

FOR

FOREST CREEK NORTH II

Filed for Record in:
COLLIN COUNTY TX
HONORABLE HELEN STARNES
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THE STATE OF TEXAS §

KNOW ALL MEN BY THESE PRESENTS

COUNTY OF COLLIN §

THIS DECLARATION, made on the date hereinafter set forth by PA - FOREST CREEK NORTH 11, LTD., a Texas limited partnership, for the purpose of evidencing the covenants, conditions and restrictions contained herein;

WITNESSETH:

WHEREAS, Declarant is the owner of certain real property in the City of Plano, Collin County, State of Texas and more particularly described on Exhibit "A" attached hereto and made a part hereof (the "Property");

WHEREAS, Declarant desires to create an exclusive residential community to be known as FOREST CREEK NORTH II on the Property and such other property as may be added thereto pursuant to the terms and provisions of this Declaration;

NOW THEREFORE, Declarant hereby declares that all of the Property described above shall be held, sold and conveyed subject to the following easements, restrictions, covenants and conditions, all of which are for the purpose of enhancing and protecting the value, desirability and attractiveness of the real property. These easements, covenants, restrictions and conditions shall run with the real property and be binding on all parties having or acquiring any right, title or interest in the above described Property or any part thereof, their heirs, successors and assigns, and shall inure to the benefit of Declarant and each Owner thereof.

ARTICLE I

DEFINITIONS

1.1 ASSOCIATION. "Association" shall mean and refer to the Property Owners Association to be formed by the Owners of the Lots in accordance with the terms and provisions of this Declaration.

1.2 AREAS OF COMMON RESPONSIBILITY "Areas of Common Responsibility" shall mean the fenced and landscaped area along the south side of Hedgcoxe Road frontage on the north side of the screening wall, and such other improvements, if any, including entrance monuments and signs and rights-of-way landscaping, all as designated by the Declarant or the Board of Directors of the Association, as applicable, for the preservation, protection and enhancement of the property values.

1.3 DECLARANT. The term "Declarant" shall mean and refer to PA - FOREST CREEK NORTH II, LTD., a Texas limited partnership and its successors and assigns.

1.4 CITY. "City" shall mean the City of Plano, Texas.

1.5 HOME OR RESIDENCE. "Home" or "Residence" shall mean a single-family residential unit constructed on a Lot being a part of the Property, including the parking garage utilized in connection therewith and the Lot upon which the Home is located.

1.6 LIENHOLDER. "Lienholder" or "Mortgagee" shall mean the holder of a first mortgage lien encumbering any Lot and any Home situated thereon.

1.7 LOT. "Lot" shall mean and refer to a portion of the Property designated as a Lot on the Subdivision Plat of the Property, excluding Open Space, streets, alleys and any Areas of Common Responsibility. Where the context requires or indicates, the term Lot shall include the Home and all other improvements which are or will be-constructed on the Lot.

1.8 MEMBER. "Member" shall mean and refer to every person or entity who holds membership in the Association.

1.9 OWNER. "Owner" shall mean and refer to the record Owner, other than Declarant whether one (1) or more persons or entities, of a fee simple title to any Lot and shall include the homebuilder constructing a Residence thereon, but shall exclude those having such interest merely as security for the performance of an obligation. However, the term "Owner" shall include any Lienholder or Mortgagee who acquires fee simple title to any Lot which is a part of the Property, through deed in lieu of foreclosure or through judicial or nonjudicial foreclosure.

1.10 PROPERTY, PREMISES OR DEVELOPMENT. "Property", "Premises" and/or "Development" shall mean and refer to that certain real property known as FOREST CREEK NORTH II, as described on Exhibit "A" hereto.

1.11 SUBDIVISION PLAT. "Subdivision Plat" shall mean or refer to the Final Plat which has been or will be filed with respect to the Property in the Map or Plat Records of Collin County, Texas, as same may be amended from time to time.

ARTICLE II

FORMATION OF THE ASSOCIATION

2.1 FORMATION OF THE ASSOCIATION. The Association shall not be formed until on or after the date the Declarant ceases to own any portion of the Property, or such prior date designated by the Declarant. Prior to the formation of the Association, the Declarant shall have the exclusive power and authority to conduct and administer the provisions of this Declaration. The Association shall be formed by the Owners of the Lots, who shall file Articles of Incorporation and elect a Board of Directors. After the Association is formed the business and affairs of the Association shall be conducted and administered in accordance with the terms and provisions of this Declaration and the Association's by-laws which shall be consistent with the provisions of this Declaration.

2.2 ADOPTION OF BY-LAWS. By-laws for the Association will be established and adopted by the Board of Directors of the Association.

ARTICLE III

MEMBERSHIP AND VOTING RIGHTS

3.1 MEMBERSHIP. Upon the formation of the Association in accordance with provisions of Section 2.1 hereof, the Declarant, so long as it owns any portion of the Property, and each person or entity who is a record Owner of a fee or undivided fee interest in any Lot shall be a Member of the Association. The foregoing is not intended to include persons or entities who hold an interest merely as security for the performance of an obligation. No Owner shall have more than one (1) membership. Membership shall be appurtenant to and may not be separated from any ownership of any Lot which is subject to assessment by the Association. Transfer of ownership of the applicable Lot, either voluntarily or by obligation of law, shall terminate such Owner's membership in the Association, and membership shall be vested in the transferee; provided, however, that no such transfer shall relieve or release such Owner from any personal obligation with respect to assessments which have accrued prior to such transfer.

