

VILLAGE
DECLARATION
of
COVENANTS, CONDITIONS AND RESTRICTIONS
on and for
SUMMER POINT
(Phase II)
at
STONEBRIDGE RANCH

* * * * *

Scrivener's Note to Collin in County Clerk
and to all
Abstracters and Title Examiners:

This instrument specifically refers to, and constitutes a covenant running with, the residential Lots within that certain 7.3344± acre tract situated within the George McGarrah Survey, Abstract No 573 of Collin County, Texas which has been formally subdivided into 41 residential lots in accordance with those certain subdivision plats entitled (i) "Summer Point (Phase II) Lots 1 & 2 Block C" (for 2 lots), recorded in Cabinet H, Drawer 137 of the Map and Plat Records of Collin County, Texas, and (ii) "Summer Point (Phase II) " (for 39 lots) recorded in Cabinet H, Page 164 to which reference is hereby made for all purposes.

The name and address of the business entity which owns the subject land, and which is the Declarant herein, is:

RANCHLINE, LTD.
6900 Virginia Parkway, Suite 214
McKinney, Texas 75070
(214) 542-1612

ANY PROVISION HEREIN WHICH RESTRICTS THE SALE,
RENTAL OR USE OF THE DESCRIBED REAL PROPERTY
BECAUSE OF COLOR OR RACE IS INVALID AND UNEN-
FORCEABLE UNDER FEDERAL LAW.

This VILLAGE DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS is made and effective as of the 17th day of September, 1991, by RANCLINE, LTD. (sometimes referred to herein as the "Declarant"):

PREAMBLE

Declarant is the developer of 41 residential Lots within a 7.3344± acre tract of land now commonly known and described as the SUMMER POINT (Phase II) Subdivision (which lots are more particularly described within Exhibit "A" attached hereto). Ranch Development Company previously prepared and recorded in Volume 3489, Page 428 of the Public Real Estate Records of Collin County, Texas an instrument entitled:

Master
Declaration
of
Covenants, Conditions, Restrictions,
Easements, Charges and Liens
on and for
Summer Point
(Phase II)
at
Stonebridge Ranch

to which reference is hereby made for all purposes and it is sometimes referred to herein the "Master Association". This instant Village Declaration is intended to establish a type of sub-association as envisioned by the Master Declaration.

Declarant proposes to establish and implement highly sophisticated plans for residential living, recreation, aesthetic and quality-of-life considerations. The purposes of this Village Declaration are to: create and implement a system for the care and maintenance of landscape within the Common Properties and the front yards of the residential Lots. Declarant desires to impose these restrictions on the Summer Point (Phase II) Subdivision property 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 Summer Point Village project.

The Summer Point Village Homeowners Association, Inc. (the "Association") is chartered as a non-profit Texas corporation to assist in the ownership, management, use and care of certain common areas within Summer Point and to assist in the administration and enforcement of the covenants, conditions, restrictions, easements, charges and liens set forth with this Declaration.

Declarant has worked closely with Darling Homes, Inc. concerning Summer Point Village, and has previously conveyed record

title to nine (9) particular lots within Summer Point (Phase II) being Lots 10, 15, 16 and 24 in Block A and Lots 1, 2, 7, 13 and 16 in Block C. Darling Homes, Inc. desires that the nine (9) lots it owns within Summer Point (Phase II) be subjected to all of the benefits and burdens of this Village Declaration, and hereby joins, consents and adopts the terms and provisions of this Village Declaration against said nine (9) lots.

DECLARATION

The Declarant hereby declares that the Summer Point (Phase II) Subdivision residential lots described within Exhibit "A" attached hereto, and such phases or additions thereto as may hereafter be made pursuant to Article II hereof, is and shall be owned, held, mortgaged, transferred, sold, conveyed and occupied subject to the covenants, conditions, restrictions, easements, charges and liens (sometimes collectively referred to hereinafter as "the Subdivision Covenants") hereinafter set forth. To better assure the proper operation and functioning of the Association and to promote the quality of life within Summer Point Village, the Declarant further declares that:

* * * * *

* ACQUISITION OF ANY LOT WITHIN SUMMER POINT VILLAGE *
* SHALL NOT BECOME EFFECTIVE UNTIL AND UNLESS: *

* (A) THE "CLOSING INFORMATION PACKAGE" AND RELATED *
* DOCUMENTS HAVE BEEN PROPERLY EXECUTED BY THE *
* ASSOCIATION, DECLARANT AND THE PURCHASER/TRANSFeree; *
* AND *

* (B) ALL DIRECTIVES BY, AND ALL OBLIGATIONS TO, THE *
* ASSOCIATION AND THE DECLARANT HAVE BEEN PROPERLY *
* AND TIMELY SATISFIED. *

* * * * *

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:

"Amended Declaration" shall mean and refer to each and every instrument recorded in the Public Real Estate Records of Collin County, Texas 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 Article V below.

"Articles" shall mean and refer to the Articles of Incorporation (and all amendments thereto and restatements thereof) of the Association on file in the Office of the Secretary of State of the State of Texas, Austin, Texas.

"Assessable Property" shall mean and refer to each and every lot, parcel, tract, area, condominium apartment, unit and space within the Properties which: (i) the Declarant has subjected to and imposed upon a set of restrictive covenants calling for, inter alia, the payment of an Annual Assessment to the Association; (ii) may have been or will be given a separately identifiable tax or parcel number by the Central Appraisal District of Collin County ("CADCC") or a similar governmental agency; (iii) is not designated an "open space" or otherwise a portion of the Common Properties.

"Association" shall mean and refer to the SUMMER POINT VILLAGE HOMEOWNERS ASSOCIATION, INC., a non-profit Texas corporation which will have the power, duty and responsibility of maintaining and administering certain portions of the Properties and Common Properties, administering and enforcing these Covenants and otherwise maintaining and enhancing the quality of life within Summer Point Village.

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

"Bylaws" shall mean and refer to the Bylaws of the Association, as adopted and amended from time to time in accordance with the provisions of the Texas Non-Profit Corporation Act and this Declaration.

"Common Properties" shall mean and refer to any and all areas of land within Summer Point Village, not otherwise owned or controlled by the Master Association, which are known, described or designated as common green, common areas, parks, recreational easements, lakes, ponds, dams, perimeter fences and columns, monuments and directional signs, landscape easements, greenbelts, and the like including without limitation those shown on any recorded subdivision plat of portions of the Properties as well as those not shown on a recorded subdivision 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 include (without limitation) Lots 13-A and 32-A in Block C. [However, the Common Properties shall not include the two (2) separate and privately owned golf and country clubs geographically situated within the center of Stonebridge Ranch nor shall it include any common property owned or controlled by the Master Association under the Master Declaration.] The Declarant reserves the right to use, during the Development Period, portions

of the Common Properties for business matters directly and indirectly related to Summer Point Village.

