, free of weeds and attractive, all in a manner and with such frequency as is consistent with aesthetics and good property management.

(b) Each Lot shall have and contain an underground water sprinkler system for the purpose of providing sufficient water to all yards.

(c) Each Owner and Resident of any Lot shall have the duty and responsibility, at their sole cost and expense, to keep and maintain their Lot, and all improvements therein and thereon, in a well maintained, safe, clean and attractive

condition at all times, including, without limitation (i) prompt removal of all litter, trash, refuse and waste, (ii) keeping exterior lighting and mechanical facilities in working order, (iii) keeping driveways in good repair and condition, (iv) promptly repairing any exterior damage, (v) complying with all governmental health and police requirements, and (vi) repainting Improvements when required, all in a manner and with such frequency as is consistent with aesthetics, safety and good property management.

(d) The Association, and its agents, during normal business hours, shall have the right (after five (5) days written notice to the Owner of any Lot involved, setting forth the specific violation or breach of this covenant and the action required to be taken, and if at the end of such time reasonable steps to accomplish such action have not been taken by the Owner), to enter on the subject premises (without any liability whatsoever for damages for wrongful entry, trespass or otherwise to any Person) and to take the action(s) specified in the notice to remedy or abate said violation(s) or breach(es). The cost of such remedy or abatement will be paid to the Association upon demand and if not paid within thirty (30) days thereof, shall become a lien upon the Lot affected. The Association, or its agent, shall further have the right (upon like notice and conditions), to trim or prune, at the expense of the Owner, any hedge, tree or any other planting that, in the written opinion of the Association, by reason of its location on the Lot, or the height, or the manner in which it is permitted to grow, is detrimental to the adjoining Lots, is dangerous or is unattractive in appearance. The contract Performance and Payment Lien provided under this **Section 9.12** will constitute a lien retained against the Lot in question with the same force and effect as the Payment and Performance Lien for Assessments set forth in these Covenants.

Section 9.13. Window, Window Coverings and Shutters. Windows must be of a clear glass or a tinted glass of bronze, gray, green or smoke color. The use of reflective glass or reflective tinting is prohibited. From and after fifteen (15) days from the date title to a Lot upon which a Dwelling Unit has been constructed is transferred to a new Owner (or offered for lease), no window in any Dwelling Unit may be covered with bed sheets, any type of paper, poster board, aluminum foil or other reflective material. To ensure the continuity of the view corridors, all window coverings facing public open-space, streets, or amenities shall be white, light beige or natural wood tones. White curtain lining is acceptable. All other window curtains or treatments (those not facing public open-space, streets, or amenities) shall be compatible in design and color with the overall appearance of the Dwelling Unit and the overall appearance of the Subdivision. The ARC shall have the sole authority to determine whether particular window treatments or coverings are compatible with the design and color of the Dwelling Unit and the overall appearance of the Subdivision. The use of colored solar panels is allowed but requires prior written approval from the ARC. Shutters require prior ARC approval and must comply with the applicable Residential or Commercial Design Guidelines.

Section 9.14. Tree Preservation Guidelines. Each Owner and Resident of a Lot shall comply with the Tree Preservation Guidelines, including, without limitation, the covenants and restrictions contained therein applicable to those certain Lots subject to tree preservation easements as are indicated and set forth on the Plat.

Section 9.15. Sidewalks. Construction of each and every Dwelling Unit or Structure on a Single-Family Lot shall include the installation, of a sidewalk four (4) feet in width situated within all Front Yards at a parallel distance of five and one-half (5 1/2) feet from the street curb.

ARTICLE X

EASEMENTS; STREETS AND ALLEYS

Section 10.1. Easements; Utilities. Easements for the installation and maintenance of utilities and drainage facilities shall be reserved as shown on the Plat thereof for the applicable Subdivision. Utility service may be installed along or near the front and/or side and/or rear Lot lines and each Lot Owner shall have the task and responsibility of determining the specific location of all such utilities. Except as may be otherwise permitted by the ARC (e.g. fencing, flatwork, landscaping, etc.), no Owner shall erect, construct or permit any obstructions or permanent improvements of any type or kind to exist within any easement area, nor shall anything be done or permitted within an easement area which would restrict or adversely affect drainage. Electrical (and possibly other utility) easements may be located at, near or along the front or rear lot line(s), and each Lot Owner assumes full, complete and exclusive liability and responsibility for all cost and expense related to damage, repair, relocation and restoration of any improvements or fence located within the easement area. Except as to special street lighting or other aerial facilities which may be required by the City of Frisco or which may be required by the franchise of any utility company or which may be installed by the Declarant pursuant to its development plan, no aerial utility facilities of any type (except meters, risers, service pedestals and other surface installations necessary to maintain or operate appropriate underground facilities) shall be erected or installed within the Subdivision whether upon individual Lots, easements, streets or rights-of-way of any type, either by the Utility company or any other Person, including, but not limited to, any Person owning or acquiring any part of the Subdivision, and all utility service facilities (including, but not limited to, water, sewer, gas, electricity and telephone) shall be buried underground unless otherwise required by a public utility. The foregoing notwithstanding, aerial utility facilities may be required to deliver services to the property line of the Subdivision. All utility meters, equipment, air conditioning compressors, pool equipment and similar items must be visually screened and located in areas designated by the ARC. Full rights of ingress and egress shall be had by the Declarant, the Association, and all utility companies serving the Subdivision, and their respective successors and assigns, at all times over the Subdivision for the installation, operation, maintenance, repair or removal of any utility together with the right to remove any obstruction (excluding, however, any driveway, fence or other Improvement or Structure which has been theretofore specifically approved by the ARC or the Board) that may be placed in such easement that would constitute interference with the use of such easement, or with the use, maintenance, operation or installation of such utility.

Section 10.2. Sign Easements. The Association shall have the right, privilege, duty and responsibility to reasonably maintain and care for any and all signs, monuments, landscaping and the like installed or placed on any "sign easement area" depicted within the applicable Plat.

Section 10.3. Ingress, Egress and Maintenance by the Association. Full rights of ingress and egress shall be had by the Association at all times over and upon the setback and sign easement areas applicable for each Lot for the carrying out by the Association of its functions, duties and obligations hereunder; provided, however, that any such entry by the Association upon any Lot shall be made with as little inconvenience to the Owner as practical, and any damage caused thereby shall be repaired by the Association at the expense of the Association's maintenance fund.

Section 10.4. Private Streets and Alleys. The Streets and Alleys situated and to be situated within the Addition are and shall be, by definition, private streets and alleys which have not been dedicated to, and are not owned by, the City of Frisco. The following special provisions shall be applicable to the Streets and Alleys:

(a) All Streets and Alleys situated from time to time within the Development Tract and the Common Properties shall be owned by the Association; provided, however, that neither the Declarant nor the Association makes any commitment nor shall either be under any obligation whatsoever to assure that the Streets and Alleys located within the Development Tract and the Common Properties will at all time remain private. The Declarant and the Association expressly reserve the right at any time or from time to time to dedicate all or any portion of the Streets and Alleys located within the Development Tract and the Common Properties to the City of Frisco. All Streets and Alleys located within the Subdivision shall at all times be subject to the lawful exercise by the City of Frisco of its police powers.

(b) The Association shall, and has the sole responsibility to, maintain the Streets and Alleys located, within the Development Tract and the Common Properties, in a condition not less than the minimum standards required for public streets and alleys in the City of Frisco, and the Association shall make all repairs to the Streets and Alleys located within the Development Tract and the Common Properties deemed reasonably necessary by the City of Frisco from time to time to insure emergency access. The City of Frisco, so long as the Streets and Alleys remain private and are owned by the Association, shall have no obligation or right to maintain the Streets and Alleys or to provide any street cleaning services. All costs and expenses incurred by the Association in maintaining the Streets and Alleys shall be paid from funds generated by the Annual Assessment process herein provided for.

(c) The Association shall establish and maintain the Street Reserve Funds to pay future extraordinary maintenance costs of the Streets and Alleys. The amount of the Assessments allocable to the Street Reserve Funds shall be as determined from time to time by the Board.

(d) Non-exclusive easements are hereby reserved for the benefit of, and granted to, the City of Frisco, all providers of utility services within the Addition, and all other governmental servicers of the Addition (including without limitation the U.S. Postal Service), to enter onto and use the Streets and Alleys for the provision of all governmental and utility services necessary and/or required for the benefit of the Owners

in the proper exercise of governmental functions and the providing of utility services, including without limitation, the right of the City of Frisco to remove any vehicle or obstacle from the Streets and Alleys that impairs emergency access.

(e) Utilities serving the Addition shall be installed only in the Streets and Alleys or in designated utility easement(s) shown on the Plats (except for individual utility connections from the common utility lines to Improvements constructed on a Lot).

(f) The Plats shall contain a dedication to the City of Frisco and to all public utility entities providing utility service to the Addition of the right to use the Streets and Alleys to construct, install, maintain, operate, inspect, remove and reconstruct the facilities, equipment and systems that serve the Addition, by the City of Frisco and such utility companies shall repair any damage to the pavement or other improvements on the Streets and Alleys resulting from any such installation, maintenance, reconstruction or such other work.

(g) If the Association maintains mechanism(s) to control access to the Streets and Alleys, the Association shall maintain such mechanism(s) in good operating condition so as to allow twenty-four (24) hour access to the Streets and Alleys by the City of Frisco and the providers of utility services to the Addition.

(h) Declarant, during the Development Period, and from and after the expiration of the Development Period, the Association, after having obtained the approval by Owners of at least fifty-one percent (51%) of the Residential Lots in respect to Streets and Alleys located within the Development Tract, shall have the right to request the City of Frisco to accept dedication of all (but not less than all) of the Streets and Alleys located within the Development Tract and/or the applicable portion of the Common Properties to the City of Frisco as public streets.

Section 10.5. Limited Access System. Declarant may install a mechanical system that limits vehicular access to the Streets and Alleys located within the Development Tract from public streets (the "**System**"). By accepting a Deed to a Single-Family Lot, each Owner shall be deemed to have acknowledged and agreed to the following:

(a) The Board will have the sole authority, in the Board's sole and exclusive discretion, to determine when the System will be operational.