3.2 VOTING OF ASSOCIATION MEMBERS. From and after its formation, each Member of the Association shall be entitled to one (1) vote for each one (1) Lot in the Properties owned by each such member. When more than one (1) person holds an interest in any Lot, all such persons shall be Members. The vote for such Lot shall be exercised as they among themselves determine, but in no event shall more than one (1) vote be cast with respect to any Lot.

3.3 NO CUMULATIVE VOTING. At all meetings of the Association, there shall be no cumulative voting. Prior to all meetings, the Board of Directors shall determine the total number of votes outstanding and entitled to vote by the Members.

ARTICLE IV

COVENANT FOR ASSESSMENTS

4.1 CREATION OF THE LIEN AND PERSONAL OBLIGATION OF ASSESSMENTS. Each Owner of any Lot by acceptance of a deed therefor, whether or not it shall be expressed in any such deed or other conveyance, covenants and agrees to pay to the Declaring or the Association, as applicable: (i) annual assessments or charges, and (ii) special assessments for capital improvements. Such assessments (collectively, the "Assessments") are to be fixed, established and collected as provided herein. Assessments, together with such interest thereon and costs of collection thereof, as hereinafter provided, shall be a charge on the Lot and shall be secured by a continuing lien which is hereby created and impressed for the benefit of the Declaring or the Association, as applicable, upon the Lot against which each such Assessment is made. Each such Assessment, together with such interest costs and reasonable attorney's fees shall also constitute a personal obligation of the person or entity who was the record Owner of such Lot at the time of the Assessment. The personal obligation for delinquent Assessments shall not pass to successors in title unless expressly assumed by such successors, however the lien upon the Lot shall continue until paid.

4.2 PURPOSE OF ASSESSMENTS. The Assessments levied by Declaring or the Association, as applicable, shall be used exclusively for the purpose of promoting the recreation, health, safety and welfare of the Owners of the Lots, the improvement and maintenance of the Areas of Common Responsibility and any other property owned by the Association, and the performance and/or exercise of the rights and obligations of the Declaring or the Association, as applicable, arising hereunder. Assessments shall include, but not be limited to, funds to cover actual costs for all taxes, insurance, repair, replacement, maintenance and other activities as may from time to time be authorized by the Declarant or the Board of Directors, as applicable; legal and accounting fees; and any fees for management services; expenses incurred in complying with any laws, ordinances or governmental requirements applicable to the Association or the Property; reasonable replacement reserves and the cost of other facilities and service activities, including, but not limited to, mowing grass, grounds care, sprinkler system, landscaping, and other charges required or contemplated by this Declaration of Covenants, Conditions and Restrictions and/or that which the Board of Directors of the Association shall determine to be necessary to meet the primary purpose of the Association, including the establishment and maintenance of a reserve for repair, maintenance, taxes and other charges as specified herein.

4.3 BASIS AND MAXIMUM OF ANNUAL ASSESSMENTS.

(a). It is expressly acknowledged and agreed by the Declarant that no annual assessments or charges or special assessments for capital improvements shall be charged or collected with respect to any Lot until a residence is constructed upon each such Lot and the Lot is conveyed to a party purchasing such Lot and residence. Prior to the formation of the Association, the maximum annual assessment for each Lot for each fiscal year shall be One Hundred Fifty and No/100 Dollars. (\$150.00).

(b). From and after the formation of the Association, the maximum annual assessment may be increased by an amount up to ten percent (10%) over the preceding year's annual assessment solely by the Board of Directors. Any increase over and above 10% of the previous year's annual assessment shall be authorized solely by the prior written approval of sixty-six and two-thirds percent (66 2/3%) of the total outstanding votes (determined pursuant to Section 3.2 hereof) held by the Members at a meeting at which a quorum is present.

4.4 SPECIAL ASSESSMENTS. In addition to the regular annual Assessment authorized above, the Association may levy, in any assessment year, a Special Assessment applicable to that year only, for

the purpose of defraying, in whole or in part, the costs incurred by the Association pursuant to the provisions of this Declaration, provided that any such Assessment shall have the prior written approval of sixty-six and two-thirds percent (66 2/3%) of the total outstanding votes (determined pursuant to Section 3.2 hereof) held by the Members at a meeting at which a quorum is present. Any Special Assessments shall be prorated based on the period of time the Owner owns the Lot during such year.

4.5 NOTICE AND QUORUM FOR ANY ACTION AUTHORIZED UNDER SECTIONS 4.3 AND

4.4. Written notice of any meeting called for the purpose of taking any action authorized under Sections 4.3 and 4.4 hereunder shall be given to all Members not less than ten (10) days nor more than thirty (30) days in advance of such meeting. At such meeting, the presence of Members or of proxies entitled to cast sixty percent (60%) of all the total votes entitled to be cast by the Members of the Association shall constitute a quorum. If the required quorum is not present, another meeting may be called subject to the same notice requirements and the required quorum at the subsequent meeting shall be one-half (1/2) of the required quorum at the preceding meeting.

4.6 UNIFORM RATE OF ASSESSMENT. Both the regular annual and Special Assessments shall be fixed at a uniform rate for all Lots, and shall be due in accordance with the provisions of Section 4.7 hereof.

Each Owner shall pay one hundred percent (100%) of the established Assessment for each Lot he or it owns.