Declarant shall convey record title to some or all of the Common Properties to the Association if, as and when deemed appropriate by Declarant or as may be required by governmental officials, and Declarant shall at all times have and retain the right to effect minor redesigns or minor reconfigurations of the Common Properties (particularly along the golf courses and lake/pond edges) 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 federal and state ad valorem and/or income taxes.

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

"Declarant" shall mean and refer to Ranchline, Ltd. and any or all successor(s) and assign(s) of Ranchline, Ltd. with respect to the voluntary disposition of all (or substantially all) of the assets and/or stock of Ranchline, Ltd. and/or the voluntary disposition of all (or substantially all) of the right, title and interest of Ranchline, Ltd. in and to the Properties. Ranchline, Ltd. shall be and hereby is authorized to designate DARLING HOMES, INC. as the successor Declarant. However, no other person or entity merely purchasing one or more Lots from Ranchline, Ltd. in the ordinary course of business shall be considered a "Declarant".

"Declaration" shall mean and refer to this particular instrument entitled "Village Declaration of Covenants, Conditions and Restrictions on and for Summer Point (Phase II)", 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 title 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 public real estate records of Collin County, Texas and continuing thereafter until and ending the earlier to occur of: (i) substantial completion of all development within Summer Point Village, as determined by the Declarant; or (ii) the tenth (10th) anniversary of the date of recordation of this Declaration in the public real estate records of Collin County, Texas.

"Dwelling Unit" shall mean and refer to any building situated upon the Properties which is designed and intended for use and

occupancy as a residence by a single person, a couple, a family or a permitted family size group of persons.

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

"Eligible Insurers" is defined in Article VII below.

"Eligible Mortgagees" is defined in Article VII below.

"Exempt property" shall mean and refer to the following portions of the Properties: (i) all land and Improvements owned by the United States of America, the State of Texas, Collin County or any instrumentality, political subdivision or agency of any such governmental entity acting in a governmental (rather than a proprietary) capacity; (ii) all land and Improvements owned (including legal and beneficial ownership, whether now or in the future) by the Association or the Master Association or constituting a portion of the Common Properties; (iii) all land and Improvements which are not only exempt from the payment of ad valorem real property taxes by Collin County, the McKinney Independent School District, the Frisco Independent School District and the State of Texas, but also are exempt from the payment of any assessments hereunder as expressly determined by written resolution of the Declarant and/or the Association; and (iv) 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.

"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: (i) 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 (ii) 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 Association.

"Greenway Frontage" shall mean and refer to golf courses, parks, common green space, recreational facilities (including lakes, hike and bike trails and the like) which are adjacent to rear or side yard Lot lines and/or clearly visible from public streets, sidewalks and rights-of-way.

"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, Federal Home Loan Mortgage Corporation or their successors, or guaranteed or subsidized by the FHA and/or VA.

"Lot" shall mean and refer to each separately identifiable portion of the Assessable Property, including any condominium unit, which is platted, filed and recorded in the office of the County Clerk of Collin County, Texas and which is assessed by any one or more of the Taxing Authorities and which is not intended to be an "open space" or a portion of the Common Properties.

"Master Association" shall mean and refer to the Stonebridge Ranch Community Association, Inc., an existing non-profit Texas corporation identified and discussed within the Master Declaration.

"Master Declaration" shall mean and refer to the Master Declaration of Covenants, Conditions, Restrictions, Easements, Charges and Liens on and for Summer Point (Phase II) at Stonebridge Ranch as recorded in Volume 3489, Page 428, Deed Records of Collin County, Texas.

"Member" shall mean and refer to each Owner who is properly registered, and in good standing, with the Association.

"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 8 and 9 of Article V hereinbelow.

"Phase" shall mean and refer to each and every portion of the Village which is the specific subject of a subdivision plat.

"Properties" shall mean and refer to: (i) the land described within Exhibit "A" attached hereto; and (ii) other land within the Summer Point Village project within the Stonebridge Ranch development.

"Resident" shall mean and refer to each person (not otherwise an Owner or Member) authorized by the Owner to reside within the Owner's Dwelling Unit.

"Subdivision" shall mean and refer to the Summer Point (Phase II) subdivision, a subdivision phase of certain land as described within Exhibit "A" attached hereto, in accordance with the map and plat thereof filed of record in the Map and Plat Records of Collin County, Texas, as well as any and all revisions, modifications, corrections or clarifications thereto.

"Subdivisions" shall mean and refer to the Subdivision as well as all other subdivisions within the Summer Point Village.

"Trustee" shall mean and refer to Darling Homes, Inc., a Texas corporation, and its successors and assigns.

"Village" shall mean and refer to the Summer Point Village community arising out of the development, construction, use and occupancy of all Phases of Subdivision plats bearing the same common name.

ARTICLE II.

PROPERTY SUBJECT TO THIS DECLARATION

Section 1. Existing Property. The residential Lots which are, and shall be, held, transferred, sold, conveyed and occupied subject to this Declaration within the Summer Point (Phase II) Subdivision and Village are more particularly described within Exhibit "A" attached hereto and incorporated herein by reference for all purposes.

Section 2. Additions to Existing Property. Additional land(s) within Stonebridge Ranch may become subject to this Declaration, or the general scheme envisioned by this Declaration, as follows:

(a) The Declarant may (without the joinder and consent of any person or entity but provided such land area is within the original boundaries of Stonebridge Ranch) add or annex additional real property to the scheme of this Declaration within the next twenty-five (25) years by filing of record an appropriate 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) In the event any person or entity other than the Declarant desires to add or annex additional Assessable Property and/or Common Property to the scheme of this Declaration, such annexation proposal must have the express approval of the Board.

No land parcels outside the original perimeter of Stonebridge Ranch may be annexed without the consent of at least two-thirds (2/3) of the Owners (excluding the Declarant).

Any additions made pursuant to this Section 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. Upon any merger or consolidation of the Association with another association, its properties, rights and obligations may, by operation of law or by lawful articles or agreement of merger, be transferred to another surviving or consolidated association or, alternatively, the properties, rights and obligations of another association may, by operation of law or by lawful articles or agreement of merger, be added to the properties, rights and obligations of the Association as a surviving corporation pursuant to a merger. The surviving or consolidated association may administer the Covenants established by this Declaration, together with the covenants and restrictions established upon any other properties, as one scheme.