(b) Neither the Declarant nor the Association shall be responsible for providing security to the Owners of Single-Family Lots or their family members, guests, invitees or their property. The purpose of the System shall be to provide some degree of restriction of vehicular access onto the Streets and Alleys located within the Development Tract. NEITHER THE DECLARANT, THE ASSOCIATION NOR ANY OWNER GUARANTEES OR ASSURES TO ANY OTHER OWNER NOR ANY OTHER PARTY WHOMSOEVER THAT THE SYSTEM WILL IN ANY MANNER WHATSOEVER PROVIDE PERSONAL PROTECTION OR SECURITY TO ANY OWNER, SUCH OWNER'S PERSONAL POSSESSIONS OR MEMBERS,

RESIDENTS, GUESTS OR INVITEES, OR TO ANY OTHER PERSON, AND EACH OWNER, BY THE ACCEPTANCE OF ITS DEED, SHALL BE DEEMED TO HAVE ASSUMED THE ENTIRE RISK AS BETWEEN SUCH OWNER AND DECLARANT OR THE ASSOCIATION FOR ANY LOSS OR DAMAGE TO PERSON OR PROPERTY WITHIN THE ADDITION ARISING FROM ANY DEFICIENCY, FAILURE OR DEFECT IN THE SYSTEM OR OTHERWISE.

(c) The City of Frisco, Denton County, and any other governmental entities or special purpose districts having jurisdiction within the Addition shall have access to the Development Tract for law enforcement and fire protection purposes. Each Owner shall look solely to such entities for the provision of law enforcement, police and fire protection.

(d) If the System in any way could be deemed to limit access to a Lot, the System is nevertheless not intended to replace or to serve in lieu of individual alarm systems or other measures to provide security at a residence or within any Single-Family Lot or Lots. Each Owner is encouraged to install personal security devices upon and within such Owner's Dwelling Unit to the same extent that would be prudent if the System did not exist.

(e) The System will be installed based upon the representations of vendors regarding the operation and performance capabilities of the components of the Systems. THE DECLARANT DISCLAIMS ANY AND ALL REPRESENTATIONS AND WARRANTIES, EXPRESS OR IMPLIED AND THE DECLARANT MAKES NO REPRESENTATIONS OR WARRANTIES OF ANY NATURE WHATSOEVER REGARDING THE SYSTEM, INCLUDING, WITHOUT LIMITATION, ANY IMPLIED WARRANTY OF MERCHANTABILITY OR FITNESS FOR THE PURPOSE FOR WHICH IT WAS DESIGNED. The Declarant does not expressly or impliedly guarantee that the System will avert or prevent occurrences or consequences which the System is designed to avert or prevent.

(f) The System shall be owned, operated, and maintained by the Association at its sole cost and expense. The Declarant shall not be required to operate or maintain the System.

(g) Each Owner shall be responsible for using the System in the proper manner and within the rules and regulations relating thereto as may be adopted from time to time by the Board.

Section 10.6. Zero Lot Line Easement. Each Single-Family Lot having a zero side or zero lot line as shown of the applicable Plat and the Owner of such Single-Family Lot are hereby granted the following easements:

(a) an easement on the Single-Family Lot adjacent to such zero lot line side having a minimum width of three (3) feet and a maximum of five (5) feet depending upon the width of the Single-Family Lot in question, along and adjacent to such zero lot line

side for the purpose of repair and maintenance of such Owner's Improvements and Structures adjacent thereto; and

(b) An easement on the Single-Family Lot adjacent to such zero lot line side having a maximum width of one (1) foot along and adjacent to such zero lot line side for the purpose of installing decorative non-permanent improvements or landscaping. This easement is inferior to the maintenance easement set forth in subparagraph (a) above of this **Section 10.6** such that the right to conduct repair and maintenance shall not be unreasonably interfered with by virtue of the installation of decorative non-permanent improvements or landscaping. The installation of decorative non-permanent improvements or landscaping must receive prior written approval from the ARC. In no event shall there be a merger of the easement area created herein with the fee estate of the Single-Family Lot adjacent to such zero lot line side.

ARTICLE XI

REGISTRATION

Section 11.1. Registration with the Association.

(a) In order that the Declarant and the Association can properly acquaint every Lot purchaser and every Owner, Member and Resident with these Covenants and the day-to-day matters within the Association's jurisdiction, no acquisition of any Lot within the Subdivision shall become effective until and, unless all directives by, and all obligations to, the Association and the Declarant have been properly and timely satisfied.

(b) Each and every Owner, Member and Resident shall have an affirmative duty and obligation to originally provide, and thereafter revise and update, within fifteen (15) days after a material change has occurred, various items of information to the Association such as: (a) the full name and address of each Owner, Member and Resident; (b) the full name of each individual family member who resides within the Dwelling Unit of the Lot Owner in question; (c) the business address, occupation and telephone numbers of each Resident; (d) the description and license plate number of each automobile owned or used by a Resident and brought within the Development Tract; (e) the name, address and telephone numbers of other local individuals who can be contacted (in the event the Resident cannot be located) in case of an emergency; and (f) such other information as may be reasonably requested from time to time by the Association. In the event any Owner, Member or Resident fails, neglects or refuses to so provide, revise and update such information, then the Association may, but is not required to, use whatever means it deems reasonable and appropriate to obtain such information and the offending Owner, Member and Resident shall become automatically jointly and severally liable to promptly reimburse the Association for all reasonable costs and expenses incurred in so doing.

ARTICLE XII

RIGHTS OF CERTAIN MORTGAGEES AND MORTGAGE INSURERS

Section 12.1. Applicability. The provisions within this Article XII are for the primary benefit of

(a) The owners and holders of Institutional Mortgages which are required to satisfy the applicable requirements of FHA, VA, FNMA, FHLMC and other similar governmental, quasi-governmental and nationally recognized public and/or private sources of end financing (such mortgagees sometimes collectively referred to herein as "**Eligible Mortgagees**" and their mortgages referred to as "**Eligible Mortgages**"); and

(b) The insurers, guarantors, participants and subsidizers of the Eligible Mortgages, sometimes collectively referred to herein as the "**Eligible Insurers.**"

To the extent applicable, necessary or proper, the provisions of this **Article XII** apply not only to this Declaration but also to the Articles and By-Laws of the Association. This **Article XII** is supplemental to, and not in substitution of, any other provisions of this Declaration, the Articles and By-Laws, but in the event of ambiguity or conflict, this **Article XII** shall control.

Section 12.2. Notices of Action. An Eligible Mortgagee or Eligible Insurer who provides written request to the Association (such request to state the name and address of such holder, insurer or guarantor and a reasonable description of the Dwelling Unit covered by the Eligible Mortgage) will be entitled to receive timely written notice of:

- (a) any proposed termination of the Association;
- (b) any condemnation loss or any casualty loss which affects a material portion of the Subdivision or which materially affects any Dwelling Unit on which there is an Eligible Mortgage held, insured or guaranteed by such Eligible Mortgagee or Eligible Insurer, as applicable;
- (c) any delinquency in the payment of Assessments or charges owed by an Owner of a Dwelling Unit subject to the Eligible Mortgage of such Eligible Mortgagee or Eligible Insurer, as of the date of the written request, but not an on-going duty to notify of future delinquencies;
- (d) any lapse, cancellation or material modification of any insurance policy or fidelity bond maintained by the Association; or
- (e) any proposed action which would require the consent of the Eligible Mortgagees as required hereinbelow.

Section 12.3. Joinder to Documents.

(a) In addition to the provisions set forth within **Article XIII**, Eligible Mortgagees who have requested the Association to notify them concerning any proposed action that requires the consent of a specified percentage of Eligible Mortgagees also have the right to join in the decision making about certain amendments to this Declaration. In such regard amendments of a "**material nature**," as hereinafter defined, must be approved by (i) the Owners as specified in **Section 13.4** hereof, and (ii) Eligible Mortgagees representing at least fifty-one percent (51%) of the Dwelling Units that are subject to Eligible Mortgages. Additionally the following matters must be approved by Eligible Mortgagees representing at least fifty-one percent (51 %) of the Dwelling Units that are subject to Eligible Mortgages:

(i) The redefinition of the boundaries of any Lot covered by an Eligible Mortgage;

(ii) A decision by the Association to establish self-management when professional management had been required previously by an Eligible Mortgagee; or

(iii) Any provisions that expressly benefit Eligible Mortgagees or Eligible Insurers.

(b) If and when the Owners are considering termination of the coverage of this Declaration over the Subdivision for reasons other than substantial destruction or condemnation, the Eligible Mortgagees representing at least sixty-seven percent (67%) of the mortgaged Dwelling Units in the Subdivision must approve such termination.

Section 12.4. Special FHLMC Provision.

(a) So long as required by the FHLMC, the following provisions apply in addition to and not in lieu of the other provisions of **Article XII**. Unless two-thirds (2/3) of the Eligible Mortgagees or Owners of Residential Lots give their consent (together with the approval of the Owners, as herein provided), and subject to the condition that any proposed action of the Association purportedly covered by the following requirements must be material and adverse, the Association shall not:

(i) except as expressly permitted hereby, by act or omission seek to abandon, partition, subdivide, encumber, sell or transfer the Common Properties which the Association owns, directly or indirectly (exclusive of the granting of easements for public utilities or for other public purposes consistent with the intended use of the Addition, or any conveyances of Common Properties to the City of Frisco);

(ii) change the method of determining the obligations in respect to Assessments, Charges or other monetary obligations which may be levied against an Owner;

(iii) by act or omission charge, waive or abandon any scheme of regulations or enforcement thereof pertaining to the architectural design or the exterior appearance as contemplated by this Declaration and maintenance of Dwelling Units and of the Common Properties, except as permitted under **Section 8.5(e)**.

(iv) assign any future income of the Association, including its right to receive Assessments; .