4.7 DATE OF COMMENCEMENT OF ANNUAL ASSESSMENTS: DUE DATES.

(a). The first annual assessment provided for herein shall commence and shall be due in full upon the conveyance of a Lot, upon which a residence has been constructed, to a party or parties purchasing such lot and residence and shall continue thereafter from year to year. The Assessments shall be due on such payment dates as may be established by the Declarant or the Association, as applicable. Assessments shall be due and payable on an annual basis unless otherwise designated by the Declarant or the Association, as applicable. Assessments shall be prorated as of the date of closing of any Lot.

(b). As long as Declarant is a Member pursuant to Section 3.2 hereof, Declarant shall pay the deficiency resulting in the event the cost of maintenance exceeds the amount of the Assessments received from the Owners; provided, however, in such event, Declarant shall not otherwise be required to pay Assessments with respect to portions of the Property and Lots owned by Declarant; and further, provided, however, in no event shall Declarant be required to pay an amount which is in excess of one hundred percent (100%) of the established Assessment for each Lot it owns. From and after the date the Association is formed, the Declarant shall no longer be responsible for contributing shortfalls outlined in the preceding sentence.

(c). From and after the date the Association is formed, the Board of Directors shall fix the amount of the annual Assessment at least thirty (30) days in advance of each Assessment year, which shall be the calendar year; provided, however, that the Association shall have the right to adjust the regular annual Assessment upon thirty (30) days written notice given to each Owner, as long as any such adjustment does not exceed the maximum permitted pursuant to Section 4.3 hereof. Written notice of the regular annual Assessment shall be given as soon as is practical to every Owner subject thereto. The Association shall, upon demand at any time, furnish a certificate in writing signed either by the President, Vice President or the Treasurer of the Association setting forth whether the annual and special Assessments on a specified Lot have been paid and the amount of any delinquency. A reasonable charge may be made by the Association for the issuance of these certificates. Such certificates shall be conclusive evidence of payment of any Assessment therein stated to have been paid.

(d). No Owner may exempt himself from liability for Assessments by waiver of the use or enjoyment of any portion of the Development or by abandonment of his Home.

4.8 EFFECT OF NON-PAYMENT OF ASSESSMENTS: REMEDIES OF THE ASSOCIATION.

(a). All payments of the Assessments shall be made to the Declarant or the Association, as applicable at its principal place of business in Dallas County, Texas, or at such other place as the

Declarant or the Association, as applicable, may otherwise direct or permit. Payment shall be made in full regardless of whether any Owner has any dispute with Declarant, the Association, any other Owner or any other person or entity regarding any matter to which this Declaration relates or pertains. Payment of the Assessments shall be both a continuing affirmative covenant personal to the Owner and a continuing covenant running with the Property.

(b). Any Assessment provided for in this Declaration which is not paid when due shall be delinquent. If any such Assessment is not paid within thirty (30) days after the date of delinquency, the Assessment shall bear interest from the date of delinquency, until paid, at the rate of twelve percent (12%) per annum or the maximum rate allowed by law, whichever is the lesser. The Declarant or the Association, as applicable, may, at its option, bring an action at law against the Owner personally obligated to pay the same; or, upon compliance with the notice provisions hereof, the Assessment lien against the Lot may be non-judicially foreclosed by power of sale, which is hereby reserved, as provided in Subsection 4.8(d) hereof.

There shall be added to the amount of such Assessment the costs of preparing and filing the complaint in such action, and in the event a judgment is obtained, such judgment shall include said interest and a reasonable attorney's fee, together with costs of action. Each Owner vests in the Declarant or the Association, as applicable, or its assigns, the right and power to bring all actions at law or in equity foreclosing such lien against such Owner, and the expenses incurred in connection therewith including interest, costs and reasonable attorney's fees shall be chargeable to the Owner in default. Under no circumstances, however, shall Declarant or the Association be liable to any Owner or to any other person or entity for failure or inability to enforce or attempt to enforce any Assessments.

(c). No action shall be brought to foreclose said Assessment lien or to proceed under the power of sale herein provided less than thirty (30) days after the date a notice of claim of lien is deposited with the postal authority, certified or registered, postage prepaid, to the Owner of said Lot, and a copy thereof is recorded by the Association in the Office of the County Clerk of Collin County, Texas, said notice of claim must recite a good and sufficient legal description of any such Lot, the record Owner or reputed Owner thereof, the amount claimed (which may, at the Association's option, include interest on the unpaid Assessment at the rate set forth in 4.8(b), plus reasonable attorney's fees and expenses of collection in connection with the debt secured by said lien), and the name and address of the Association.

(d). Any such sale provided for above is to be conducted in accordance with the provisions applicable to the exercise of powers of sale in mortgages and deeds of trust, as set forth in Section 51.002 of the Property Code of the State of Texas, or in any other manner permitted by law. Each Owner, by accepting a deed to a Lot, expressly grants to the Association a power of sale as set forth in said Section 51.002 of the Property Code, in connection with the Assessment lien. The Declarant or the Association, as applicable, through duly authorized agents, shall have the power to bid on the Lot at foreclosure sale and to acquire and hold, lease, mortgage and convey the same.

(e). Upon the timely curing of any default for which a notice of claim of lien was filed by the Declarant or the Association, as applicable, the officers of the Association are hereby authorized to file or record, as the case may be, an appropriate release of such notice, upon payment by the defaulting Owner of a fee, to be determined by the Declarant or the Association, as applicable, Association but not to exceed one hundred and twenty five percent (125%) of the actual cost of preparing and filing or recording the lien and the release.