ARTICLE III.

MEMBERSHIP AND VOTING RIGHTS IN THE ASSOCIATION

Section 1. Membership. Each and every Owner of each and every Lot within a Subdivision or Village which is subjected to these, or substantially similar, Covenants shall automatically be, and must at all times remain, a Member of the Association.

Section 2. Voting Rights. There shall be one (1) class of voting Members: the Owner(s) (in good standing with the Association) of each Lot shall be entitled to one (1) vote per Lot. Where more than one (1) Owner owns and holds a record fee interest in a 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.

Any Owner shall not be in "good standing" if such person or entity is: (a) in violation of any portion of these Covenants, or any rule or regulation promulgated by the Board; (b) delinquent in the full, complete and timely payment of any Annual Assessment, special assessment, or any other fee, charge or fine 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 Board may make such rules and regulations, consistent with the terms of this Declaration and the Bylaws, as it deems advisable, for: any meeting of Members; proof of membership in the Association; the status of good standing; evidence of right to vote; the appointment and duties of examiners and inspectors of votes; the procedures for actual voting in person or by proxy; registration of Owner(s) for voting purposes; and such other matters concerning the conduct of meetings and voting as the Board shall deem fit.

Section 3. Board of Directors. The affairs of the Association shall be managed initially by a board of three (3)

individuals. However, beginning with the fifth (5th) annual meeting of the Members of the Association and continuing thereafter the Board shall be expanded to consist of five (5) individual Directors.

The Directors need not be Members of the Association. Directors shall be elected for two year terms of office and shall serve until their respective successors are elected and qualified. 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.

ARTICLE IV.

RIGHTS OF ENJOYMENT IN THE COMMON PROPERTIES

Section 1. Easement. Subject to the provisions of Sections 2 through 6 of this Article, each and every Owner in good standing with the Association shall have a non-exclusive right and easement of enjoyment in and to all Common Properties, and such easement shall be appurtenant to and shall pass with every Lot, provided the conveyance and transfer is accomplished in accordance with this Declaration.

Section 2. Extent of Owners' Easements. The rights and easements of use, recreation and enjoyment created hereby shall be subject to the following:

(a) The right of the Declarant or Association to prescribe reasonable regulations and policies governing and 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 Declarant to develop and improve the Properties or Common Properties or by the Association to improve or maintain the Common Properties;

(c) The right of the Association to enter into and execute contracts with any party (including, without limitation, the Declarant, the Master Association or their respective corporate affiliates) for the purpose of providing management, maintenance or such other materials or services consistent with the purposes of the Association and/or Declaration;

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

(e) The right of the Declarant 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 "fines") against a Lot resided upon by such Member remains unpaid, or during which noncompliance with this Declaration 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 any municipal corporation, public agency, governmental authority, or utility for such purposes and upon such conditions as may be agreed to by the Declarant and the Board; and

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

Section 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 zoning ordinance 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. Damage to the Common Properties. Each Owner 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 Owner or his family and guests.

Section 5. Rules of the Board. All Owners shall abide by any rules and regulations adopted by the Board. The Board shall have the power to enforce compliance with said rules and regulations by all appropriate legal and equitable remedies, and an Owner determined to have violated said rules and regulations shall be liable to the Association for all damages and costs, including reasonable attorneys fees.

Section 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 or entity (excluding the Declarant) shall use any portion of the Common Properties to:

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

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

ARTICLE V.

COVENANTS FOR ASSESSMENTS

Section 1. Creation of the Lien and Personal Obligation of Assessments. Declarant, 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 it shall be so expressed in any such Deed or other conveyance, shall be deemed to covenant and agree (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):

- (1) regular Annual Assessments;
- (2) special group assessments for capital improvements or unusual or emergency matters, such assessments to be fixed, established and collected from time to time as hereinafter provided;
- (3) special individual assessments levied against individual Owners to reimburse the Association for extra or unusual costs incurred for items such as (but not limited to): maintenance and repairs to portions of the Properties caused by the willful or negligent acts of the individual Owner, Member or Resident; 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
- (4) individual assessments and fines levied against an individual Owner, Member or Resident for violations of rules and regulations pertaining to the Association and/or the Common Properties.

The regular, special group, special individual and individual assessments, together with such late charges, interest and costs of collection thereof as are hereinafter provided, shall be a charge on 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 associated with the Dwelling Unit(s) on such Owner's Lot.

Section 2. Purposes of Assessments. 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 residents of the Properties (including without limitation Front Yard maintenance) and otherwise for the improvement and maintenance of greenbelt easements, walkways, common green, hike and bike trails, ponds, lakes, recreational areas and other properties, services and facilities devoted and related to the use and enjoyment of the Common Properties and operation of the Association.

Section 3. Basis and Amount of Annual Assessments. The basis and concept of determining, revising and collecting the Annual Assessment shall be a uniform "per Lot" charge, regardless of the size of the Lot (as well as whether the Lot is a corner lot" or not) and the value of any improvements thereon. For the first Fiscal Year the Annual Assessment shall be \$828.00 per Lot. The amount of the assessment in subsequent fiscal years may be adjusted by the Association as in its judgment may be necessary.

Section 4. Special Group Assessments. In addition to the regular Annual Assessment authorized by Section 3 hereof, the Association may levy in any Fiscal Year a special assessment, applicable to that 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); provided that any such assessment shall have the affirmative approval of at least three-fourths of the individuals comprising the Board.

Section 5. Rate of Assessments. Both regular and special group assessments must be fixed at a uniform rate for each and all Lots.

Section 6. Date of Commencement of Assessments; Due Dates. The Annual Assessment shall be due and payable in two (2) equal semi-annual installments, on the 1st and on the 180th day of each Fiscal Year and shall, if not automatically paid within thirty (30) consecutive calendar days thereafter, 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 (but is not required to), however, prescribe time-price differential payment schedules which would permit the collection of

an amount greater than the Annual Assessment on a quarterly or monthly basis provided that the creditworthiness of the Owner was acceptable to the Board and the inconvenience to the staff of the Association for additional invoicing and collection efforts was minimized or eliminated. The Board may further prescribe: (a) procedures for collecting advance regular Annual Assessments from new Owners 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(s) of assessments.