(v) fail to maintain fire and extended coverage insurance on assets owned by the Association, as required by this Declaration; or

(vi) use hazard insurance proceeds for any losses to the Common Properties for any purpose other than the repair, replacement or reconstruction of such properties.

(b) The provisions of this **Section 12.4** shall not be construed to reduce the percentage vote that must be obtained from Eligible Mortgagees when a larger percentage vote is otherwise required for any of the actions described in this **Section 12.4**.

(c) Eligible Mortgagees may, jointly or singly, pay taxes or other charges which are in default and which may or have become a charge against the Common Properties (if any) and may pay overdue premiums on casualty insurance policies, or secure new casualty insurance coverage upon the lapse of a policy, for the Common Properties owned by the Association, and Eligible Mortgagees making such payments shall be entitled to immediate reimbursement from the Association.

(d) No provision of this Declaration or the Bylaws shall give or shall be construed as giving any Owner or other party priority over any right of the first mortgage of any Lot in the case of distribution to such Owner of insurance proceeds or condemnation awards for losses to or a taking of a Common Property (if any).

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

(f) Should FNMA or FHLMC subsequently delete any of their respective requirements which necessitate the provisions of this **Article** or make any such requirements less stringent, the Board, without the approval of the Owners, may cause an amendment to this Article to be recorded to reflect such change or changes.

Section 12.5. Approval of Amendments. The failure of an Eligible Mortgagee or Eligible Insurer to respond within thirty (30) days to any written request of the Association or the Board for approval of an addition or amendment shall constitute an implied written approval of the addition or amendment.

Section 12.6. Inspection of Books. The Association shall have current copies of the Declaration, Articles, Bylaws, rules and regulations, books, records and financial statements available for inspection by the Owners and by Eligible Mortgagees and Eligible Insurers during normal business hours or under other reasonable circumstances.

Section 12.7. Financial Statements. The Association shall provide any Eligible Mortgagee or Eligible Insurer which submits a written request with a copy of an annual financial statement within ninety (90) days following the end of each Fiscal Year. Each such Eligible Mortgagee and Eligible Insurer shall have the right to have such statements audited by an independent certified public accountant at its sole cost and expense, which audited report shall be made available to the Association within thirty (30) days following completion. The Association shall not be obligated to cause its financial statements to be audited by more than one (1) Eligible Mortgagee or Eligible Insurer more than once in any Fiscal Year.

Section 12.8. Enforcement. The provisions of this Article XII are and shall be for the benefit of Eligible Mortgagees and Eligible Insurers and their successors and may be enforced by any of them by any available means, at law, or in equity.

Section 12.9. Attendance at Meetings. Any authorized representative(s) of an Eligible Insurer may attend and address any meeting of the Association which an Owner may attend.

Section 12.10. Annexation. With respect to any annexation of additional lands within the scheme of this Declaration, the following additional provisions shall apply:

- (a) The legal method of expansion shall be generally in accordance with Article II hereinabove;
- (b) The potential annexable property is legally described within **Article II**;
- (c) The time limit within which any expansion will take place is the Development Period;
- (d) Prescribing Assessments and/or granting voting rights to the annexed properties shall be generally in accordance with **Articles III** and **V** herein;
- (e) All improvements intended for future phases will be substantially completed prior to annexation and will be consistent with the initial improvements in terms of quality of construction; and
- (f) The annexation document(s) that will be recorded will likely be a Declaration similar to this Document or an Amended Declaration.

ARTICLE XIII

GENERAL PROVISIONS

Section 13.1. Power of Attorney.

(a) Each and every Owner, Member and Resident hereby makes, constitutes and appoints the Declarant as his/her/its true and lawful attorney-in-fact, coupled with an interest and irrevocable, for him/her/its and in his/her/its name, place and stead and for his/her/its use and benefit, to do the following:

(i) to exercise, do or perform any act, right, power, duty or obligation whatsoever in connection with, arising out of, or relating to any matter whatsoever involving this Declaration and the Addition;

(ii) to sign, execute, acknowledge, deliver and record any and all instruments which modify, amend, change, enlarge, contract or abandon the terms within this Declaration, or any part hereof, with such clause(s), recital(s), covenant(s), agreement(s) and restriction(s) as the Declarant shall deem necessary, proper and expedient under the circumstances and conditions as may be then existing; and

(iii) to sign, execute, acknowledge, deliver and record any and all instruments which modify, amend, change, enlarge, contract or abandon the subdivision plat(s) of the Addition, or any part thereof, with any easements and rights-of-way to be therein contained as the Declarant shall deem necessary, proper and expedient under the conditions as may then be existing.

(b) The rights, powers and authority of said attorney-in-fact to exercise any and all of the rights and powers herein granted shall commence, and be in full force upon recordation of this Declaration in the Records and shall remain in full force and effect thereafter until conclusion of the Development Period.

Section 13.2. Further Development. During the Development Period, each and every Owner, Member and Resident waives, relinquishes and shall not directly or indirectly exercise any and all rights, powers or abilities, and the Association shall not devote or expend any monies or personnel, regarding the contest, objection to, challenge; dispute, obstruction, hindrance or any manner of disagreement with the proposed or actual development (including, without limitation, zoning or rezoning efforts or processes pertaining to residential uses) of any real property owned by the Declarant or by the affiliates, assignees or successors of the Declarant within the Addition which is generally consistent with the scheme contemplated by this Declaration.

Section 13.3. Duration. The Covenants of this Declaration shall run with and bind the land subject to this Declaration (i.e., the Addition), and shall inure to the benefit of and be enforceable by the Association and/or the Owners and Residents of any Lot subject to this Declaration, their respective legal representatives, heirs, devisees, personal representatives, successors and assigns, for an original fifty (50) year term expiring on the fiftieth (50th) anniversary of the date of recordation of this Declaration, after which time these Covenants shall be automatically extended for successive periods of ten (10) years unless an instrument is signed

by the Owners of at least fifty-one percent (51%) of all Lots within this Subdivision and recorded in the Records, which contains and sets forth an agreement to abolish these Covenants; provided, however, no such agreement where approved by less than seventy-five percent (75%) of the Owners of all Lots within this Subdivision to abolish shall be effective unless made and recorded one (1) year in advance of the effective date of such abolishment.

Section 13.4. Amendments. The Covenants set forth herein are expressly subject to change, modification and/or deletion by means of amendment, at any time and from time to time, on the following basis:

(a) During the Development Period the Declarant shall have the complete and unfettered right and privilege to amend, change, revise, modify or delete portions of these Covenants, and each and every Owner, Member and Resident specifically and affirmatively authorizes and empowers the Declarant, utilizing the attorney-in-fact status set forth in **Section 13.1** above, to undertake, complete and consummate any and all such amendments, changes, revisions, modifications or deletions as the Declarant (in its sole and absolute discretion) shall deem reasonable and appropriate.

(b) From and after conclusion of the Development Period these Covenants, other than amendments of a "**material nature**", may be amended or changed upon the express written consent of the Board, without the approval of any Owner, Member or Resident.

(c) Amendments of a "**material nature**" to the Declaration must be agreed to and approved by Residential Lot Owners owning at least fifty-one percent (51%) of the Residential Lots from and after the Development Period.

(d) A substantive change to any provision dealing with or governing any of the following items will be considered an amendment of a "material nature":

(i) voting rights of any Member;

(ii) increases in Annual Assessments that raise the previous Annual Assessment amount by more than twenty-five percent (25%), liens securing the payment of Assessments, or subordination of liens securing the payment of Assessments, or materially and adversely changing the method of determining the obligations in respect to Assessments, Charges or other monetary obligations which may be levied against an Owner;

(iii) material reduction of reserves for maintenance, repair, and replacement of Common Properties;

(iv) responsibility for maintenance and repairs;

(v) except as expressly permitted herein, convertibility of any Lot into Common Properties or vice versa;

(vi) hazard or fidelity insurance requirements;

(vii) imposition of any restrictions on an Owner's right to sell or transfer his/her/its Lot;

(viii) restoration or repair (after a hazard damage or partial condemnation) of the Common Properties in a manner other than that specified herein;

(ix) any action to terminate the legal status of the Subdivision after substantial destruction or condemnation occurs or any action which materially and adversely alters the use of hazard insurance proceeds in respect to any losses to the Common Properties for any purpose other than the repair, replacement or reconstruction of the Common Properties; or

(x) modification to the express provisions of **Section 2.2** hereof.

(e) A substantive change to any provision dealing with or governing any of the following items will be considered as "**material**", subject to the condition that any proposed action of the Association purportedly covered by the following must be material and adverse:

(i) except as expressly permitted hereby, any act or omission to act seeking to abandon, partition, subdivide, encumber, sell or transfer the Common Properties which the Association owns, directly or indirectly (exclusive of the granting of easements for public utilities or for other public purposes consistent with the intended use of the Addition);

(ii) any act or omission changing, waiving or abandoning any scheme of regulations or enforcement thereof pertaining to the design or the exterior appearance as contemplated by this Declaration and maintenance of Structures and of the Common Properties;

(iii) any act assigning any future income of the Association, including its right to receive Assessments; or

(iv) failing to maintain fire and extended coverage insurance on assets owned by the Association, as required by this Declaration.

(f) Additions or amendments to the Declaration such as the correction of a technical error or the clarification of a statement shall not be considered or construed as being "**material**," which amendment or amendments may be made by the Declarant or the Board. Any and all amendments shall be duly recorded in the Records.