(f). The Assessment lien and the right to foreclosure sale hereunder shall be in addition to and not in substitution of all other rights and remedies which the Declarant or the Association, as applicable, and its successors or assigns may have hereunder and by law, including the right of suit to recover a money judgment for unpaid Assessments, as above provided.

4.9.SUBORDINATION OF THE LIEN TO FIRST MORTGAGES. The lien securing the Assessments provided for herein shall be subordinate to the lien of any first lien mortgage. The sale or transfer of any Lot shall not affect the Assessment lien. However, the sale or transfer of any first lien mortgage, pursuant to a decree of foreclosure or a non-judicial foreclosure under such first lien mortgage or any proceeding in lieu of foreclosure thereof, shall extinguish the lien of such Assessments as to payments thereof which became due prior to such sale or transfer. No sale or transfer shall relieve such Lot from liability for any Assessment thereafter becoming due, in accordance with the terms herein provided.

4.10 MANAGEMENT AGREEMENTS. The Declarant or the Association, as applicable, shall be authorized to enter into management agreements with third parties in connection with the operation and management of the Development and the performance of its obligations hereunder. A copy of all such agreements shall be available for review by each Owner. Any and all management agreements entered into by the Declarant or the Association, as applicable, shall provide that said management agreement may be canceled with or without cause and without penalty by either party with thirty (30) days written notice. Any and all management agreements shall be for a term not to exceed one (1) year and shall be made with parties whom the Declarant or the Board of Directors, as applicable, in their sole opinion, determine to have the skills necessary to manage a project of this type. The Association may, at its discretion, assume self-management of the Development.

4.11 INSURANCE REQUIREMENTS. From and after the date the Association is formed, The Association through the Board of Directors, or its duly authorized agent, shall obtain insurance policies covering the Areas of Common Responsibility and covering all damage or injury caused by the negligence of the Association, any of its employees, officers, directors and/or agents, commercial general liability insurance, directors and officers liability insurance, and such other insurance as the Association may from time to time deem necessary or appropriate.

ARTICLE V

ARCHITECTURAL REVIEW COMMITTEE

No building, fence, wall, parking area, swimming pool, spa, pole, mail box, driveway, fountain, pond, tennis court, sign, exterior illumination, change in exterior color or shape, new structure or modification of an existing structure shall be commenced, erected or maintained upon any Lot or the patio or garage used in connection with any Lot after the purchase of any Lot from Declarant, nor shall any exterior addition to or change or alteration therein be made until the plans and specifications showing the nature, kind, shape, height, materials and location of the same are submitted to and approved in writing by the Architectural Review Committee (the "Committee") which shall be composed of three (3) representatives appointed by Declarant (during such time Declarant owns any Lots) and thereafter by the Association.

Plans and specifications shall be submitted to the Committee at least ten (10) days prior to the commencement of any construction or modification. The following shall be submitted for approval along with a receipt to show date of submission: a site plan showing the entire Lot with existing improvements, a floor plan and elevations of all faces of the proposed structure; and a description of all exterior construction materials. A copy of the above described plans and specifications shall be retained by the Committee. The Committee shall review the plans and specifications and notify the Owner in writing of its approval or disapproval. If the Committee fails to approve or disapprove said plans and specifications within fourteen (14) days after the date of submission indicated on the receipt, they will be deemed to have been approved by the Committee. Any disapproval shall set forth the elements disapproved and the reason or reasons thereof. The judgment of the Committee in this respect in the exercise of its sole and absolute discretion shall be final and conclusive and the Owner shall promptly correct the plans and specifications (if disapproved) and resubmit them for approval at which time the ten (10) and fourteen (14) day periods described above begin again. No construction, alteration, change or modification shall commence until approval of the Committee is obtained. The Committee may approve any deviation from these covenants and restrictions as the Committee, in its sole and absolute discretion, deems consistent with the purpose hereof.

No member of the Committee shall be personally liable to any Owner for any claims, causes of action or damages arising out of the denial of any submittal or grant of any deviation to an Owner. Future requests for deviations submitted hereunder shall be reviewed separately and apart from other such requests and the grant of a deviation to any Owner shall not constitute a waiver of the Committee's rights to strictly enforce the Declaration and the architectural standards provided herein against any other Owner. Approval by the Committee of the plans and specifications or its determination that the completed construction or modification has been constructed in accordance with the plans and specification shall be deemed to be an acknowledgment by the Committee that such are in accordance with these Covenants and Restrictions and such acknowledgment shall be binding against the Owners of the Lots and the Property.

Until Declarant no longer owns a Lot, as vacancies in the Committee occur by resignation or otherwise, successor members shall be appointed by Declarant. Thereafter, the members of the Committee shall be selected and appointed by the Board of Directors of the Association. In the event that such Directors fail to designate members of the Committee within thirty (30) days after any vacancy appears thereon, then the remaining members of the Committee shall be entitled to appoint a successor to fill any vacancies. Members of the Committee may at any time and without cause, be removed by Declarant, or in accordance with the parameters above, by the Board of Directors of the Association. Neither the Declarant, the Association, the Board, the Committee nor any employees, officers, directors or members thereof shall be liable for damages or otherwise to anyone submitting plans and specifications for approval or to any Owner affected by this Declaration by reason of mistake of judgment, negligence or nonfeasance arising out or in connection with the approval or disapproval or failure to approve or disapprove any plans or specifications. Any errors in or omissions from the plans or the site plan submitted to the Committee shall be the responsibility of the Owner of the Lot to which the improvements relate, and the Committee shall have no obligation to check for errors in or omissions from any such plans, or to check for such plans' compliance with the general provisions of this Declaration, City codes, state statutes or the common law, whether the same relate to Lot lines, building lines, easements or any other issue.