Section 7. 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, or establishment of a special group assessment, the Board shall fix the amount of the assessment against each Lot, and the applicable due date(s) for each assessment, at least sixty (60) 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) Written notice of the applicable assessment shall be actually or constructively furnished to every Owner subject thereto in accordance with the procedures then determined by the Board as being reasonable and economical; and

(c) The Board shall, upon reasonable demand, furnish to any Owner originally liable for said assessment, a certificate in writing signed by an officer of the Association, setting forth whether said assessment 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 8. Effect of Non-Payment of Assessment; the Personal Obligation of the Owner; the Lien; 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. Such lien shall be at all times superior to any claim of homestead by or in any Owner. If any assessment, charge or fine or any part thereof is not paid on the date(s) when due, then the unpaid amount of such assessment, charge or fine shall (after the passage of any stated grace period) be considered delinquent and shall, together with any late charge and interest thereon at the highest lawful rate of interest per annum 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 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, 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 shall be unaffected by any sale or assignment of a Lot and shall continue in full force and effect. No Owner may waive or otherwise escape liability for any assessment provided herein by non-use of the Common Properties or abandonment of the Lot. No diminution or abatement of assessments 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 being a separate and independent covenant on the part of each Owner;

(b) 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, charge or fine, particularly where the Association has theretofore been furnished in writing with the correct name and address of the holder(s) of such mortgage, a reasonable supply of self-addressed postage prepaid envelopes, and a written request to receive such notification;

(c) If any assessment, charge or fine 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, charge or fine shall bear interest from and after the date when due at the highest lawful rate of interest per annum until fully paid. If applicable state law provides or requires an alternate ceiling under Vernon's Annotated Texas Civil Statutes Article 5069-1.04, then that ceiling shall be the indicated rate ceiling. The Association may, at its election, retain the services of an attorney to review, monitor and/or collect unpaid assessments, charges, fines and delinquent accounts, and there shall also be added to the amount of any unpaid assessment, charge, fine or any delinquent account any and all attorneys fees and other costs of collection incurred by the Association;

(d) The Association may, at its discretion but subject to all applicable debt collection statutes: (i) prepare and file a lien

affidavit in the public records of Collin County, Texas which specifically identifies the unpaid assessments, charges or fines; and (ii) publish and post, within one or more locations within the Properties, a list of those individuals or entities who are delinquent and, if applicable, their suspended 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;

(e) All agreements between any Owner and the Association and/or 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 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 Declarant should ever receive an amount deemed interest by applicable law which shall exceed the highest lawful 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 Declarant and not to the payment of interest of if such excessive interest exceeds the unpaid balance of the actual Annual Assessment hereof and such other indebtedness, the excess shall be refunded to Owner. 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 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 paragraph shall control and supersede every other provision of all agreements between any Owner and the Association and/or Declarant.

Section 9. Power of Sale. The lien described within the preceding Section is and shall be a contract Payment and Performance Lien. Each Owner, 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 real estate within Summer Point Village, has granted, sold and conveyed and by these covenants does grant, sell and convey unto the Trustee, such Owner's Lot. To have and to hold such Lot, together with the rights, privileges and appurtenances thereto belonging unto the said Trustee, and to its substitutes or successors, forever. And each Owner does hereby

bind himself and/or herself, their heirs, executors, administrators and assigns to warrant and forever defend the Lot unto the said 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.

This conveyance is made in trust to secure payment 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, Beneficiary 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 said 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 Beneficiary (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 all applicable laws, the Trustee shall sell the Lot, 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 as an entirety or in such parcels as the Trustee acting may elect, and make due conveyance to the Purchaser or Purchasers, with general warranty binding upon the Owner, his heirs 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 provided for, and then to Beneficiary the full amount of principal, interest, attorneys' fees and other charges due and unpaid on said indebtedness secured hereby, rendering the balance of the sales price, if any, to the Owner, his heirs or 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 said sale shall be presumed to have been performed, and such sale and conveyance shall be conclusive against the Owner, his heirs and assigns.

It is agreed that in the event a foreclosure hereunder should be commenced by the Trustee, or its substitute or successor, beneficiary may at any time before the sale of said property, direct the said Trustee to abandon the sale, and may then institute suit for the collection of said indebtedness, and for the foreclosure of this contract Payment and Performance Lien; it is further agreed that if Beneficiary should institute a suit for the

collection thereof, and for a foreclosure of this contract lien, that it may at any time before the entry of a final judgment in said suit dismiss the same, and require the Trustee, its substitute or successor to sell the Lot in accordance with the provisions of this section. Beneficiary, if it is the highest bidder, shall have the right to purchase at any sale of the Lot, and to have the amount for which such Lot is sold credited on the debt then owing. Beneficiary in any event is hereby authorized to appoint a substitute trustee, or a successor trustee, to act instead of the Trustee named herein without other formality than the designation in writing of a substitute or successor trustee; and the authority hereby conferred shall extend to the appointment of other successor and substitute trustees successively until the indebtedness hereby secured has been paid in full, or until said Lot 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, or any portion thereof, under the terms of this section, the Owner, his heirs and assigns, shall forthwith upon the making of such sale surrender and deliver possession of the property so sold to the Purchaser at such sale, and in the event of his failure to do so he shall thereupon from and after the making of such sale be and continue as tenants at will of such Purchaser, and in the event of his failure to surrender possession of said property upon demand, the Purchaser, his heirs or assigns, shall be entitled to institute and maintain an action for forcible detainer of said property in the Justice of the Peace Court in the Justice Precinct in which such property, or any part thereof, is situated. The foreclosure of the continuing contract lien on any one or more occasions shall not remove, replace, impair or extinguish the same continuing lien from securing all obligations arising from and after the date of foreclosure.

Section 10. Rights of the Master Association. In the event that the Association, its successors or assigns, shall fail or refuse to adequately maintain the appearance and condition of the Common Properties and/or the Properties which it is obligated to maintain hereunder, the Master Association shall have the right (but not the obligation) and may assume the duty of performing all such maintenance obligations of the Association at an', time, upon giving written notice to the Owners or at any time after the expiration of ten (10) days after receipt by the Association, its successors or assigns, of written notice specifying in detail the nature and extent of the failure to maintain without such failure being remedied, whichever notice shall be deemed appropriate by the Master Association. Upon assuming such maintenance obligations, the Master Association may levy an assessment upon each Lot on a pro rata basis for the cost of such maintenance, notwithstanding any other provisions contained in this Declaration, which assessment shall constitute a lien upon the Lot against which each assessment is made. During the period the Master Association has a right and assumes the obligation to maintain and care for the Common Properties and/or Properties, the Association shall have no obligation or authority with respect to such maintenance. The

right and authority of the Master Association to maintain the Common Properties and/or Properties shall cease and terminate when the Association, its successors or assigns, shall present to the Master Association reasonable evidence of its willingness and ability to resume maintenance of the Common Properties and/or Properties. In the event the Master Association assumes the duty of performing the maintenance obligations of the Association as provided herein, then the Master Association, its agents, representatives and employees shall have the right of access to and over the Common Properties and/or Properties for the purpose of maintaining, improving and preserving the same; and in no event, and under no circumstances shall the Master Association be liable to the Association or any Owner, resident or member, or their respective heirs, executors, administrators, devisees, personal representatives, successors and assigns for negligent acts or construction relating in any manner to maintaining, improving and preserving the Common Properties and/or Properties, or to any Owner, resident, member, the Association or any other person for failure to perform such maintenance.