Section 13.5. Enforcement. Each Owner of each Lot shall be deemed, and held responsible and liable for the acts, conduct and omissions of each and every Member, Resident, guest and invitee affiliated with such Lot, and such liability and responsibility of each Owner shall be joint and several with their Member(s), Resident(s), guests and invitees. The contract Performance and Payment Lien covering Lots shall extend to, cover and secure the proper payment and performance by each and every Member, Resident, guest and invitee affiliated with each Owner. Each Owner may, upon appropriate application to and approval by the Association, impose greater or additional restraints and restrictions on the "**good standing**" qualifications of any Person who occupies such Owner's Lot. Unless otherwise prohibited or modified by law, all parents shall be liable for any and all personal injuries and property damage proximately caused by the conduct of their children (under the age of 18 years) within the Subdivision. Enforcement of these Covenants may be initiated by any proceeding at law or in equity against any Person or Persons violating or attempting to violate them, whether the relief sought is an injunction or recovery of damages, or both, or enforcement of any lien created by these Covenants; but failure by the Association or any Owner to enforce any Covenant herein contained shall in no event be deemed a waiver of the right to do so thereafter. With respect to any litigation hereunder, the prevailing party shall be entitled to recover all costs and expenses, including reasonable attorneys' fees, from the non-prevailing party.

Section 13.6. Validity. Violation of or failure to comply with these Covenants shall not affect the validity of any mortgage, bona fide lien or other similar security instrument which may then be existing on any Lot. Invalidation of any one or more of these Covenants, or any portions thereof, by a judgment or court order shall not affect any of the other provisions or covenants herein contained, which shall remain in full force and effect. In the event any portion of these Covenants conflicts with mandatory provisions of any ordinance or regulation promulgated by the City of Frisco, then such requirement of the City of Frisco shall control.

Section 13.7. Proposals of the Declarant. The proposals of the Declarant, as set forth in various provisions hereinabove, to develop additional parcels of property for residential or other purposes and/or develop and/or expand the Common Properties and items of a related nature are mere proposals and expressions of the existing good faith intentions and plans of the Declarant and shall not be deemed or construed as promises, solicitations, inducements, contractual commitments or material representations by the Declarant upon which any Person can or should rely. Nothing contained in or inferable from this Declaration shall ever be deemed to impose upon any other land owned or to be owned by the Declarant, or any related entity, any covenants, restrictions, easements or liens or to create any servitudes, negative reciprocal easements or other interests in any such land in favor of any Person other than the Declarant.

Section 13.8. Headings. The headings contained in this Declaration are for reference purposes only and shall not in any way affect the meaning or interpretation of this Declaration. Words of any gender used herein shall be held and construed to include any other gender, and words in the singular shall be held to include the plural and vice versa, unless the context requires otherwise. Examples, illustrations, scenarios and hypothetical situations mentioned herein shall not constitute an exclusive, exhaustive or limiting list of what can or cannot be done.

Section 13.9. Notices to Member/Owner/Resident. Any notice required to be given to any Owner, Member or Resident of a Residential Lot under the provisions of this Declaration shall be deemed to have been properly delivered when: (i) deposited in the United States Mail, postage prepaid, addressed to the last known address of the Person who appears as the Owner, Member or Resident on the records of the Association at the time of such mailing; or when (ii) delivered by hand or by messenger to the last known address of such Person within the Addition; or when (iii) posted on the Association's bulletin board for at least thirty (30) consecutive calendar days.

Section 13.10. Notices to Mortgagees. The holder(s) of a mortgage may be furnished with written notification from the Association of any default by the respective mortgagor/Member/Owner in the performance of such mortgagor's/Member's/Owner's obligation(s) as established by this Declaration, provided that the Association has been theretofore furnished, in writing, with the correct name and address of such mortgage holder(s) and a request to receive such notification and a reasonable supply of self-addressed, stamped envelopes.

Section 13.11. Disputes. Matters of dispute or disagreement between Owners, Members or Residents with respect to interpretation or application of the provisions (excluding **Article VIII** architectural matters and issues concerning "**substantial completion**") of this Declaration or the Bylaws, shall be determined by the Board. Matters pertaining to **Article VIII** architectural matters and issues concerning "**substantial completion**" shall be determined by the ARC. These respective determinations (absent arbitrary and capricious conduct or gross negligence) shall be final and binding upon all Owners, Members and Residents.

[Signature page to follow]

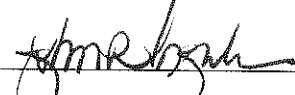
Witness the hand of an authorized representative of the Declarant on the acknowledgment date noted below.

DECLARANT:

PCR LAND COMPANY, LLC,
a limited liability company of the State of Texas

By: RJM/CELINA II, L.P., a Texas limited partnership, manager

By: RJM/CELINA II GP, INC., a Texas corporation, its general partner


By: 
John P. Wagner, Vice President

THE STATE OF TEXAS §
 §
COUNTY OF DALLAS §

BEFORE ME, the undersigned authority, on this day personally appeared John P. Wagner, known to me to be one of the persons whose names are subscribed to the foregoing instrument; he acknowledged to me he is the Vice President and duly authorized representative of RJM/Celina II GP, Inc, a Texas corporation, general partner of RJM/Celina II, L.P., a Texas limited partnership, manager of PCR Land Company LLC, a Texas limited liability company, and he executed said instrument for the purposes and consideration therein expressed and in the capacity therein stated.

GIVEN UNDER MY HAND AND SEAL OF OFFICE this 4th day of May, 2012.




Notary Public in and for the State of Texas
My Commission Expires: 8/31/12

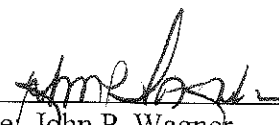
Joinder and Consent

The undersigned RPG\PCR Development Company, LLC, and Standard Pacific of Texas, Inc., as owners of portions of the Addition acquired after the effective date of the Original Declaration, hereby join in the execution of this Agreement to acknowledge their consent to the terms hereof and to the effectiveness of the Agreement as to any portion of the Addition previously acquired.

RPG\PCR DEVELOPMENT COMPANY, LLC,
a Texas limited liability company

By: RJM/Celina II, L.P.,
a Texas limited partnership,
its Manager

By: RJM/Celina II GP, Inc.,
a Texas corporation,
its general partner

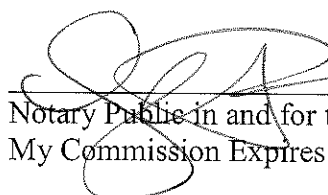
By: 
Name: John P. Wagner
Title: Vice President

THE STATE OF TEXAS §
 §
COUNTY OF DALLAS §

BEFORE ME, the undersigned authority, on this day personally appeared John P. Wagner, known to me to be one of the persons whose names are subscribed to the foregoing instrument; he acknowledged to me he is the Vice President and duly authorized representative of RJM/Celina II GP, Inc, a Texas corporation, general partner of RJM/Celina II, L.P., a Texas limited partnership, manager of RPG\PCR Development Company LLC, a Texas limited liability company, and he executed said instrument for the purposes and consideration therein expressed and in the capacity therein stated.

GIVEN UNDER MY HAND AND SEAL OF OFFICE this 4th day of May, 2012.




Notary Public in and for the State of Texas
My Commission Expires: 8/31/12

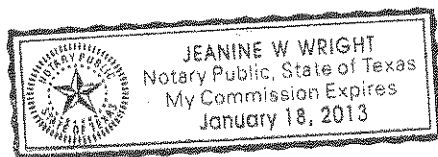
STANDARD PACIFIC OF TEXAS, INC.,
a Delaware corporation

By: *Chip G. Boyd*
Name: Chip G. Boyd
Title: Director of Land Development

THE STATE OF TEXAS §
 §
COUNTY OF DALLAS §

-BEFORE ME, the undersigned authority, on this day personally appeared *Chip Boyd*, known to me to be one of the persons whose names are subscribed to the foregoing instrument; he acknowledged to me he is the *Dir of Land Development* and duly authorized representative of Standard Pacific of Texas, Inc, a Delaware corporation, and he executed said instrument for the purposes and consideration therein expressed and in the capacity therein stated.

GIVEN UNDER MY HAND AND SEAL OF OFFICE this 30 day of April, 2012.



Jeanine Wright
Notary Public in and for the State of TEXAS
My Commission Expires: 1-18-13

Exhibit ALEGAL DESCRIPTION**BEING the Following 3 Tracts of Land:****TRACT A**

BEING a tract of land situated in the David E. Lawhorn Survey, Abstract No. 727, the John B. Batch Survey, Abstract No. 114, the R.F. Teal Survey, Abstract No. 1264, and the William Powell Survey, Abstract No. 1011, City of Frisco, Denton County, Texas, and being a portion of Tract 1 as described in instrument to Crosswinds at Lone Star Ranch 1000, Ltd. as recorded in Document No. 2005-113235 of the Deed Records, Denton County, Texas (D.R.D.C.T.) and being more particularly described as follows:

BEGINNING at a 5/8 inch iron rod found with plastic cap stamped "Carter & Burgess" at the intersection of the easterly right of way line of F.M. Highway No. 423 as defined by instrument recorded in Document No. 2006-47344 (D.R.D.C.T.) and the northerly right-of-way line of Lebanon Road as recorded in Volume 4565, Page 820 (D.R.D.C.T.);

THENCE along the easterly right-of-way line of FM 423, the following;

North 01 degrees 18 minutes 24 seconds East a distance of 8.03 feet to a 5/8 inch iron rod found with plastic cap stamped "Carter & Burgess";

North 43 degrees 41 minutes 57 seconds West a distance of 35.35 feet to a 5/8 inch iron rod found with plastic cap stamped "Carter & Burgess";

North 01 degrees 18 minutes 50 seconds East a distance of 2,209.51 feet to a 5/8 inch iron rod found with plastic cap stamped "Carter & Burgess";

North 46 degrees 09 minutes 47 seconds East a distance of 49.63 feet to a 5/8 inch iron rod found with plastic cap stamped "Carter & Burgess";

North 01 degrees 18 minutes 50 seconds East a distance of 111.48 feet to a 5/8 inch iron rod found with plastic cap stamped "Carter & Burgess";

North 43 degrees 50 minutes 13 seconds West a distance of 49.37 feet to a 5/8 inch iron rod found with plastic cap stamped "Carter & Burgess";

North 01 degrees 18 minutes 50 seconds East a distance of 1,032.35 feet to a 5/8 inch iron rod found with plastic cap stamped "Carter & Burgess";

North 46 degrees 09 minutes 47 seconds East a distance of 49.63 feet to a 5/8 inch iron rod found with plastic cap stamped "Carter & Burgess";

North 01 degrees 18 minutes 50 seconds East a distance of 185.48 feet to a 5/8 inch iron rod found with plastic cap stamped "Carter & Burgess";

North 43 degrees 50 minutes 13 seconds West a distance of 49.37 feet to a 5/8 inch iron rod found with plastic cap stamped "Carter & Burgess";

North 01 degrees 18 minutes 50 seconds East a distance of 73.51 feet to a 5/8 inch iron rod found with plastic cap stamped "Carter & Burgess" at the beginning of a curve to the left having a central angle of 04 degrees 35 minutes 34 seconds, a radius of 5799.58 feet and being subtended by a chord which bears North 00 degrees 58 minutes 58 seconds West a distance of 464.76 feet;

Along said curve to the left an arc distance of 464.89 feet to a 5/8 inch iron rod set with plastic cap stamped "Huitt-Zollars" on a northerly line of the aforementioned Crosswinds at Lone Star Ranch 1000, Ltd. tract;

THENCE North 89 degrees 38 minutes 58 seconds East, along a northerly line of said Crosswinds at Lone Star Ranch 1000, Ltd. tract, a distance of 558.04 feet to a 5/8 inch iron rod set with plastic cap stamped "Huitt-Zollars";

THENCE North 00 degrees 14 minutes 55 seconds West, along a westerly line of said Crosswinds at Lone Star Ranch 1000, Ltd. tract, a distance of 2012.70 feet to point for corner from which a 5/8 inch iron rod found bears South 55 degrees 24 minutes 46 seconds West a distance of 0.42 feet;

THENCE North 00 degrees 18 minutes 50 seconds West, along a westerly line of said Crosswinds at Lone Star Ranch 1000, Ltd. tract, a distance of 1770.84 feet to a 5/8 inch iron rod set with plastic cap stamped "Huitt-Zollars" on the southerly right-of-way line of Newman Road (a 50' ROW);

THENCE along the southerly right-of-way line of Newman Road the following;

North 89 degrees 45 minutes 47 seconds East a distance of 679.55 feet to the beginning of a curve to the right having a central angle of 07 degrees 01 minutes 56 seconds, a radius of 351.50 feet and being subtended by a chord which bears South 86 degrees 37 minutes 40 seconds East a distance of 43.11 feet and from which a 5/8 inch iron rod found bears South 81 degrees 41 minutes 58 seconds West a distance of 0.59 feet;

Along said curve to the right an arc distance of 43.14 feet to a point for corner at the end of said curve from which a 5/8 inch iron rod found bears South 85 degrees 20 minutes 06 seconds West a distance of 0.67 feet;

South 83 degrees 06 minutes 42 seconds East a distance of 126.45 feet to the beginning of a curve to the left having a central angle of 06 degrees 58 minutes 28 seconds, a radius of 448.50 feet and being subtended by a chord which bears South 86 degrees 35 minutes

56 seconds East a distance of 54.56 feet and from which a 5/8 inch iron rod found bears South 78 degrees 16 minutes 27 seconds West a distance of 0.65 feet ;

Along said curve to the right an arc distance of 54.59 feet to an X cut found at the end of said curve;

THENCE South 00 degrees 23 minutes 42 seconds East, along an easterly line of said Crosswinds at Lone Star Ranch 1000, Ltd. tract, a distance of 484.56 feet to a 5/8 inch iron rod set with plastic cap stamped "Huitt-Zollars";

THENCE North 89 degrees 43 minutes 58 seconds East, along a northerly line of said Crosswinds at Lone Star Ranch 1000, Ltd. tract, a distance of 465.63 feet to a 5/8 inch iron rod set with plastic cap stamped "Huitt-Zollars";

THENCE South 00 degrees 12 minutes 48 seconds East, along an easterly line of said Crosswinds at Lone Star Ranch 1000, Ltd. tract, a distance of 155.22 feet to a 5/8 inch iron rod found;

THENCE South 89 degrees 21 minutes 02 seconds West, along a southerly line of said Crosswinds at Lone Star Ranch 1000, Ltd. tract, a distance of 30.00 feet to a 5/8 inch iron rod found on the westerly right-of-way line of Otis Drive, (a 60' ROW) as shown on the plat of Sparks Elementary School as recorded in Cabinet X, Page 879, Plat Records of Denton county, Texas;

THENCE South 00 degrees 14 minutes 55 seconds East, along the westerly right-of-way line of said Otis Drive, a distance of 360.56 feet to a 5/8 inch iron rod found on the southerly right-of-way line of Angel Falls Drive (a 60' ROW) as shown on said plat of Sparks Elementary School;

THENCE along the southerly right-of-way line of Angel Falls Drive the following;

South 87 degrees 58 minutes 40 seconds East along a distance of 1094.88 feet to a 5/8 inch iron rod found with plastic cap stamped "Survcon" at the beginning of a curve to the right having a central angle of 19 degrees 59 minutes 52 seconds, a radius of 550.00 feet and being subtended by a chord which bears South 77 degrees 58 minutes 57 seconds East a distance of 190.99 feet;

Along said curve to the right an arc distance of 191.96 feet to a 5/8 inch iron rod found with plastic cap stamped "Survcon" at the beginning of a reverse curve to the left having a central angle of 22 degrees 18 minutes 40 seconds, a radius of 550.00 feet and being subtended by a chord which bears South 79 degrees 08 minutes 21 seconds East a distance of 212.82 feet;

Along said curve to the left an arc distance of 214.17 feet to a point at the end of said curve from which a 5/8 inch iron rod found with plastic cap stamped "Survcon" bears North 25 degrees 23 minutes 55 seconds West a distance of 0.25 feet;

North 89 degrees 42 minutes 19 seconds East a distance of 104.51 feet to an X cut found;

South 45 degrees 25 minutes 36 seconds East for a distance of 14.05 feet to an X cut found on the westerly right-of-way line of Twin Falls Drive (a variable width ROW) as per the roadway easement recorded in Volume 4117, Page 457 (D.R.D.C.T.) and as shown on the plat of Pioneer Middle School as recorded in Cabinet U, Page 674, Plat Records of Denton county, Texas;

THENCE along the westerly right-of-way line of Twin Falls Drive the following;

South 00 degrees 14 minutes 53 seconds East a distance of 1036.12 feet to a 5/8 inch iron rod set with plastic cap stamped "Huitt-Zollars";

South 89 degrees 41 minutes 39 West a distance of 27.75 feet to a 5/8 inch iron rod set with plastic cap stamped "Huitt-Zollars";

South 00 degrees 14 minutes 53 seconds East a distance of 678.22 feet to a 5/8 inch iron rod set with plastic cap stamped "Huitt-Zollars" for a corner at the southwest corner of said Pioneer Middle School;

THENCE along the southerly and easterly lines of said Pioneer Middle School, the following;

North 88 degrees 41 minutes 33 seconds East a distance of 1535.46 feet to a 5/8 inch iron rod set with plastic cap stamped "Huitt-Zollars";

North 00 degrees 16 minutes 29 seconds West a distance of 650.94 feet to a 5/8 inch iron rod found with plastic cap stamped "RPLS 461" on the southerly right-of-way line of High Shoals Drive (a 60' ROW) as shown on the plat of Heritage Village Phase II as recorded in Cabinet V, Page 199, Plat Records of Denton county, Texas;

THENCE along the southerly right-of-way line of High Shoals Drive the following;

North 89 degrees 41 minutes 44 seconds East a distance of 38.07 feet to a 5/8 inch iron rod found with plastic cap stamped "Survcon" at the beginning of a curve to the left having a central angle of 07 degrees 38 minutes 45 seconds, a radius of 1,530.00 feet and being subtended by a chord which bears North 85 degrees 52 minutes 21 seconds East a distance of 204.02 feet;

Along said curve to the left an arc distance of 204.17 feet to a 5/8 inch iron rod found at the end of said curve;

North 82 degrees 03 minutes 03 seconds East a distance of 187.05 feet to a 5/8 inch iron rod found with plastic cap stamped "Survcon" at the beginning of a curve to the right having a central angle of 06 degrees 06 minutes 04 seconds, a radius of 1,470.00 feet and

being subtended by a chord which bears North 85 degrees 06 minutes 05 seconds East a distance of 156.46 feet;

Along said curve to the right an arc distance of 156.53 feet to a point at the end of said curve from which a 5/8 inch iron rod found with plastic cap stamped "Survcon" bears South 10 degrees 12 minutes 17 seconds East a distance of 0.30 feet;

North 88 degrees 09 minutes 07 seconds East a distance of 305.26 feet to a 5/8 inch iron rod found with plastic cap stamped "Survcon" at the beginning of a curve to the left having a central angle of 15 degrees 10 minutes 41 seconds, a radius of 830.00 feet and being subtended by a chord which bears North 80 degrees 33 minutes 46 seconds East a distance of 219.23 feet;

Along said curve to the left an arc distance of 219.87 feet to a 5/8 inch iron rod found with plastic cap stamped "Survcon" at the end of said curve;

North 72 degrees 58 minutes 26 seconds East a distance of 130.57 feet to the beginning of a curve to the right having a central angle of 15 degrees 10 minutes 43 seconds, a radius of 770.00 feet and being subtended by a chord which bears North 80 degrees 33 minutes 47 seconds East a distance of 203.39 feet and from which a 5/8 inch iron rod found bears North 05 degrees 09 minutes 56 seconds West a distance of 0.59 feet;

Along said curve to the right an arc distance of 203.99 feet to a 5/8 inch iron rod set with plastic cap stamped "Huitt-Zollars" at the end of said curve;

THENCE South 00 degrees 20 minutes 36 seconds East , along an easterly line of said Crosswinds at Lone Star Ranch 1000, Ltd. tract, a distance of 2604.28 feet to a 1/2 inch iron rod found;

THENCE South 88 degrees 46 minutes 46 seconds West, along a southerly line of said Crosswinds at Lone Star Ranch 1000, Ltd. tract, a distance of 971.49 feet to 1/2 inch iron rod found with cap;

THENCE South 00 degrees 50 minutes 04 seconds East, along an easterly line of said Crosswinds at Lone Star Ranch 1000, Ltd. tract, a distance of 2,101.27 feet to a 5/8 inch iron rod set with plastic cap stamped "Huitt-Zollars";

THENCE South 89 degrees 09 minutes 07 seconds West, along a southerly line of said Crosswinds at Lone Star Ranch 1000, Ltd. tract, a distance of 648.84 feet to a 5/8 inch iron rod set with plastic cap stamped "Huitt-Zollars";

THENCE South 01 degrees 00 minutes 48 seconds East, along an easterly line of said Crosswinds at Lone Star Ranch 1000, Ltd. tract, a distance of 508.73 feet to a point for a corner on the northerly right-of-way line of Timber Ridge Drive (a 60' ROW) as shown on the plat of Lake Hill Village Phase 2, recorded in Cabinet U, Page 726, Plat Records of Denton County, Texas and as shown on the plat of Stone Creek Village Phase 2, recorded in Cabinet X, Page

325, Plat Records of Denton County, Texas, from which a 5/8 inch iron rod found with plastic cap stamped "Survcon" bears North 79 degrees 17 minutes 13 seconds East a distance of 0.86 feet and being the beginning of a non-tangent curve to the left having a central angle of 12 degrees 47 minutes 13 seconds, a radius of 1,030.00 feet and being subtended by a chord which bears South 80 degrees 19 minutes 22 seconds West a distance of 229.39 feet;

THENCE along the northerly right-of-way line of Timber Ridge Drive the following;

Along said curve to the left an arc distance of 229.87 feet to a point for corner at the beginning of a reverse curve to the right having a central angle of 17 degrees 11 minutes 13 seconds, a radius of 970.00 feet and being subtended by a chord which bears South 82 degrees 31 minutes 22 seconds West a distance of 289.88 feet and from which a 5/8 inch iron rod found bears North 69 degrees 33 minutes 19 seconds East a distance of 0.24 feet;

Along said curve to the right an arc distance of 290.97 feet to an X cut found at the end of said curve;

North 88 degrees 49 minutes 49 seconds West a distance of 1,671.70 feet to a point for a corner on the westerly right-of-way line of Lone Star Ranch Parkway (a 55' ROW) as shown on the plat of Stone Creek Village Phase 1 & 2, recorded in Cabinet T, Page 245 and Cabinet X, Page 325, Plat Records of Denton County, Texas from which a 5/8 inch iron rod found bears South 82 degrees 31 minutes 22 seconds West a distance of 2.52 feet;

THENCE along the westerly right-of-way line of Lone Star Ranch Parkway the following;

South 01 degrees 05 minutes 40 seconds West a distance of 1,632.44 feet to a point for corner from which a 5/8 inch iron rod found with plastic cap stamped "Survcon" bears South 66 degrees 45 minutes 40 seconds West a distance of 0.24 feet and being the beginning of a curve to the right having a central angle of 35 degrees 43 minutes 11 seconds, a radius of 1,500.00 feet and being subtended by a chord which bears South 18 degrees 57 minutes 16 seconds West a distance of 920.06 feet;

Along said curve to the right an arc distance of 935.13 feet to a 5/8 inch iron rod found with plastic cap stamped "Survcon" at the end of said curve;

South 36 degrees 48 minutes 51 seconds West a distance of 242.85 feet to an X cut found on the northerly right-of-way line of the aforementioned Lebanon Road and being the beginning of a non-tangent curve to the right having a central angle of 21 degrees 17 minutes 10 seconds, a radius of 1,440.00 feet and being subtended by a chord which bears North 41 degrees 27 minutes 12 seconds West a distance of 531.91 feet;

Along said curve to the right an arc distance of 534.98 to a 5/8 inch iron rod set with plastic cap stamped "Huitt-Zollars" at the end of said curve;

North 30 degrees 48 minutes 37 seconds West a distance of 912.58 feet to a 5/8 inch iron rod set with plastic cap stamped "Huitt-Zollars" at the beginning of curve to the left having a central angle of 30 degrees 19 minutes 45 seconds, a radius of 1,560.00 feet and being subtended by a chord which bears North 45 degrees 58 minutes 29 seconds West a distance of 816.17 feet;

Along said curve to the left an arc distance of 825.78 feet to a 5/8 inch iron rod set with plastic cap stamped "Huitt-Zollars" at the beginning of a compound curve to the left having a central angle of 27 degrees 33 minutes 29 seconds, a radius of 1,577.63 feet and being subtended by a chord which bears North 74 degrees 55 minutes 06 seconds West a distance of 751.51 feet;

Along said curve to the left an arc distance of 758.80 feet to a 5/8 inch iron rod set with plastic cap stamped "Huitt-Zollars" at the end of said curve;

North 88 degrees 41 minutes 58 seconds West a distance of 125.52 feet to the POINT OF BEGINNING and containing 850.1 acres of land more or less.

SAVE AND EXCEPT THE FOLLOWING 3 TRACTS OF LAND

SCHOOL A:

BEING a tract of land situated in the William Powell Survey, Abstract No. 1011, Denton County, Texas and being part of an 882.162 acre tract as conveyed to the Crosswinds At Lone Star Ranch 1000, LTD., a Texas limited partnership and recorded in County Clerks No. 2005-113235 of Denton County, Texas and being more particularly described by metes and bounds as follows:

BEGINNING at a capped ½ inch iron rod set for corner at the north end of a proposed corner clip, said iron rod being North 00 degrees 20 minutes 36 seconds West a distance of 1093.03 and South 89 degrees 39 minutes 24 seconds West a distance of 398.36 feet from the most easterly southeast corner of said 882.162 acre tract;

THENCE South 43 degrees 37 minutes 45 seconds West a distance of 14.39 feet to a capped ½ inch iron rod set for corner;

THENCE South 88 degrees 45 minutes 17 seconds West a distance of 565.36 feet to a capped ½ inch iron rod set for corner;

THENCE along a curve to the right having a radius of 166.66 feet, a delta of 21 degrees 51 minutes 48 seconds, an arc length of 63.60 feet, and a chord which bears North 80 degrees 30 minutes 23 seconds West having a chord distance of 63.21 feet to a capped ½ inch iron rod set for corner;

THENCE North 69 degrees 47 minutes 28 seconds West a distance of 179.60 feet to a capped ½ inch iron rod set for corner;

THENCE along said curve to the left having a radius of 230.00 feet, a delta of 20 degrees 53 minutes 48 seconds, an arc length of 83.88 feet, and a chord which bears North 80 degrees 14 minutes 22 seconds West having a chord distance of 83.42 feet to a capped ½ inch iron rod set for corner;

THENCE along a curve to the left having a radius of 857.90 feet, a delta of 01 degrees 38 minutes 22 seconds, an arc length of 24.55 feet, and a chord which bears North 00 degrees 02 minutes 32 seconds East having a chord distance of 24.55 feet to a capped ½ inch iron rod set for corner;

THENCE North 01 degrees 18 minutes 03 seconds West a distance of 61.89 feet to a capped ½ inch iron rod set for corner;

THENCE North 00 degrees 58 minutes 06 seconds West a distance of 337.82 feet to a capped ½ inch iron rod set for corner;

THENCE along a curve to the left having a radius of 4082.04 feet, a delta of 05 degrees 25 minutes 01 seconds, an arc length of 385.93 feet, and a chord which bears North 82 degrees 50 minutes 10 seconds East having a chord distance of 385.79 feet to a capped ½ inch iron rod set for corner on a curve;

THENCE along a curve to the right having a radius of 705.00 feet, a delta of 04 degrees 51 minutes 26 seconds, an arc length of 59.77 feet, and a chord which bears North 85 degrees 43 minutes 27 seconds East having a chord distance of 59.75 feet to a capped ½ inch iron rod set for corner;

THENCE North 88 degrees 09 minutes 07 seconds East a distance of 305.26 feet to a capped ½ inch iron rod set for corner;

THENCE along a curve to the left having a radius of 1,595.01 feet, a delta of 04 degrees 24 minutes 59 seconds, an arc length of 122.94 feet, and a chord which bears North 85 degrees 56 minutes 38 seconds East having a chord distance of 122.91 feet to a capped ½ inch iron rod set for corner;

THENCE North 81 degrees 43 minutes 02 seconds East a distance of 22.13 feet to a capped ½ inch iron rod set for corner;

THENCE South 00 degrees 20 minutes 44 seconds East a distance of 562.40 feet to the POINT OF BEGINNING, and containing 475,195 square feet or 10.909 acres of land.

SCHOOL B:

BEING a tract of land situated in the David Lawhorn Survey, Abstract no. 727, Denton County, Texas, and being part of an 882.162 acre tract as conveyed to Crosswinds at Lone Star Ranch 1000, LTD., a Texas limited partnership as recorded in County Clerks No. 2005-113235, Denton County, Texas and being more particularly described by metes and bounds as follows:

BEGINNING at a capped $\frac{1}{2}$ inch iron rod set for corner, said iron rod being North 63 degrees 07 minutes 11 seconds West a distance of 1163.76 feet to a Survcon capped iron rod found marking the northwest corner of the Stonecreek Village Phase 1, as recorded in Cabinet T, Page 244, Plat Records of Denton County, Texas;

THENCE North 62 degrees 40 minutes 09 seconds West a distance of 721.29 feet to a capped $\frac{1}{2}$ inch iron rod set for corner;

THENCE North 20 degrees 38 minutes 54 seconds West a distance of 20.08 feet to a capped $\frac{1}{2}$ inch iron rod set for corner of curve;

THENCE along a curve to the left having a radius of 680.00 feet, a delta of 09 degrees 15 minutes 59 seconds, an arc length of 109.98 feet, and a chord which bears North 16 degrees 44 minutes 23 seconds East having a chord distance of 109.86 feet to a capped $\frac{1}{2}$ inch iron rod set for corner;

THENCE North 12 degrees 06 minutes 24 seconds East a distance of 174.81 feet to capped $\frac{1}{2}$ inch iron rod set for corner of a curve;

THENCE along a curve to the right having a radius of 1,200.00 feet, a delta of 08 degrees 29 minutes 05 seconds, an arc length of 177.71 feet, and a chord which bears North 16 degrees 20 minutes 56 seconds East having a chord distance of 177.54 feet to a capped $\frac{1}{2}$ inch iron rod set for corner;

THENCE North 20 degrees 35 minutes 52 seconds East a distance of 9.95 feet to a capped $\frac{1}{2}$ inch iron rod set for corner on a curve;

THENCE along a curve to the right having a radius of 270.00 feet, a delta of 11 degrees 45 minutes 20 seconds, an arc length of 55.40 feet, and a chord which bears North 26 degrees 28 minutes 55 seconds East having a chord distance of 55.30 feet to a capped $\frac{1}{2}$ inch iron rod set for corner;

THENCE North 32 degrees 21 minutes 35 seconds East a distance of 176.43 feet to a capped $\frac{1}{2}$ inch iron rod set for corner;

THENCE along a curve to the left having a radius of 1,102.81 feet, a delta of 09 degrees 38 minutes 24 seconds, an arc length of 185.55 feet, and a chord which bears South 64 degrees 01 minutes 09 seconds East having a chord distance of 185.33 feet to a capped $\frac{1}{2}$ inch iron rod set for corner on a curve;

THENCE along a curve to the left having a radius of 1,279.11 feet, a delta of 13 degrees 44 minutes 54 seconds, an arc length of 306.93 feet, and a chord which bears South 76 degrees 29 minutes 39 seconds East having a chord distance of 306.19 feet to a capped ½ inch iron rod set for a corner on a curve;

THENCE along a curve to the right having a radius of 15.00 feet, a delta of 54 degrees 32 minutes 04 seconds, an arc length of 14.28 feet, and a chord which bears South 59 degrees 25 minutes 41 seconds East having a chord distance of 13.74 feet to a capped ½ inch iron rod set for corner of on a curve;

THENCE along a curve to the left having a radius of 65.00 feet, a delta of 27 degrees 18 minutes 56 seconds, an arc length of 30.99 feet, and a chord which bears South 45 degrees 49 minutes 07 seconds East having a chord distance of 30.70 feet to a capped ½ inch iron rod set for corner of a reverse curve;

THENCE along a curve to the right having a radius of 15.00 feet, a delta of 57 degrees 30 minutes 56 seconds, an arc length of 15.06 feet, and a chord which bears South 30 degrees 43 minutes 07 seconds East having a chord distance of 14.43 feet to a capped ½ inch iron rod set for corner on a curve;

THENCE along a curve to the right having a radius of 1,055.09 feet, a delta of 19 degrees 01 minutes 59 seconds, an arc length of 350.49 feet, and a chord which bears South 06 degrees 13 minutes 52 seconds West having a chord distance of 348.88 feet to a capped ½ inch iron rod set for corner on a curve;

THENCE along a curve to the left having a radius of 330.00 feet, a delta of 46 degrees 11 minutes 57 seconds, an arc length of 266.09 feet, and a chord which bears South 07 degrees 29 minutes 56 seconds East having a chord distance of 258.94 feet to a capped ½ inch iron rod set for corner;

THENCE South 30 degrees 35 minutes 54 seconds East a distance of 92.26 feet to a capped ½ inch iron rod set for corner;

THENCE South 30 degrees 35 minutes 54 seconds East a distance of 92.26 feet to a capped ½ inch iron rod set for corner;

THENCE South 13 degrees 22 minutes 20 seconds West a distance of 14.42 feet to a capped ½ inch iron rod set for corner on a curve;

THENCE along a curve to the left having a radius of 524.24 feet, a delta of 18 degrees 09 minutes 11 seconds, an arc length of 166.10 feet, and a chord which bears South 48 degrees 02 minutes 54 seconds West having a chord distance of 165.40 feet to a capped ½ inch iron rod set for corner;

THENCE South 77 degrees 52 minutes 41 seconds West a distance of 15.44 feet to the POINT OF BEGINNING, and containing 513,241 square feet or 11.782 acres of land.

STONEBROOK PARKWAY:

BEING a tract of land situated in the David E. Lawhorn Survey, Abstract No. 727 and the R.F. Teal Survey, Abstract No. 1264, City of Frisco, Denton County, Texas and being all of a tract of land as described in instrument to the City of Frisco as recorded under County Clerk's File No. 2009-77383 of the Deed Records of Denton County, Texas (D.R.D.C.T.) and being more particularly described as follows;

COMMENCING at a 5/8 inch iron rod found with "KHA" cap on the southerly right-of-way line of Stonebrook Parkway (a variable width right-of-way) as shown on the Final Plat of the Boyd Addition, an addition to the City of Frisco, as recorded in Cabinet U, Page 323 of the Plat Records of Denton County, Texas (P.R.D.C.T.);

THENCE North 89 degrees 52 minutes 46 seconds East, along the southerly right-of-way line of said Stonebrook Parkway, a distance of 372.82 feet to a 5/8 inch iron rod set with "Huitt-Zollars" cap at the POINT OF BEGINNING, said point being on a westerly line of said PCR Land Company LLC tract;

THENCE North 00 degrees 14 minutes 55 seconds West, along a westerly line of said PCR Land Company LLC tract, a distance of 123.07 feet to a 5/8 inch iron rod set with "Huitt-Zollars" cap;

THENCE North 89 degrees 54 minutes 01 seconds East, departing a westerly line of said PCR Land Company LLC tract, a distance of 372.14 feet to a 5/8 inch iron rod set with "Huitt-Zollars" cap at the beginning of a curve to the right having a central angle of 59 degrees 51 minutes 17 seconds, a radius of 2,063.00 feet and being subtended by a chord which bears South 60 degrees 10 minutes 21 seconds East a distance of 2,058.47 feet;

THENCE along said curve to the right an arc distance of 2,155.14 feet to a 5/8 inch iron rod set with "Huitt-Zollars" cap at the end of said curve;

THENCE South 30 degrees 14 minutes 42 seconds East a distance of 2,737.26 feet to a 5/8 inch iron rod set with "Huitt-Zollars" cap at the beginning of a curve to the left having a central angle of 60 degrees 28 minutes 35 seconds, a radius of 1,537.00 feet and being subtended by a chord which bears South 60 degrees 29 minutes 17 seconds East a distance of 1,548.05 feet;

THENCE along said curve to the left an arc distance of 1,622.32 feet to a 5/8 inch iron rod set with "Huitt-Zollars" cap at the end of said curve;

THENCE North 89 degrees 16 minutes 26 seconds East a distance of 58.60 feet to a 5/8 inch iron rod set with "Huitt-Zollars" cap on an easterly line of said PCR Land Company LLC tract;

THENCE South 00 degrees 50 minutes 04 seconds East, along an easterly line of said PCR Land Company LLC tract, a distance of 126.00 feet to a 5/8 inch iron rod set with "Huitt-Zollars" cap;

THENCE South 89 degrees 16 minutes 26 seconds West, departing an easterly line of said PCR Land Company LLC tract, a distance of 58.84 feet to a 5/8 inch iron rod set with "Huitt-Zollars"

cap at the beginning of a curve to the right having a central angle of 60 degrees 28 minutes 35 seconds, a radius of 1,663.00 feet and being subtended by a chord which bears North 60 degrees 29 minutes 17 seconds West a distance of 1,674.97 feet;

THENCE along said curve to the right an arc distance of 1,755.32 feet to a 5/8 inch iron rod set with "Huitt-Zollars" cap at the end of said curve;

THENCE North 30 degrees 14 minutes 42 seconds West a distance of 29.87 feet to a 5/8 inch iron rod set with "Huitt-Zollars" cap;

THENCE North 34 degrees 03 minutes 33 seconds West a distance of 150.33 feet to a 5/8 inch iron rod set with "Huitt-Zollars" cap;

THENCE North 30 degrees 14 minutes 42 seconds West a distance of 160.14 feet to a 5/8 inch iron rod set with "Huitt-Zollars" cap;

THENCE North 75 degrees 14 minutes 42 seconds West a distance of 56.57 feet to a 5/8 inch iron rod set with "Huitt-Zollars" cap;

THENCE North 30 degrees 14 minutes 26 seconds West a distance of 140.00 feet to a 5/8 inch iron rod set with "Huitt-Zollars" cap;

THENCE North 14 degrees 45 minutes 18 seconds East a distance of 56.57 feet to a 5/8 inch iron rod set with "Huitt-Zollars" cap;

THENCE North 30 degrees 14 minutes 42 seconds West a distance of 160.00 feet to a 5/8 inch iron rod set with "Huitt-Zollars" cap;

THENCE North 26 degrees 25 minutes 52 seconds West a distance of 150.33 feet to a 5/8 inch iron rod set with "Huitt-Zollars" cap;

THENCE North 30 degrees 14 minutes 42 seconds West a distance of 1,867.27 feet to a 5/8 inch iron rod set with "Huitt-Zollars" cap at the beginning of a curve to the left having a central angle of 59 degrees 51 minutes 17 seconds, a radius of 1,937.00 feet and being subtended by a chord which bears North 60 degrees 10 minutes 21 seconds West a distance of 1,932.75 feet;

THENCE along said curve to the left an arc distance of 2,023.51 feet to a 5/8 inch iron rod set with "Huitt-Zollars" cap at the end of said curve;

THENCE South 89 degrees 54 minutes 01 seconds West a distance of 371.81 feet to a 5/8 inch iron rod set with "Huitt-Zollars" cap on a westerly line of the aforementioned PCR Land Company LLC tract;

THENCE North 00 degrees 14 minutes 55 seconds West, along a westerly line of said PCR Land Company LLC tract, a distance of 2.93 feet to the POINT OF BEGINNING and containing 20.415 acres of land, more or less.

TRACT B

BEING a tract of land situated in the David E. Lawhorn Survey, Abstract No. 727, City of Frisco, Denton County, Texas and being a portion of Tract 2 as described in instrument to Crosswinds at Lone Star Ranch 1000, Ltd. as recorded in Document No. 2005-113235 of the Deed Records, Denton County, Texas (D.R.D.C.T.) and being more particularly described as follows:

BEGINNING at a ½ inch iron rod found on the easterly right of way line of F.M. Highway No. 423 (a variable width right-of-way) as recorded in Volume 447, Page 312, (D.R.D.C.T.) and also being the southwest corner of said Crosswinds at Lone Star Ranch 1000, Ltd. tract;

THENCE North 00 degrees 55 minutes 00 seconds West along said easterly right-of-way line of F.M. Highway No. 423 for a distance of 96.76 feet to a point at the beginning of a non-tangent curve to the right having a central angle of 00 degrees 33 minutes 47 seconds, a radius of 2,819.79 feet and being subtended by a chord which bears North 00 degrees 28 minutes 38 seconds West a distance of 27.71 feet;

THENCE along said curve to the right an arc distance of 27.71 feet to a 5/8 inch iron rod found with plastic cap stamped "Carter & Burgess" on the easterly right-of-way line of FM 423 as described in instrument recorded in Document No. 2006, Page 47345 (D.R.D.C.T.);

THENCE along the easterly right-of-way line of FM 423 the following;

North 07 degrees 27 minutes 16 seconds East a distance of 735.98 feet to a point for corner;

North 53 degrees 32 minutes 37 seconds East a distance of 48.58 feet to a 5/8 inch iron rod found with plastic cap stamped "Carter & Burgess";

North 07 degrees 27 minutes 16 seconds East a distance of 56.32 feet to a 5/8 inch iron rod found with plastic cap stamped "Carter & Burgess" at the beginning of a curve to the left having a central angle of 00 degrees 22 minutes 12 seconds, a radius of 5,834.58 feet and being subtended by a chord which bears North 07 degrees 16 minutes 10 seconds East a distance of 37.68 feet;

Along said curve to the left an arc distance of 37.68 feet to a 5/8 inch iron rod found with plastic cap stamped "Carter & Burgess" at the end of said curve;

North 36 degrees 27 minutes 23 seconds West a distance of 50.98 feet to a 5/8 inch iron rod found with plastic cap stamped "Carter & Burgess" at the beginning of a non-tangent curve to the left having a central angle of 03 degrees 00 minutes 59 seconds, a radius of

5,799.58 feet and being subtended by a chord which bears North 05 degrees 12 minutes 39 seconds East a distance of 305.29 feet;

Along said curve to the left an arc distance of 305.33 feet to a 5/8 inch iron rod found with plastic cap stamped "Carter & Burgess" at the intersection of the easterly right-of-way line of FM 423 and the southerly line of a tract of land described in instrument to Field Street Dev. 1, Ltd. as recorded in Document No. 2005-120564 (D.R.D.C.T.);

THENCE along the southerly lines of said Field Street Dev. 1, Ltd. tract the following;

North 71 degrees 12 minutes 42 seconds East a distance of 189.21 feet to a 5/8 inch iron rod found with yellow plastic cap;

South 82 degrees 38 minutes 46 seconds East a distance of 271.71 feet to a 5/8 inch iron rod found with yellow plastic cap;

North 79 degrees 14 minutes 57 seconds East a distance of 101.30 feet to a 5/8 inch iron rod found with yellow plastic cap;

North 64 degrees 36 minutes 55 seconds East a distance of 91.31 feet to a 5/8 inch iron rod found with yellow plastic cap;

North 47 degrees 58 minutes 23 seconds East a distance of 139.42 feet to a 5/8 inch iron rod found with yellow plastic cap;

North 23 degrees 27 minutes 44 seconds East a distance of 132.65 feet to a 5/8 inch iron rod found with yellow plastic cap;

North 05 degrees 57 minutes 57 seconds East a distance of 221.02 feet to a 5/8 inch iron rod found with yellow plastic cap;

North 24 degrees 22 minutes 38 seconds East a distance of 187.86 feet to a 5/8 inch iron rod found with yellow plastic cap;

North 43 degrees 36 minutes 00 seconds East a distance of 300.47 feet to a point for a corner on the southerly right-of-way line of Lebanon Road (a 120' ROW) as described in instrument to City of Frisco, Texas recorded in Document No. 2008-65799 (D.R.D.C.T.), and being the beginning of a non-tangent curve to the right having a central angle of 18 degrees 44 minutes 45 seconds, a radius of 1,440.00 feet and being subtended by a chord which bears South 40 degrees 10 minutes 48 seconds East a distance of 469.04 feet;

THENCE along the southerly right-of-way line of Lebanon Road the following;

Along said curve to the right an arc distance of 471.14 feet to a point at the end of said curve from which a 1/2 inch iron rod found with plastic cap bears North 58 degrees 03 minutes 35 seconds East a distance of 60.00 feet;

South 30 degrees 48 minutes 25 seconds East a distance of 912.58 feet to a point at the beginning of curve to the left having a central angle of 06 degrees 00 minutes 09 seconds, a radius of 1,560.00 feet and being subtended by a chord which bears South 33 degrees 48 minutes 30 seconds East a distance of 163.36 feet from which a 5/8 inch iron rod found with plastic cap stamped "Survcon" bears North 58 degrees 08 minutes 40 seconds East a distance of 60.08 feet;

Along said curve to the left an arc distance of 163.43 feet to a point at the end of said curve;

South 35 degrees 46 minutes 05 seconds East a distance of 150.75 feet to a point at the beginning of a non tangent curve to the left having a central angle of 06 degrees 23 minutes 35 seconds, a radius of 1,570.00 feet and being subtended by a chord which bears South 45 degrees 30 minutes 55 seconds East a distance of 175.09 feet;

Along said curve to the left an arc distance of 175.18 feet to a point at the end of said curve;

South 06 degrees 19 minutes 56 seconds East a distance of 36.67 feet to point for a corner;

South 52 degrees 10 minutes 49 seconds East a distance of 69.53 feet to point for a corner on the westerly line of a tract of land described in instrument to Frisco ISD as recorded in Document No. 2007-38944 (D.R.D.C.T.) and being the beginning of a non-tangent curve to the left having a central angle of 25 degrees 11 minutes 58 seconds, a radius of 1,500.00 feet and being subtended by a chord which bears South 23 degrees 12 minutes 56 seconds West a distance of 654.41 feet;

THENCE along the westerly line of said Frisco ISD tract and along said curve to the left an arc distance of 659.72 feet to point on the southerly line of the aforementioned Crosswinds at Lone Star Ranch 1000, Ltd. tract from which a 5/8 inch iron rod found with plastic cap bears South 13 degrees 05 minutes 10 seconds West a distance of 0.97 feet;

THENCE South 89 degrees 18 minutes 13 seconds West, along the southerly line of said Crosswinds at Lone Star Ranch 1000, Ltd. tract, a distance of 2,112.09 feet to the POINT OF BEGINNING and containing 75.97 acres of land, more or less.

TRACT C

EXHIBIT A
Legal Description of the Property

BEING a tract of land situated in the D. Lawhorn Survey, Abstract No. 727, and being a portion of those certain tracts of described to Highway 423-Lebanon, LTD., recorded under County Clerk's File Nos. 96-R0069961 and 96-R0085903, Denton County, Texas, and being further described as follows:

COMMENCING at a 5/8" capped iron rod found at the intersection of the east right of way line of F.M. 423 and the approximate centerline of Stewart Creek Road (no record found), same being the northwest corner of a tract of land conveyed to 423 Storage Company, as evidenced in deed recorded in Volume 2745, Page 870 of the Deed Records of Denton County, Texas;

THENCE N 89° 44' 10" E, along said Stewart Creek Road and along the south line of a tract of land conveyed to PCR Land Company, LLC, as evidenced in a deed recorded in Document No. 2008-119029 of the Deed Records of Denton County, Texas, a distance of 304.30 feet to the POINT OF BEGINNING at which a 1/4" iron rod found being S 13° 18' W, 0.5 feet;

THENCE N 89° 44' 10" E, continuing along said Stewart Creek road and aforesaid PCR Land Company LLC tract, a distance of 1394.37 feet to a 5/8" capped iron rod found for corner;

THENCE S 00° 15' 50" E, departing said Stewart Creek Road and along the west line of a tract of land conveyed to Pulte Homes of Texas LP, as evidenced in a deed recorded in Document No. 2011-48835 of the Deed Records of Denton County, Texas, a distance of 186.62 feet to a point located in water;

THENCE S 61° 07' 13" W, along the northerly line of aforesaid Pulte Homes of Texas LP tract, passing at a distance of 597.90 feet, a brass monument found for the most northerly northeast corner of U.S.A. Tract G-619-A (Lewisville Lake), continuing for a total distance of 926.90 feet to a brass monument found for corner;

THENCE departing aforesaid Highway 423-Lebanon, LTD. And along the common line of said U.S.A. Tract G-619-A (Lewisville Lake) the following:

N 68° 57' 47" W, a distance of 274.54 feet to a brass monument found for corner;

S 57° 48' 47" W, a distance of 236.37 feet to a brass monument found for corner;

N 82° 29' 47" W, a distance of 123.15 feet to a 5/8" capped iron rod found for corner, same being the southeast corner of a tract of land conveyed to Benjamin L. Smith, as evidenced in a deed recorded in Volume 4559, Page 562 of the Deed Records of Denton County, Texas;

THENCE N 00° 28' 39" W, departing aforesaid U.S.A. Tract G-619-A (Lewisville Lake) and along the east line of said Benjamin L. Smith tract and the east line of a tract of land conveyed to

423 Storage Company, Inc. as evidenced in a deed recorded in Volume 2745, Page 870 of the Deed Records of Denton County, Texas, a distance of 499.76 feet to a point located along the face of a building;

THENCE N 00° 25' 43" W, along the east line of said 423 Storage Company, Inc. tract, a distance of 139.40 feet to the POINT OF BEGINNING and containing a calculated area of 15.605 acres or 679,770 square feet of land.