Notwithstanding anything to the contrary contained herein, once a particular set of plans and specifications submitted by a homebuilder (which for purposes hereof shall be defined as any entity or person in the business of constructing single family residences for the purpose of sale to third parties) has been approved by the Committee or deemed approved, such homebuilder may construct homes on the Lots in accordance with such plans and specifications without the necessity of obtaining subsequent Committee approvals therefor, so long as there are no major material changes in the plans and specifications.

ARTICLE VI

CONSTRUCTION OF IMPROVEMENTS AND USE OF LOTS

6.1 RESIDENTIAL USE. The Property shall be used for single-family residential purposes only. No building shall be erected, altered, placed or permitted to remain on any Lot other than one (1) detached single family residence per Lot, which residence may not exceed two (2) stories in height and a private garage as provided below, which residence shall be constructed to minimum Federal Housing Authority ("FHA") and Veteran's Administration ("VA") standards, unless otherwise approved in writing by the Committee (as previously defined).

6.2 SINGLE-FAMILY USE. Each residence shall be limited to occupancy by only ONE family consisting of persons related by blood, adoption or marriage or no more than two (2) unrelated persons residing together as a single housekeeping unit, in addition to any household or personal servant staff.

6.3 GARAGE REQUIRED. Each residence shall have an enclosed garage suitable for parking a minimum of two (2) standard size automobiles, which garage shall conform in design and materials with the main structure. All garages must be rear entry or side entry only, except that front entry garages are permitted on Lots without alley access.

6.4 RESTRICTIONS ON RESUBDIVISION. No Lot or combination of Lots shown on the Subdivision Plat shall be subdivided into smaller Lots so as to create more Lots than is shown on the Subdivision Plat.

6.5 DRIVEWAYS. All driveways shall be surfaced with concrete or similar substance approved by the Committee.

6.6 USES SPECIFICALLY PROHIBITED.

(a). No temporary dwelling, shop, trailer or mobile home of any kind or any improvement of a temporary character (except children's playhouses, dog houses, greenhouses, gazebos and buildings for storage of lawn maintenance equipment which may be placed on a Lot only in places which are not visible from any street on which the Lot fronts or sides) shall be permitted on any Lot except that the builder or contractor may have temporary improvements (such as a sales office and/or construction trailer) on a

specifically permitted Lot. No building material of any kind or character shall be placed or stored upon the Property until construction is ready to commence, and then such material shall be placed totally within the property lines of the Lot upon which the improvements are to be erected.

(b). No boat, marine craft, hovercraft, aircraft, recreational vehicle, camper, travel trailer, motor home, camper body or similar vehicle or equipment may be parked for storage in the driveway or front yard of any dwelling or parked on any public street on the Property, nor shall any such vehicle or equipment be parked for storage in the side or rear yard of any residence unless properly concealed from public view. No such vehicle or equipment shall be used as a residence or office temporarily or permanently. This restriction shall not apply to any vehicle, machinery or equipment temporarily parked while in use for the construction, maintenance or repair of a residence in the Development.

(c). Trucks with tonnage in excess of one and one-half (1.5) tons and any commercial vehicle with painted advertisement shall not be permitted to park overnight on the public streets within the Property except those used by a builder during the construction of improvements.

(d). No vehicle of any size which transports flammable, explosive or noxious cargo may be kept on the Property at any time.

(e). No motorized vehicle or similar equipment shall be parked or stored in an area visible from any street except passenger automobiles, passenger vans, motorcycles and pick-up trucks (including those with attached bed campers) that are in operating condition and have current valid license plates and inspection stickers.

(f). No structure of a temporary character, such as a trailer, tent, shack, barn, underground tank or structure or other out-building shall be used on the Property at any time as a dwelling house; provided, however, that a builder may maintain and occupy (for the purpose implied), model homes, sales offices and construction trailers during the construction period, but not as a residence.

(g). No oil drilling, oil development operation, oil refining, quarrying or mining operations of any kind shall be permitted in or on the Property, nor shall oil wells, tanks, tunnels, mineral excavations or shafts be permitted upon or in any part of the Property. No derrick or other structure designed for use in quarrying or boring for oil, natural gas or other minerals shall be erected, maintained or permitted on the Property.

(h). No animals, livestock or poultry of any kind shall be raised, bred or kept on the Property except that dogs, cats or other animals allowed by local ordinance may be kept as household pets. Animals are not to be raised, bred or kept for commercial purposes or for food. It is the purpose of these provisions to restrict the use of the Property so that no person shall quarter on the premises cows, horses, bees, hogs, sheep, goats, guinea fowls ducks, chickens, turkeys, skunks or any other animals that may interfere with the quiet peace, health and safety of the community. No more than four (4) household pets will be permitted on each Lot. Pets must be restrained or confined to the homeowner's rear yard within a secure fenced area or within the house. It is the pet owner's responsibility to keep the Lot clean and free of pet debris or odor noxious to adjoining Lots. All animals must be properly registered and tagged for identification in accordance with local ordinances.