Section 11. Rights of City of McKinney. In the event that the Association, its successors or assigns, and the Master Association shall fail or refuse to adequately maintain the appearance and condition of the Common Properties and/or Properties which the Association is obligated to maintain hereunder, the City of McKinney, Texas shall have the right and may assume the duty of performing all such maintenance obligations of the Association at any time, upon giving written notice to the Owners or at any time after the expiration of ten (10) days after receipt by the Association, its successors or assigns, of written notice specifying in detail the nature and extent of the failure to maintain without such failure being remedied, whichever notice shall be deemed appropriate by the City of McKinney. Upon assuming such maintenance obligations, the City of McKinney may levy an assessment upon each Lot on a pro rata basis for the cost of such maintenance, notwithstanding any other provisions contained in this Declaration, which assessment shall constitute a lien upon the Lot against which each assessment is made. During the period the City of McKinney has a right and assumes the obligation to maintain and care for the Common Properties and/or Properties, the Association shall have no obligation or authority with respect to such maintenance. The right and authority of the City of McKinney to maintain the Common Properties and/or Properties shall cease and terminate when the Association, its successors or assigns, shall present to the City of McKinney reasonable evidence of its willingness and ability to resume maintenance of the Common Properties and/or Properties. In the event the City of McKinney assumes the duty of performing the maintenance obligations of the Association as provided herein, then the City of McKinney, its agents, representatives and employees shall have right of access to and over the Common Properties and/or Properties for the purpose of maintaining, improving and preserving the same; and in no event, and under no circumstances, shall the City of McKinney be liable to the Association or any Owner, Resident or Member, or their

respective heirs, executors, administrators, devisees, personal representatives, successors and assigns for negligent acts or construction relating in any manner to maintaining, improving and preserving the Common Properties and/or Properties, or to any Owner, Resident, Member, the Association or any other person for failure to perform such maintenance.

Section 11. Subordination of the Lien to Mortgages. The lien 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 home improvement purposes placed upon 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 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 12. Exempt Property. The following property otherwise subject to this Declaration shall be exempted from any assessments, charge and lien created herein:

- (a) All properties dedicated to and accepted by a local public or governmental authority;
- (b) Common Properties; and
- (c) Exempt Property.

ARTICLE VI.

FRONT YARD MAINTENANCE; EASEMENTS

Section 1. Front Yard Maintenance. The Board, for the benefit of the Owners, shall provide and pay for (out of the assessment fund[s] established within this Declaration) maintenance of the Front Yard of each Lot, in accordance with the Board's determinations and specifications which may be revised from time to time and at any time.

Section 2. 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 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.

ARTICLE VII.

RIGHTS OF CERTAIN MORTGAGEES AND MORTGAGE INSURERS

The provisions within this Article 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, FLMC 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 VII apply not only to this Declaration but also to the Articles of Incorporation and By-Laws of the Association. This Article is supplemental to, and not in substitution of, any other provisions of this Declaration, the Articles of Incorporation and By-Laws, but in the event of ambiguity or conflict, this Article shall control.

Section 1. 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, where such delinquency has continued for a period of sixty (60) days;
- (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 2. Joinder to Documents. In addition to the provisions set forth within Article VIII, 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. Amendments of a material nature (as defined below) must be agreed to by: (i) at least sixty-seven percent (67%) of the Dwelling Unit Owners; and (ii) the Declarant or the Board of Directors of the Association; and (iii) Eligible Mortgagees representing at least fifty-one percent (51%) of the Dwelling Units that are subject to Eligible Mortgages. A substantive change to any of the following would be considered as material:

- voting rights;
- assessments, assessment liens, or subordination of assessment liens;
- reserves for maintenance, repair, and replacement of Common Properties;
- responsibility for maintenance and repairs;
- boundaries of any Lot covered by an Eligible Mortgage;
- convertibility of Dwelling Units into Common Properties or vice versa;

- expansion or contraction of the Subdivision, or the addition, annexation, or withdrawal of the properties to or from the Subdivision;
- insurance or fidelity bonds;
- leasing of Dwelling Units;
- imposition of any restrictions on a Dwelling Unit Owner's right to sell or transfer his or her Dwelling Unit;
- a decision by the Association to establish self-management when professional management had been required previously by an Eligible Mortgagee;
- any action to terminate the legal status of the Subdivision after substantial destruction or condemnation occurs; or
- any provisions that expressly benefit Eligible Mortgagees or Eligible Insurers.

Additions or amendments such as the correction of a technical error or the clarification of a statement shall not be considered or construed as being "material."

If and when the Dwelling Unit 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 agree.

Section 3. Special FHLMC Provision. So long as required by The Federal Home Loan Mortgage Corporation, the following provisions apply in addition to and not in lieu of the other Sections of this Article. Unless two-thirds (2/3) of the Eligible Mortgagees or Owners give their consent, 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:

(a) by act or omission seek to abandon, partition, subdivide, encumber, sell or transfer the Common Properties which the Association owns, directly or indirectly (but the granting of easements for public utilities or for other public purposes consistent with the intended use of the development shall not be deemed a transfer);

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

(c) by act or omission charge, waive or abandon any scheme of regulations or enforcement thereof pertaining to the exterior appearance and maintenance of Dwelling Units and of the Common Properties;

(d) assign any future income of the Association, including its right to receive assessments;

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

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

The provisions of this Section 3 shall not be construed to reduce the percentage vote that must be obtained from Eligible Mortgagees or Owners when a larger percentage vote is otherwise required for any of the actions described in this Section.

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 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, and Eligible Mortgagees making such payments shall be entitled to immediate reimbursement from the Association.

Section 4. 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 for approval of an addition or amendment shall constitute an implied written approval of the addition or amendment.

Section 5. Inspection of Books. The Association shall have current copies of the Declaration, Articles of Incorporation, Bylaws, rules and regulations, books, records and financial statements available for inspection by Dwelling Unit Owners and by Eligible Mortgagees and Eligible Insurers during normal business hours or under other reasonable circumstances.

Section 6. 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 of the Association. Such financial statement must be audited by an independent certified public accountant, at the expense of the Association, if any Eligible Mortgagee or Eligible Insurer submits a written request for it.

Section 7. Enforcement. The provisions of this Article are 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 8. Attendance at Meetings. Any authorized representative(s) of an Eligible Mortgagee or Eligible Insurer may attend and address any meeting of the Association which an Owner may attend.

ARTICLE VIII.

GENERAL PROVISIONS

Section 1. Power of Attorney. Each and every Owner and Member hereby makes, constitutes and appoints Declarant as his/her true and lawful attorney-in-fact, coupled with an interest and irrevocable, for him/her and in his/her name, place and stead and for his/her use and benefit, to do the following:

(a) 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 Properties;

(b) 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 Declarant shall deem necessary, proper and expedient under the circumstances and conditions as may be then existing; and

(c) 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 Properties, 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.

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 Collin County Clerk's Office and shall remain in full force and effect thereafter until conclusion of the Development period.

Section 2. Further Development. During the Development Period, each and every Owner, Resident and Member 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 following: to contest, object, challenge, dispute, obstruct, hinder or in any manner disagree with the proposed or actual development (including, without limitation, zoning or rezoning efforts or processes) of any

real property owned by the Declarant or by the affiliates, assignees or successors of the Declarant within the Properties.

Section 3. Duration. The Covenants of this Declaration shall run with and bind the land subject to this Declaration, and shall inure to the benefit of and be enforceable by the Association and/or the Owner of any land subject to this Declaration, their respective legal representatives, heirs, successors and assigns, for an original fifty (so) 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 all the Subdivisions and recorded in the Deed Records of Collin County, Texas, 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 and all of the Subdivisions] to abolish shall be effective unless made and recorded one (1) year in advance of the effective date of such abolishment.

Section 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 as provided herein. Notwithstanding Section 3 of this Article, these Covenants may be amended and/or changed in part as follows:

(a) During the Development Period, and in response to any governmental or quasi-governmental suggestion, guideline, checklist, requisite or requirement, particularly with respect to those entities or agencies directly or indirectly involved in, or having an impact on, mortgage financing, mortgage insurance and/or reinsurance, 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 1 above, to undertake, complete and consummate any and all such amendments, changes, revisions, modifications or deletions as Declarant (in its sole and absolute discretion) shall deem reasonable and appropriate;

(b) During the Development Period the Declarant may otherwise amend or change these Covenants by exercising its powers under Article VIII, Section 1 hereinabove or with the direct consent of at least fifty-one percent (51%) of the Owners of Lots within the Subdivision; and

(c) From and after conclusion of the Development Period these Covenants may be amended or changed upon the express written consent of the Board and at least fifty-one percent (51%) of the Owners of Lots within the Subdivision.

Any and all amendments shall be recorded in the Office of the County Clerk of Collin County, Texas.

Section 5. Enforcement. Each Owner of each Lot shall be deemed, and held responsible and liable for the acts, conduct and omission of each and every Resident, Member, guest and invitee affiliated with such Lot, and such liability and responsibility of each Owner shall be joint and several with their Resident(s), Member(s), guests and invitees. The Payment and Performance Lien shall extend to, cover and secure the proper payment and performance by each and every Resident, Member, guest and invitee affiliated with each Owner. 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 Properties. 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. The Master Association and the Association and the City of McKinney, Texas are each specifically authorized (but not obligated) to enforce these Covenants. 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 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 McKinney (including, without limitation, the Zoning Ordinance), then such municipal requirement shall control.

Section 7. 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 8. Registration with the Association. In order that the Declarant and the Association can properly acquaint every Lot purchaser and every Owner, Resident and Member 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:

(a) the then-existing "Closing Information Package" and homeowner handbooks have been properly executed by the Association, Declarant and the Purchaser/Transferee; and

(b) all directives by, and all obligations to, the Association and the Declarant have been properly and timely satisfied.

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 residential dwelling of the Lot Owner; (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 Properties; (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.

Section 9. Notices to Resident/Member/Owner. Any notice required to be given to any Resident, Member or Owner 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 Resident, Member or Owner 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 Properties; or when (iii) posted on the Association's bulletin board for at least thirty (30) consecutive calendar days.

Section 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 11. Disputes. Matters of dispute or disagreement between Owners, Residents or Members with respect to interpretation or application of the provisions of this Declaration or the Association Bylaws, shall be determined by the Board of Directors. These determinations (absent arbitrary and capricious conduct or gross negligence) shall be final and binding upon all Owners, Residents and Members.

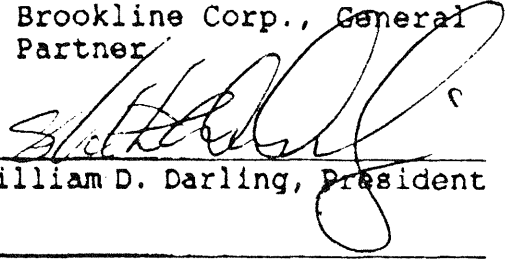
* * * * *

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

DECLARANT:

RANCHLINE, LTD.

By: Brookline Corp., General Partner

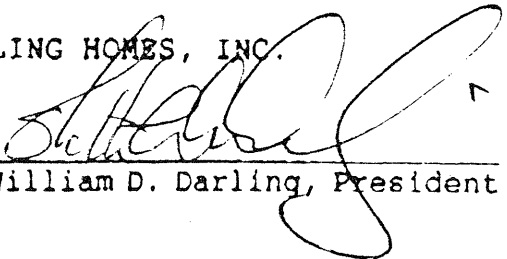
By: 
William D. Darling, President

Address:

6900 Virginia Parkway, Suite 214
McKinney, Texas 75070

Witness joinder, consent and adoption of this Village Declaration to the nine (9) lots owned by Darling Homes, Inc. (as set forth on page 3 above).

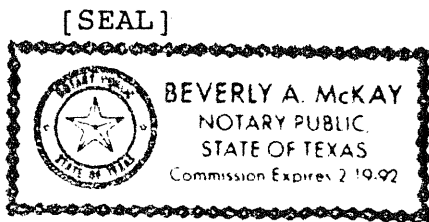
DARLING HOMES, INC.

By: 
William D. Darling, President

STATE OF TEXAS §
COUNTY OF DALLAS §

BEFORE ME, the undersigned authority, a Notary Public in and for said County and State, on this day personally appeared William D. Darling, the President of BROOKLINE CORP., general partner of Ranchline, Ltd., known to me to be the person and officer of said corporation whose name is subscribed to the foregoing instrument, and acknowledged to me that he executed the same for the purposes and consideration therein expressed, in the capacity therein stated, and as the act and deed of said corporation.

GIVEN UNDER MY HAND AND SEAL OF OFFICE this 17th day of September, 1991.



Beverly A. McKay
Notary Public in and for the
State of Texas

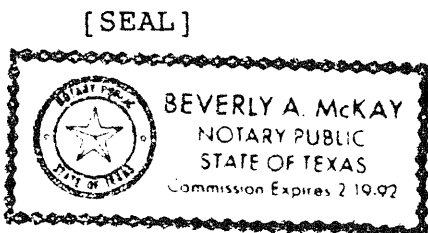
Beverly A. McKay
[Print or Type Name of Notary]

My Commission Expires:
2/19/92

STATE OF TEXAS §
COUNTY OF DALLAS §

BEFORE ME, the undersigned authority, a Notary Public in and for said County and State, on this day personally appeared William D. Darling, the President of DARLING HOMES, INC., known to me to be the person and officer of said corporation whose name is subscribed to the foregoing instrument, and acknowledged to me that he executed the same for the purposes and consideration therein expressed, in the capacity therein stated, and as the act and deed of said corporation.

GIVEN UNDER MY HAND AND SEAL OF OFFICE this 17th day of September, 1991.



Beverly A. McKay
Notary Public in and for the
State of Texas

Beverly A. McKay
[Print or Type Name of Notary]

My Commission Expires:
2/19/92

EXHIBIT "A"

An attachment to the Village Declaration of
Covenants, Conditions and Restrictions
on and for
Summer Point
(Phase II)

<u>Lot(s)</u>	<u>Block</u>
10 through 32	A
3 through 18	C

according to the "Summer Point (Phase II)" final plat of a portion of a 7.3344± acre tract of land [situated in the George McGarrah Survey, Abstract No. 573] filed and recorded in Cabinet H, Drawer 164 of the Map and Plat Records of Collin County, Texas, and

<u>Lot(s)</u>	<u>Block</u>
1 and 2	C

according to the "Summer Point (Phase II) Lots 1 and 2 Block C" final plat of a portion of a 7.3344± acre tract of land [situated in the George McGarrah Survey, Abstract No. 573] filed and recorded in Cabinet H, Drawer 137 of the Map and Plat Records of Collin County, Texas

g:\real\1690\2\declare2.cov
1 JME:tb 091191

ANY PROVISION HEREIN WHICH RESTRICTS THE SALE,
RENTAL OR USE OF THE DESCRIBED REAL PROPERTY
BECAUSE OF COLOR OR RACE IS INVALID AND UNEN-
FORCEABLE UNDER FEDERAL LAW.

91 SEP 21 PM 4:06
CLERK OF DISTRICT COURT
COLLIN COUNTY, TEXAS
BY _____

STONEBRIDGE RANCH
SUMMER POINT (PHASE II)
DECLARATION OF USE EASEMENTS

STATE OF TEXAS §
 §
COUNTY OF COLLIN §

KNOW ALL MEN BY THESE PRESENTS:

That this DECLARATION OF USE EASEMENTS is made by RANCLINE, LTD. and DARLING HOMES, INC. (hereinafter collectively referred to as "Declarant"):

W I T N E S S E T H:

WHEREAS, Ranchline, Ltd. is the developer of a certain 7.3344-acre tract of land situated in the George McGarrah Survey, Abstract No. 573 which has been platted into 41 residential lots by virtue of those certain subdivision plats entitled (i) "SUMMER POINT (PHASE II) Lots 1 and 2 Block C" (for 2 lots), recorded in Cabinet H, Page 137 of the Map and Plat Records of Collin County, Texas, and (ii) "SUMMER POINT (PHASE II)" (for 39 lots), recorded in Cabinet H, Drawer 164 of the Map and Plat Records of Collin County, Texas (sometimes collectively referred to herein as "the Subdivision Plat"); and

Darling Homes, Inc. has heretofore purchased from Declarant Lots 10, 15, 16 and 24 in Block A and Lots 1, 2, 7, 13 and 16 in Block C, and in such capacity desires to join, covenant and adopt this Declaration of Use Easements with respect to such nine (9) Lots, and impose all terms and conditions of this Declarant of Use Easement on such nine (9) Lots;

WHEREAS, Summer Point (Phase II) contains lots on which high quality, sophisticated homes will be constructed; and

WHEREAS, Declarant has previously placed of record an instrument entitled:

Master
Declaration
of
Covenants, Conditions, Restrictions,
Easements, Charges and Liens
on and for
Summer Point
(Phase II)
at
Stonebridge Ranch

<u>The Dominant Estate(s)</u>		<u>The Servient Estate(s)</u>	
<u>Lot</u>	<u>Block</u>	<u>Lot</u>	<u>Block</u>
11	A	10	A
12	A	11	A
13	A	12	A
14	A	13	A
15	A	14	A
16	A	15	A
17	A	16	A
19	A	18	A
20	A	19	A
21	A	20	A
22	A	21	A
23	A	22	A
24	A	23	A
25	A	24	A
26	A	25	A
27	A	26	A
28	A	27	A
29	A	28	A
30	A	29	A
31	A	30	A
32*	A	31	A
2	C	1	C
3	C	2	C
3	C	4	C
4	C	5	C
5	C	6	C
6	C	7	C
7	C	8	C
8	C	9	C
9	C	10	C
10	C	11	C
11	C	12	C
9	C	14	C
10	C	14	C
14	C	15	C
15	C	16	C
16	C	17	C
17	C	18	C

- * Lot 32 shall also have Paragraph 3 rights of entry onto the Lot 32A open space common area.

The record owner of each dominant estate within Summer Point (Phase II) shall have an easement and right-of-way on, over and across the Easement Area of the adjoining servient estate for the purposes, but subject to the limitations, set forth herein.

2. Use of Easement Areas. Each of the respective Easement Areas may be used for yard, paving, fence, patio and landscaping

purposes pertaining to the respective dominant estate, subject to approval of the Master Architectural Review committee ("MARC") and the Village Architectural Control Committee ("VARC") (as established by the Master Declaration of Covenants). As an example and illustration only and not by way of limitation, the owner of a residential home on Lot 15, Block A of Summer Point (Phase II) could (but is not required to) use and enjoy the particular Easement Area on Lot 14, Block A of Summer Point (Phase II) for purposes of a side yard area with various types and kinds of landscaping thereon as may be approved by the MARC and VARC. No construction, installation or erection of any permanent structures within any Easement Area shall occur prior to completion of a residential dwelling on the servient estate. Nothing shall be done or permitted within any Easement Area which would constitute a threat or hazard to the health and safety of the individuals occupying the servient estate dwelling, nor shall anything be done or permitted within the Easement Area which adversely affects the integrity, structure and strength of the servient estate dwelling. The uses permitted within each Easement Area by virtue of this instrument (as well as any modifications hereof) shall be non-exclusive because same are subject to any utility, access and drainage easements as well as any minor encroachments, overhangs and the like (attributable to the servient estate dwelling) which pertain to all or any portion of the Easement Area.

3. Rights of Entry. The following rights of entry shall exist:

(a) during any construction (whether original, remodeling or repair) which has been theretofore approved by the MARC, each owner (and the authorized agents, representatives, contractors, etc. of such owner) shall have a reasonable and temporary right of entry, access, ingress, egress and regress upon the lot(s) adjoining any "zero" side property line for the purpose of completing such work in a prompt, efficient and good and workmanlike manner;

(b) from and after the date of completion of the construction work envisioned by Paragraph 3(a) above, the owner of the servient estate on which the residential dwelling is situated shall have the right to enter into, on and upon the Easement Area and other portions of the dominant estate lot for the purposes of engaging in preventive maintenance or making bona fide repairs to such residential dwelling, but such entry for preventive maintenance or repairs should occur during daylight hours and, unless otherwise warranted by then-existing circumstances, should be limited to no more than fourteen (14) days in any calendar year, non-cumulative from year to year.

The MARC and VARC are specifically authorized to promulgate specific ad hoc rules and guidelines pertaining to any particular construction or repair work likely to require a right of entry described above so that the respective best interests of the adjoining neighbors are, to the reasonable extent possible, harmonized and preserved.

4. Architectural Review Committees. Any and all proposed uses, as well as any and all proposed repairs and preventive maintenance and the entry necessary to accomplish same, of each and every Easement Area within Summer Point shall be submitted to the MARC and VARC for approval or disapproval so that the standards, spirit and intent of the Master Declaration of Covenants and the Subdivision Covenants and this instrument may be continued and advanced.

5. Declarant's Right to Amend. Prior to conveyance of any lot within Summer Point from Declarant (or its affiliates) to a homebuilder or homeowner, the Declarant alone shall have the right to amend, revise, expand, contract, modify or abolish this instrument and the use easements created herein.

6. Owners' Right to Amend. The record owner of any dominant estate and the record owner of the respective servient estate (including, without limitation, instances where the same person or entity owns both estates) and their heirs, successors and assigns, shall have the right and authority at any time and from time to time, provided that the prior express written consent of the MARC and VARC has been sought and obtained, to amend, modify, abandon, revise or extinguish the applicable easement (pertaining to their respective estates by virtue of this instrument or any revisions or amendments thereto) by filing an appropriate instrument of record in the Deed Records of Collin County, Texas, which evidences their express, mutual, written consent and by furnishing a true and correct copy of such instrument to the Declarant and to the MARC and VARC.

7. Arbitration. In the event of any dispute, disagreement or controversy between or among any lot owners pertaining to this Agreement, then upon the written demand of any such lot owner, the dispute, disagreement or controversy shall be fully and finally resolved in Stonebridge Ranch by arbitration before the MARC and VARC, and, if necessary, Judgment upon their decision may be entered in any court having Jurisdiction thereof.

8. Validity. The captions used in connection with paragraphs within this instrument are for convenience only and shall not be deemed to construe or limit the meaning of the language used herein. 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. In the event any portion of this instrument conflicts with mandatory provisions of the Master Declaration of Covenants, then the Master Declaration of Covenants shall control. In the event any portion of this instrument, or the uses permitted hereunder, conflicts with mandatory provisions of any ordinance or regulation promulgated by the City of McKinney, then such municipal requirement shall control. Invalidity of any one or more of the provisions of this instrument by a judgment or court order shall not affect any of the other remaining provisions herein contained, which shall remain in full force and effect.

EXECUTED this 17th day of September, 1991.

DECLARANT:

RANCHLINE, LTD.

By: Brookline Corp., General Partner

By: [Signature]
William D. Darling, President

Darling Homes, Inc. hereby joins, consents and adopts this Declaration of Use Easements with respect to the nine (9) Lots owned by Darling Homes, Inc., as set forth on Page 1 of this instrument.

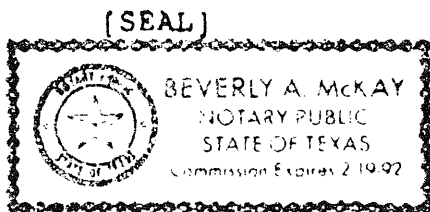
DARLING HOMES, INC.

By: [Signature]
William D. Darling, President

STATE OF TEXAS §
 §
COUNTY OF DALLAS §

BEFORE ME, the undersigned authority, a Notary Public in and for said County and State, on this day personally appeared William D. Darling, the President of BROOKLINE CORP., general partner of Ranchline, Ltd., known to me to be the person and officer of said corporation whose name is subscribed to the foregoing instrument, and acknowledged to me that he executed the same for the purposes and consideration therein expressed, in the capacity therein stated, and as the act and deed of said corporation.

GIVEN UNDER MY HAND AND SEAL OF OFFICE this 17th day of September, 1991.



[Signature]
Notary Public in and for the
State of Texas

Beverly A. McKay
[Print or Type Name of Notary]

My Commission Expires:

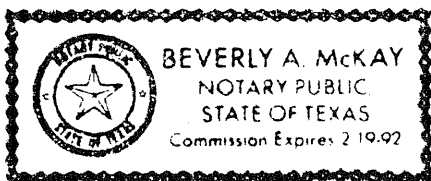
2/19/92

STATE OF TEXAS §
 §
COUNTY OF DALLAS §

BEFORE ME, the undersigned authority, a Notary Public in and for said County and State, on this day personally appeared William D. Darling, the President of DARLING HOMES, INC., known to me to be the person and officer of said corporation whose name is subscribed to the foregoing instrument, and acknowledged to me that he executed the same for the purposes and consideration therein expressed, in the capacity therein stated, and as the act and deed of said corporation.

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[SEAL]



Beverly A. McKay
Notary Public in and for the
State of Texas

Beverly A. McKay
[Print or Type Name of Notary]

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2/19/92

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91 SEP 24 PM 4:06
CLERK COURT REPORT
COLLIN COUNTY, TEX
BY _____