(i). No Lot or other area of the Property shall be used as a dumping ground for rubbish or accumulation of unsightly materials of any kind, including without limitation, broken or rusty equipment, disassembled or inoperative cars and discarded appliances and furniture. Trash, garbage or other waste shall not be kept except in sanitary containers. All containers for the storage or other disposal of such material shall be kept in a clean and sanitary condition. Materials incident to construction of improvements may only be stored on Lots during construction of the improvement thereon.

(j). No individual water supply system shall be permitted on any Lot.

(k). No individual sewage disposal system shall be permitted on any Lot.

(l). No garage, garage house or other out-building (except for sales offices and construction trailers during the construction period)- shall be occupied by any Owner, tenant or other person prior to the erection of a residence.

(m). No air-conditioning apparatus shall be installed on the ground in front of a residence. No air-conditioning apparatus shall be attached to any front wall, window or roof of a residence. No evaporative cooler shall be installed on the front wall, window or roof of a residence.

(n). Antennas, satellite dishes and other equipment for receiving or sending sound or video signals shall be maintained below any applicable fence line so as to not be visible from adjoining Lots and otherwise maintained in the attic of a Residence or in an area screened from public view to the maximum extent possible. Satellite dishes greater than 18 inches in diameter may be constructed only if specific screening plans are submitted to and approved by the Committee.

(o). No Lot or improvement thereon shall be used for a business, professional, commercial or manufacturing purposes of any kind. No business activity shall be conducted on the Property that is not consistent and compatible with single family residential purposes. No noxious or offensive activity shall be undertaken on the Property, nor shall anything be done which is or may become an annoyance or nuisance to the Owners or Declarant. Nothing in this subparagraph shall prohibit a builder's temporary use of a residence as a sales/construction office for so long as such builder is actively engaged in construction on the Property. Nothing in this subparagraph shall prohibit an Owner's use of a residence for quiet, inoffensive, non-intrusive activities allowed by local ordinance (such as tutoring, art and music lessons and/or professional counseling) so long as no signage advertising such service is displayed on the Property and such activities do not materially increase the number of cars parked on the street or interfere with adjoining homeowners peaceful use and enjoyment of their residences and yards.

(p). No fence, wall, hedge or shrub planting which obstructs sight lines at an elevation between three (3) and eight (8) feet above the roadway shall be placed or permitted to remain on any corner Lot within the triangular area formed by the street right-of-way lines and a line connecting them at points twenty (20) feet from the intersection of such street right-of-way lines, or in the case of a rounded property corner, twenty (20) feet from the intersection of the street right-of-way lines as extended. Similar sight-line limitations shall apply on any Lot for that area that is ten (10) feet from the intersection of a street right-of-way line with the edge of a residence driveway. No tree shall be permitted to remain within such restricted plantings area unless the foliage line is maintained at a minimum height of eight (8) feet above the adjacent ground line.

(q). Except for children's playhouses, dog houses, greenhouses, gazebos and buildings for storage of lawn maintenance equipment (any of which shall have a maximum peak roof line of twelve (12) feet), no building previously constructed elsewhere shall be moved onto any Lot, it being the intention that only new construction be placed and erected on the Property.

(r) Within the easements on each Lot, as designated on the Subdivision Plat of the Development, no improvement, structure, planting or materials shall be placed or permitted to remain which might damage or interfere with the installation, operation and maintenance of public utilities, or which might alter the direction of flow within drainage channels or which might obstruct or retard the flow of water through drainage channels.

(s). The general grading, slope and drainage plan of a Lot as established by the approved Development plans may not be materially altered without the written approval of the Committee and/or the City (where such authority rests with the City).

(t). No sign of any kind or character shall be displayed to the public view on any Lot except for one (1) professionally fabricated sign of not more than six (6) square feet advertising the property for rent or sale, or signs used by a builder to advertise the property during the construction and sales period. Declarant or its agents shall have the right to remove any sign, billboard or other advertising device that does not comply with the above, and in so doing shall not be subject to any liability for trespass or any otherwise in connection with such removal.

(u). Outdoor clothes lines and drying racks visible to adjacent Properties are prohibited. Owners or residents of Lots where the rear yard is not screened by solid fencing or other such enclosures, shall

construct a drying yard or other suitable enclosure or screening to shield from public view clothes drying racks, yard maintenance equipment and/or storage of materials.

(v) Except within fireplaces in the main residential dwelling and proper equipment for outdoor cooking, no burning of anything or open fires shall be permitted anywhere on the Property.

6.7 MINIMUM FLOOR AREA. The total air-conditioned living area of the main residential structure, as measured to the outside of exterior walls (but exclusive of open porches, garages, patios and detached accessory buildings), shall be not less than Two Thousand Two Hundred (2,200) square feet. The minimum air-conditioned living area on the ground floor of a two-story residential structure shall be not less than One Thousand Two Hundred (1,200) square feet.

6.8 BUILDING MATERIALS. The total exterior wall area of each residence constructed on a Lot shall not be less than eighty percent (80%) brick, brick veneer, stone, stone veneer, or other masonry material approved by the Committee (but not less than the minimum percentage as established by the City by ordinance or building code requirement). Windows, doors and other openings, cantilevered exterior walls, dormers, and other areas where brick would need to be supported by wood are excluded from calculation of total exterior wall area. All roofing shall be a minimum 240 lb/square Fiberglass material of the "Prestique II" type, or approved equal, variegated pitch, in "Weathered Wood" or any substantially similar color of gray roofing material approved by the Committee and shall comply with minimum property standards of the City and the Federal Housing Administration. All residences shall have a minimum 8/12 roof pitch on the major portions of the building.

6.9 SIDE LINE AND FRONT LINE SETBACK REQUIREMENTS. No dwelling shall be located on any Lot nearer to the front lot line or nearer to the side lot line than the minimum setback lines shown on the Subdivision Plat or as required by the current Zoning Ordinance of the City.

6.10 WAIVER OF FRONT SETBACK REQUIREMENTS. With the written approval of the Committee, a residence structure may be located farther back from the front property line of a lot than provided in Paragraph 7.9 above, where, in the opinion of the Committee, the proposed location of the structure will not negatively impact the appearance or value of the Property or adjacent Lots.

6.11 FENCES AND WALLS. All fences and walls shall be constructed of masonry, brick, wood or other comparable material approved by the Committee. No fence or wall on any Lot shall extend nearer to any street than the front of the residence thereon. No portion of any fence shall be less than six (6) feet or exceed eight (8) feet in height as measured from the prevailing ground line adjacent thereto. Any fence or portion thereof that faces a public street shall be constructed so that all structural members and support posts will be on the side of the fence away from the street and are not visible from such street right-of-way. Railroad ties shall not be utilized for any retaining walls or landscaping.

6.12 SIDEWALKS. All walkways along public rights-of-ways shall conform to the minimum property standards of the City and the Federal Housing Administration.

6.13 MAILBOXES. Mailboxes shall be of a design and specification as meets the standards of the U.S. Postal Service, and shall be constructed of masonry of the same type as the main dwelling structure and as approved by the Committee.

6.14 CHIMNEY FLUES. Chimney stacks on front and side exterior walls that are visible from the street shall be enclosed One Hundred Percent (100%) in brick or masonry of the same type as the main dwelling structure on all faces visible to adjacent streets and Lots. Chimney penetrations through the roof may be of a siding material if approved by the Committee.

6.15 WINDOWS. Window jambs and mullions on all residences shall be of anodized aluminum or wood materials. All windows on any front elevation of a residence shall be made of wood or have baked-on painted aluminum (no mill finish).

6.16 LANDSCAPING. Landscaping of each Lot shall be completed within one hundred twenty (120) days after the dwelling construction is completed, subject to extension for delays caused by inclement weather or for seasonal planting limitations. Minimum landscaping requirements for each Lot shall include grassed land/or similarly approved ground coverings for the front and side yards, a minimum

of twenty-four (24) foundation screening shrubs of a minimum size of five (5) gallons, and a minimum of two (2) front yard trees of a minimum three-inch (3") caliper.

6.17 General Maintenance.

(a). Following occupancy of the residence on any Lot, each Owner shall maintain and care for the Home, all improvements and all trees, foliage, plants, and lawn areas on the Lot and otherwise keep the Lot and all improvements thereon in good condition and repair and in conformity with the general character and quality of properties in the immediate area. Such maintenance and repair to include but not be limited to : (i) the replacement of worn and/or rotted components; (ii) the regular painting of all exterior surfaces; (iii) the maintenance, repair and replacement of roofs, rain gutters, downspouts, exterior walls, windows, doors, walks, drives, parking areas and other exterior portions of the Home to maintain an attractive appearance; and (iv) regular mowing and edging of lawn and grass areas. Upon failure of any Owner to maintain a Lot owned by him in the manner prescribed herein, the Declarant or the Association, or either of them, or their agent, at its option and discretion, but without any obligation to do so, but only if such non-compliance continues after five (5) days written notice to the Owner, may enter upon such Owner's Lot and undertake to maintain and care for such Lot to the condition required hereunder and the Owner thereof shall be obligated, when presented with an itemized statement, to reimburse said Declarant and/or Association for the cost of such work within ten (10) days after presentment of such statement. This provision, however, shall in no manner be construed to create a lien in favor of any party on any Lot for the cost or charge of such work or the reimbursement for such work.

(b). The Declarant or the Association, as applicable, shall operate, maintain and, when necessary, repair and/or replace the landscaping improvements and irrigation systems located in the Areas of Common Responsibility including the south side parkways of Hedcoxe Road along the frontage of the Development, each Development entry planting area and signage (where such operation and maintenance is not contrary to the requirements and limitations of the City).

ARTICLE VII GENERAL PROVISIONS

7.1 EASEMENTS. Easements for the installation, operation and maintenance of all public utilities desiring to use same and for drainage facilities are reserved for the purposes indicated as shown on the Subdivision Plat. General Ingress and Egress Easements are also reserved for the installation, operation, maintenance and ownership of utility service lines from the Lot property lines to the residences located thereon. Each public utility utilizing same reserves the right to remove and replace or remove and keep removed any obstruction to the operation of such public utilities located within said easements.

7.2 ENFORCEMENT. The Declarant or the Association, or any Owner, shall have the right to enforce, by any proceeding at law or in equity, these restrictions, conditions and covenants and any reservations, liens and charges now or hereafter imposed by the provisions of this Declaration, the By-Laws and Articles of Incorporation of the Association. Failure by the Association or by any Owner to enforce any covenant or restriction herein imposed 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 reasonable attorneys fees from the non prevailing party.

7.3 SEVERABILITY. Invalidation of any one (1) of these covenants or restrictions by judgment or court order shall in no way affect any other provisions which shall remain in full force and effect.

7.4 TERM. The covenants and restrictions of this Declaration shall run with and bind the Property, and shall inure to the benefit of and be enforceable by Declarant (during the time it owns any Lots), the Association, or the Owner of any Lot subject to this Declaration, their respective legal representatives, heirs, successors and assigns, for a term of twenty-five (25) years from the date this Declaration is recorded, after which time said covenants shall be automatically extended for successive periods of ten (10) years, unless by vote, the then Owners of sixty-six and two-thirds percent (66 2/3%) of the Lots agree in writing to terminate or change this Declaration in whole or in part and such writing is recorded in the Real Property Records of Collin County, Texas.

7.5 AMENDMENT. This Declaration may be amended or modified-upon the express written consent of at least sixty-six and two-thirds percent (66 2/3%) of the total outstanding votes (determined pursuant to Section 3.2 hereof) held by Members at a meeting at which a quorum is present. Notwithstanding the foregoing, Declarant, for so long as it owns any portion of the Property, shall have the right to execute and record amendments to this Declaration without the consent or approval of any other party. Any and all amendments hereto, if any, shall be recorded in the office of the County Clerk of Collin County, Texas.

7.6 GENDER AND GRAMMAR. The singular wherever used herein shall be construed to mean the plural when applicable, and such grammatical changes required to make the provisions hereof apply either to corporations or individuals, men or women, in all cases shall be assumed as though fully expressed in each case.

7.7 ENFORCEMENT. Enforcement of these covenants and restriction's shall be by any proceeding at law or in equity, including, without limitation, an action for injunctive relief, it being acknowledged and agreed that a violation of the covenants, conditions and restrictions contained herein could cause irreparable injury to Declarant and/or the other Owners and that Declarant's and/or any Owner's remedies at law for any breach of the Owners' obligations contained herein would be inadequate. Enforcement may be commenced by the Association, the Declarant, or any Owner against any person or persons violating or attempting to violate them, and failure by the Association, the Declarant or any Owner to enforce any covenant or restriction herein contained shall in no event be deemed a waiver of the right to do so thereafter.

7.8 NOTICES TO OWNER / MEMBER. Any notice required to be given to any Member or Owner under the provisions of this Declaration, except as otherwise provided for in Section 4.8 (c) hereof, shall be deemed to have been properly delivered forty-eight (48) hours after deposited in the United States Mail, postage prepaid, certified or registered mail, and addressed to the last known address of the person who appears as Member or Owner on the records of the Association at the time of such mailing.

7.9 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 visa versa unless the context requires otherwise.

7.10 FORMATION OF ASSOCIATION: INSPECTION OF DOCUMENTS, BOOKS AND RECORDS. The Association shall be formed by the Owners as a nonprofit corporation in accordance with the laws of the State of Texas. Management and governance of the Association shall be implemented and/or undertaken in accordance with its Articles of Incorporation, in accordance with this Declaration, and in accordance with the By-laws which shall be adopted by the Association following its formation. The Association shall make available at reasonable cost copies of the Declaration, By-laws, Articles of Incorporation, rules and regulations governing the Association. All minute books, meeting and other records and financial statements of the Association shall be held available for inspection by any Owner or any Mortgagee during normal business hours or at such other reasonable times as the Board may approve.

7.11 INDEMNITY. The Association shall indemnify, defend and hold harmless Declarant, the Board, the Committee and each director, officer, employee and agent of Declarant, the Board and the Committee from all judgments, penalties (including excise and similar taxes), fines, settlements and reasonable expenses (including attorneys fees) incurred by such indemnified person under or in connection with this Declaration or the Property to the fullest extent permitted by applicable law. Such indemnity to include matters arising as a result of the sole, or concurrent negligence of the indemnified party, to the extent permitted by applicable law.

7.12 FAILURE OF ASSOCIATION TO PERFORM DUTIES. Should the Association fail to carry out its duties as specified in the Declaration, the City or its lawful agents shall have the right and ability, after due notice to the Association, to remove any landscape systems, features or elements that are the responsibility of, and cease to be maintained by the Association; to perform the responsibilities of the Association if the Association fails to do so in compliance with any of the provisions of this Declaration or of any applicable City codes or regulations; to assess the Association for all costs incurred by the City in performing said responsibilities if the Association fails to do so; and/or to avail itself of any other

enforcement actions available to the City pursuant to state law or City codes and regulations. Should the City exercise its rights as specified above, the Association shall indemnify and hold harmless the City from any and all costs, expenses, suits, demands, liabilities or damages, including attorney's fees and costs of suit, incurred or resulting from the City's removal of any landscape systems, features or elements that cease to be maintained by the Association or from the City's performance of the aforementioned operations, maintenance or supervision responsibilities of the Association due to the Association's failure to perform said duties. The obligations described in this paragraph are solely obligations of the Association, and no other party, including without limitation, the Declarant or any Owner, shall have any liabilities or obligations in connection therewith.

IN WITNESS WHEREOF, the undersigned, being the Declarant herein, has hereto set its hand this the 11 th day of November, 1996.

PA - FOREST CREEK NORTH 11, LTD. a Texas limited partnership

By: PDC Properties, Inc. a Texas corporation, General Partner

By:
John E. Papagolos
President

THE STATE OF TEXAS §

COUNTY OF DALLAS

This instrument was acknowledged before me on the 9th day of November, 1996, by John E. Papagolos, authorized signatory for PA - Forest Creek North 11, Ltd., a Texas limited partnership, known to me to be the person whose name is subscribed to the foregoing instrument and acknowledged to me that he has executed the same for the purposes and consideration therein expressed and in the capacity therein stated.

Notary Public In And For The State Of Texas
(Printed Name of Notary)
My Commission Expires: