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**First Amended and Restated Declaration
of Covenants, Conditions and Restrictions**

for

Cambridge Place at Preston Trail

UNOFFICIAL

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UNOFFICIAL

**AMENDED AND RESTATED DECLARATION OF
COVENANTS, CONDITIONS AND RESTRICTIONS
FOR CAMBRIDGE PLACE AT PRESTON TRAIL**

STATE OF TEXAS §

COUNTIES OF DALLAS AND COLLIN §

THE FIRST AMENDED AND RESTATED DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS FOR CAMBRIDGE PLACE AT PRESTON TRAIL (the "**Declaration**") is made this 17th day of March, 2017, by CAMBRIDGE PLACE AT PRESTON TRAIL HOMEOWNERS ASSOCIATION, a Texas nonprofit corporation (hereinafter referred to as "**Declarant**" or "**Association**").

WITNESSETH:

WHEREAS, the Declaration of Covenants, Conditions and Restrictions for Cambridge Place at Preston Trail (the "**Original Declaration**") dated February 24, 1995 was made by Preston Trail Land Company, Inc., a Texas corporation (hereinafter referred to as "**Former Declarant**"), and filed of record on February 27, 1995, and recorded in Volume 95039, Page 3844, *et seq.* of the Official Public Records of Dallas County, Texas, and as Instrument No. 95-0013398 in the Official Public Records of Collin County, Texas; and

WHEREAS, additional property was subjected to the Original Declaration by virtue of that certain Supplementary Declaration to the Declaration of Covenants, Conditions and Restrictions for Cambridge Place at Preston Trail filed on March 26, 1997, and recorded in Volume 97059, Page 769 *et seq.*, of the Official Public Records of Dallas County, Texas (the "**Supplementary Declaration**"); and

WHEREAS, the Original Declaration was amended by virtue of that certain First Amendment to the Declaration of Covenants, Conditions and Restrictions for Cambridge Place at Preston Trail filed with the Office of the Collin County Clerk on December 18, 2003, and recorded as Instrument No. 2003-243880 of the Official Public Records of Collin County, Texas, and filed with the Office of the Dallas County Clerk on January 4, 2004, and recorded in Volume 5568, Page 493 *et seq.*, of the Official Public Records of Dallas County, Texas (the "**First Amendment**"); and

WHEREAS, the Original Declaration, Supplementary Declaration, and the First Amendment are hereinafter referred to, collectively, as the "**Existing Declarations**"; and

WHEREAS, certain dedicatory instruments of the Cambridge Place at Preston Trail Homeowners Association (the "**Association**") were filed of record in compliance with Applicable Law as follows:

- (i) the Certificate and Memorandum of Recording of Association Documents for Cambridge Place at Preston Trail Homeowners Association, filed with the Office of the Collin County Clerk on September 24, 2002, and recorded as Instrument No. 2002-0137078 in the Official Public Records of Collin County, Texas, and filed with the

Dallas County Clerk on September 27, 2002 and recorded in Volume 2002189, Page 2533, *et seq.* of the Official Records of Dallas County, Texas;

- (ii) the First Supplemental Certificate and Memorandum of Recording of Association Documents for Cambridge Place at Preston Trail Homeowners Association, filed with the Office of the Dallas County Clerk on December 9, 2004 and recorded in Volume 2004237, Page 9329, *et seq.* of the Official Records of Dallas County, Texas, and filed with the Office of the Collin County Clerk on December 10, 2004, and recorded as Instrument No. 2004-0177022 in the Official Public Records of Collin County, Texas;
- (iii) the Second Supplemental Certificate and Memorandum of Recording of Association Documents for Cambridge Place at Preston Trail Homeowners Association, filed with the Office of the Collin County Clerk on January 11, 2005, and recorded as Instrument No. 2005-000501 in the Official Public Records of Collin County, Texas, and filed with the Office of the Dallas County Clerk on January 13, 2005 and recorded in Volume 2005009, Page 0849, *et seq.* of the Official Records of Dallas County, Texas;
- (iv) the Third Supplemental Certificate and Memorandum of Recording of Association Documents for Cambridge Place at Preston Trail Homeowners Association, filed with the Office of the Collin County Clerk on March 28, 2005, and recorded as Instrument No. 2005-0037974 in the Official Public Records of Collin County, Texas, and filed with the Office of the Dallas County Clerk on March 29, 2005 and recorded in Volume 2005061, Page 4759, *et seq.* of the Official Records of Dallas County, Texas;
- (v) the Fourth Supplemental Certificate and Memorandum of Recording of Association Documents for Cambridge Place at Preston Trail Homeowners Association, filed with the Office of the Dallas County Clerk on December 28, 2005 and recorded as Instrument No. 200503642680 in the Official Records of Dallas County, Texas, and filed with the Office of the Collin County Clerk on December 28, 2005, and recorded as Instrument No. 2005-0180699 in the Official Public Records of Collin County, Texas;
- (vi) the Fifth Supplemental Certificate and Memorandum of Recording of Dedicatory Instruments for Cambridge Place at Preston Trail Homeowners Association, filed with the Office of the Dallas County Clerk on December 15, 2011, and recorded as Instrument No. 2011-00326663 in the Official Public Records of Dallas County, Texas, and filed with the Office of the Collin County Clerk on December 15, 2011, and recorded as Instrument No. 2011-1215-001354110 in the Official Public Records of Collin County, Texas;

(collectively, the “**Supplemental Certificates**”); and

WHEREAS, pursuant to the terms of the Original Declaration, Declarant is the successor in interest to the Former Declarant; and

WHEREAS, the Existing Declarations and Supplemental Certificates affect certain tracts or parcels of real property in Dallas and Collin Counties more particularly described on Exhibit “A-1” and Exhibit “A-2” attached hereto and incorporated herein and the Lots and all improvements located thereon, now existing or hereinafter constructed or placed thereon (collectively, the “**Properties**”); and

WHEREAS, the Association, as the Declarant, desires to update and amend and restate in its entirety the Existing Declarations and incorporate the Supplemental Certificates into one document, being this Declaration (the “**Declaration**”), which has been approved by Declarant and the required affirmative vote of at least sixty-seven percent (67%) of the outstanding votes of the Members of the Association; and

WHEREAS, Declarant is a Texas Nonprofit corporation formed for the purpose of administering restrictive covenants affecting the Properties which comprise a residential community with certain amenities for the common benefit of residents of the community, as defined herein (the “**Community**”); and

WHEREAS, Declarant desires to provide for, among other matters, certain restrictions to protect and preserve the desired character of the Community and, to this end, desires to subject the Properties, as defined herein, to this Declaration and to the covenants, conditions, restrictions, easements, charges and liens hereinafter set forth, each and all of which is and are for the benefit of the Land and the present and future owners of the Properties; and

NOW, THEREFORE, Declarant declares that the following terms, provisions, covenants, conditions, easements, liens, restrictions, reservations, uses, limitations and obligations shall run with title to the Properties (the “**Covenants and Restrictions**”), and shall be a burden and benefit to all the Owners thereof and their respective heirs, legal representatives, successors and assigns, with the intent that the Existing Declaration shall have no further force or effect except as substantially restated herein, and shall be superseded and replaced by this First Amended and Restated Declaration of Covenants, Conditions and Restrictions for Cambridge Place at Preston Trail. Declarant further declares that the Properties shall be held, transferred, sold, conveyed and occupied subject to the Covenants and Restrictions set forth herein and as may be amended.

ARTICLE I **DEFINITIONS**

The following words when used in this Declaration or any Supplemental Declaration (unless the context shall otherwise prohibit) shall have the following meanings:

1.1 “**Absolute Majority Vote**” shall mean the majority vote of all the Members (50% plus one) of the Association, voting in person or by proxy at an Annual or Special Meeting.

1.2 “**Annual Meeting**” shall have the meaning assigned to such term in Section 7.3(a) hereof.

1.3 “**Applicable Laws**” shall mean all statutes, laws, ordinances and regulations enacted, promulgated or imposed by federal, state or local governmental body.

1.4 “**Articles of Incorporation**” shall have the meaning assigned to such term in Section 7.2 hereof.

1.5 “**Architectural Control Committee**” shall have the meaning assigned to such term in Section 8.1 hereof.

1.6 “**Architectural Control Guidelines**” shall have the meaning assigned to such term in Section 8.2 hereof.

1.7 “**Assessments**” shall have the meaning assigned to such term in Section 7.1 hereof.

1.8 “**Association**” and “**Declarant**,” as applicable, shall mean and refer to the CAMBRIDGE PLACE AT PRESTON TRAIL HOMEOWNERS ASSOCIATION, a Texas nonprofit corporation, as applicable.

1.9 “**Board**” shall mean the board of directors of the Association.

1.10 “**Bylaws**” shall have the meaning assigned to such term in Section 7.2 hereof.

1.11 “**Capital Assessment**” shall have the meaning assigned to such term in Section 7.1 hereof.

1.12 “**Club Restrictions**” shall have the meaning assigned to such term in Section 9.2 hereof.

1.13 “**Commencement of Construction**” shall have the meaning assigned to such term in Section 3.26(a) hereof.

1.14 “**Common Area**” shall mean the portion of the Land that is not situated within a Lot and any other property rights within the Land which are known, described or designated or which shall subsequently be intended for or devoted to, the common use and enjoyment of the Members.

1.15 “**Common Improvements**” shall mean those improvements made within the Common Area, including the perimeter screening walls and associated landscaping and irrigation improvements, together with such other improvements as may be made hereafter by the Association.

1.16 “**Common Properties**” means the (i) Common Area and (ii) Common Improvements, collectively.

1.17 “**Community**” shall have the meaning assigned to such term in the Recitals.

1.18 “**Construction Rules**” shall have the meaning assigned to such term in Section 3.26(c) hereof.

1.19 “**Covenants and Restrictions**” shall have the meaning assigned to such term in the Recitals.

1.20 “**Declarant**” shall have the meaning assigned to such term in the Preamble.

1.21 “**Declaration**” shall have the meaning assigned to such term in the Preamble.

1.22 “**Directors**” shall mean the individuals who serve or have served on the Board of the Association.

1.23 “**Easement of Enjoyment**” shall have the meaning assigned to such term in Section 4.2 hereof.

1.24 “**Existing Declarations**” shall have the meaning assigned to such term in the Recitals.

1.25 “**First Amendment**” shall have the meaning assigned to such term in the Recitals.

1.26 “**Former Declarant**” shall have the meaning assigned to such term in the Recitals.

1.27 **“Indemnified Parties”** shall have the meaning assigned to such term in Section 6.8 hereof.

1.28 **“Land”** shall mean the real property in Dallas and Collin Counties, Texas described on Exhibit “A-1” and Exhibit “A-2” attached hereto and incorporated herein.

1.29 **“Lease Addendum”** shall have the meaning assigned to such term in Section 3.3 hereof.

1.30 **“Lessee”** shall have the meaning assigned to such term in Section 3.3 hereof.

1.31 **“Lot(s)”** shall mean the residential lot(s) located within the Land as shown as such on the Plats and which have been improved with a residential dwelling.

1.32 **“Maintenance Assessment”** shall have the meaning assigned to such term in Section 7.1 hereof.

1.33 **“Management Company”** shall mean a third party entity in which the Association elects to enter into a management agreement to provide certain services to the Association.

1.34 **“Member”** shall mean a member of the Association pursuant to Section 6.2.

1.35 **“Original Declaration”** shall have the meaning assigned to such term in the Recitals.

1.36 **“Officers”** shall mean the elected officers of the Association.

1.37 **“Owner”** shall mean and refer to every person or entity who is a record owner of a fee or undivided fee interest in any Lot pursuant to Section 6.2. If a Lot is owned in undivided interests by more than one person or entity, each owner shall be an Owner for purposes of this Declaration, provided, however, regardless of the number of Owners of a Lot, the Lot (and residence thereon) may only be used as a single family residence. A person or entity that owns only a lien or other similar interest in a Lot as security for performance of an obligation is not an Owner with respect to that Lot.

1.38 **“Phase I Lots”** shall mean the Lots located on the real property described on Exhibit “A-3”.

1.39 **“Phase II Lots”** shall mean the Lots located on the real property described on Exhibit “A-4”.

1.40 **“Plat(s)”** means the subdivision plats of the Land recorded in (i) Volume 95038, Page 02574 of the Plat Records of Dallas County, Texas and Cabinet I, Page 511 of the Plat Records of Collin County, Texas, consisting of 15.5969 acres (**“Phase I Plat”**) and (ii) Volume 97139, Page 1826 of the Plat Records of Dallas County, Texas, consisting of 14.8839 acres (**“Phase II Plat”**), as such plats may be modified and amended from time to time hereafter.

1.41 **“Policies”** shall have the meaning assigned to such term in Section 6.5 hereof.

1.42 **“Properties”** shall have the meaning assigned to such term in the Preamble.

1.43 **“Rules and Regulations”** shall have the meaning assigned to such term in Section 4.3(a) hereof.

1.44 “**Special Assessment**” shall have the meaning assigned to such term in Section 7.1 hereof.

1.45 “**Substitute Survey**” shall have the meaning assigned to such term in Section 8.5 hereof.

1.46 “**Supplemental Certificates**” shall have the meaning assigned to such term in the Recitals.

1.47 “**Utilities**” shall mean the meaning assigned to such term in Section 3.6 hereof.

ARTICLE II

PROPERTY SUBJECT TO THE DECLARATION

2.1 Properties. The Properties shall be subject to the (i) Covenants and Restrictions and (ii) all other terms and conditions in this Declaration, as the same may be amended and supplemented, as provided herein.

ARTICLE III

USE OF PROPERTIES AND LOTS – PROTECTIVE COVENANTS

The Properties, including each Lot and improvements located thereon, shall be constructed, developed, occupied and used solely as follows:

3.1 Residential Purposes. Each Lot (including land and improvements) shall be used and occupied for single family residential purposes only. No Owner or other occupant shall use or occupy a residence on such Owner’s Lot, or permit the same or any part thereof to be used or occupied, for any purpose other than as a private single family detached residence for the Owner or such Owner’s Lessee and their families and domestic servants employed on the premises. As used herein the term “single family residential purposes” shall be deemed to prohibit, specifically, but without limitation, the use of any Lot for apartment use, commercial rental use (including any form of shared ownership or residential pool arrangement) or multiple family use.

3.2 Subdivided/Combining Lots. No Lot shall be resubdivided or replatted into more than one Lot. Any person owning two or more adjoining Lots may not consolidate such Lots into a single building location for the purpose of constructing one (1) dwelling thereon.

3.3 Leasing. Any lease of a residence located on a Lot must include the following: (i) the lease must be in writing and fully executed, (ii) have a minimum term of at least six (6) calendar months and (iii) include the form lease addendum attached hereto as Exhibit E, executed by the Owner and the party leasing the residence (the “**Lessee**”) (the “**Lease Addendum**”). In addition, no residence may be included in any program that allows for multiple parties or members in the program to lease or utilize the residence, for example: Exclusive Resorts, Inspirato, VRBO, Airbnb or similar programs.

3.4 Drainage.

(a) Neither Former Declarant, Declarant nor its successors or assigns shall be liable for, and each Owner hereby waives any right of recovery against Former Declarant, Declarant and its successors and assigns for any loss of, use of, or damage done to, any shrubbery, trees, flowers,

improvements, fences, sidewalks, driveways, or buildings of any type or the contents therein on any Lot caused by any water levels, rising waters, or drainage waters.

(b) After completion of building construction on a Lot, the Owner of such Lot shall cause such Lot to be graded so that surface water will flow to streets, alleys, drainage easements or Common Properties. Such grading shall be in conformity with the general drainage plans for the subdivision, prepared by The Nelson Corporation (or such other drainage plans as may be amended by the Board prepared by any successor engineering firm pursuant to all required governmental approvals) as established by the Board to protect the Common Properties. It shall be the responsibility of each Owner to maintain or modify, if necessary, the drainage characteristics of his Lot so that surface water runoff from such Lot will not run across or collect upon any adjacent Lot or cause damage to the Common Properties. If a retaining wall or underground drainage improvements are necessary to control and prevent drainage from one Lot onto an adjacent Lot or on to the Common Properties, it shall be the responsibility of the Owner of the Lot having the higher surface elevation to construct, maintain, repair and replace the retaining wall or underground drainage improvements. On Lots adjacent to the Preston Trail Golf Club, side yard and side roof drainage are to be directed to the adjacent street, not to the golf course.

(c) All roof areas on the zero lot line side of a building must have roof guttering with downspouts draining underground to a street or alley.

3.5 Removal of Dirt. The digging of dirt or the removal of any dirt from any Lot is prohibited, except as necessary in conjunction with landscaping or construction of improvements thereon and then after written approval pursuant to the terms recited herein. Minimum finished floor elevations are established by this Declaration and shall be required to be maintained.

3.6 Utilities. Each residence situated on a Lot is connected to the water, electric and sewer lines (the "**Utilities**"), and the Association has no responsibility to repair, replace or provide any Utilities to any Owner or Lot. No privy, cesspool, or septic tank shall be placed or maintained upon or in any Lot. Portable toilets will not be allowed during building construction, unless approved in writing by the Architectural Control Committee. The installation and use of any propane, butane, liquid petroleum gas or other gas tank, bottle or cylinder of any type (except portable gas grills), shall require the explicit, itemized written approval of the Architectural Control Committee and the Board, and, if so approved, the Architectural Control Committee may require that such tank, bottle or cylinder be installed underground. Any control boxes, valves, connection, utility risers or refilling or refueling devices shall be completely landscaped with shrubbery so as to obscure their visibility from the streets within or adjoining the Properties or from any other Lot or the Common Area.

3.7 Access. No driveways or roadways may be constructed on any Lot to provide access to any adjoining Lot except as expressly provided on the Plat, or with the explicit, itemized prior written approval of the Architectural Control Committee and the Board.

3.8 Driveways. Each Lot is currently accessible to an adjoining street or alley by a driveway suitable for such purposes, previously approved as to design and location by the Architectural Control Committee. No modification as to the location of the driveway is allowed without the express prior written approval of the Architectural Control Committee and the Board. Owners shall be responsible for the maintenance and repair of the portion of any sidewalk that crosses the Owner's driveway.

3.9 Setback Requirements and Building Location. All front, side, and rear setbacks must be approved by the Architectural Control Committee and must meet the requirements of the City of Dallas Development Code and the requirements set forth on (i) Exhibit "B-1" for Phase I and (ii) Exhibit "B-2" for Phase II attached hereto and made a part hereof for all purposes. The location of the main residence on

each Lot and the facing of the main elevation with respect to nearby streets shall be subject to the approval of the Architectural Control Committee and the Board. No building or structure of any type shall be erected on any Lot nearer to the property lines than indicated by the minimum building setbacks set forth on Exhibit "B-1" and "B-2." All first floor finish elevations must be the same or higher than the elevations set forth on Exhibit "B-1" and "B-2." In addition to the other provisions applicable to the Lots in Phase II, the following window restrictions shall apply: (i) no second floor windows shall be permitted on the easterly side of a dwelling on Lot 42, Block 12/8209, and (ii) no second floor windows shall be permitted on the westerly side of a dwelling on Lots 55, 68 and 69, Block 12/8209.

3.10 Minimum Floor Space. All floor areas referenced below are for air conditioned floor area, exclusive of porches, garages, or breezeways attached to the main dwelling. Each dwelling constructed on any Lot in the subdivision shall contain a minimum of three thousand (3,000) square feet, of which not less than two thousand (2,000) square feet shall be enclosed, air conditioned ground floor area. Notwithstanding anything to the contrary, the square footage of any existing residences in the Community as of the Effective Date listed on Exhibit A-5, that are less than the minimum of three thousand (3,000) square feet shall be allowed pursuant to prior variance authorized by Former Declarant and any new residence or reconstruction of the existing residence in its entirety listed on Exhibit A-5 shall not be less than the square footage listed on Exhibit A-5.

3.11 Height. No dwelling or other building on any Lot shall have a height in excess of two (2) stories.

3.12 Construction Requirements.

(a) One hundred percent (100%) of the exterior surface of the first floor wall area (exclusive of doors, windows and trim) of all residential dwellings shall be constructed of brick or stone material listed in the Architectural Control Guidelines, and such exterior material must have the explicit, itemized written approval of the Architectural Control Committee for that particular dwelling. One hundred percent (100%) of the exterior surface of the wall area above the first floor (exclusive of doors, windows, dormers and trim) shall be constructed of like brick or stone material, if such wall area faces onto a street or the greenbelt area of the Common Area; and if such area above the first floor does not face onto a street or the greenbelt area of the Common Area, then the permitted material may also be stucco or masonite siding approved by the Architectural Control Committee and the Board. The roofing material shall be limited to those listed in the Architectural Control Guidelines. Such roofing material must have the explicit, itemized written approval of the Architectural Control Committee for that particular building. The roof pitch of any building shall be 8" x 12" minimum unless otherwise approved in writing by the Architectural Control Committee. Exterior paint and stain colors, which may be limited to those listed in the Architectural Control Guidelines, shall have the explicit, itemized written approval of the Architectural Control Committee.

(b) Each residence shall have installed on the outside wall thereof a service riser conduit, and the location and length of such conduit must be approved by the Architectural Control Committee. All electrical service shall be underground. No overhead power lines or telephone lines are permitted.

(c) No above ground-level swimming pools shall be installed on any Lot. Upon explicit, itemized written approval of the Architectural Control Committee and the Board, above ground-level hot tubs are permitted.

(d) No projections of any type shall be placed or permitted to remain above the roof of any residential building with the exception of one or more chimneys and one or more vent stacks

without the explicit, itemized written approval of the Architectural Control Committee and the Board for that particular building.

(e) Basketball backboards may be installed above the garage doors that face an alley; however, for Lots having a side boundary line that is adjacent and generally parallel to a street or alley, basketball backboards may not be installed on such Lots if they would be visible from the adjacent street or a Common Area. Portable backboards are prohibited unless they are stored out of sight when not in use.

3.13 Garages. Each dwelling erected on any Lot shall provide garage space for a minimum of two (2) conventional automobiles. All garage doors shall be closed at all times when not in use. Garage doors shall not be more than ten (10) feet in width unless the door serves a garage that opens onto and is served by an alley. All garage doors must be of material, design and color approved by the Architectural Control Committee. All garages on Lots served by an alley shall open onto and be served by such alley. No garage on a Lot abutting the golf course of Preston Trail Golf Club shall open onto or face such golf course. Porte cocheres must be approved by the Architectural Control Committee. No carport shall be built, placed, constructed or reconstructed on any Lot. As used herein, the term "carport" shall not be deemed to include a porte cochere. No garage shall ever be changed, altered, reconstructed or otherwise converted or used for any purposes inconsistent with the garaging of automobiles.

3.14 Windows; Coolers. Window treatments, to the extent visible from the exterior, shall be subdued, in good taste and limited to shutters, blinds, drapes, sheers and the like, all in neutral shades. No window or wall type air conditions or water coolers shall be permitted to be used, erected, placed or maintained on any part of the Properties except the gatehouse.

3.15 Antennas. No radio or television serial wires or antennas shall be maintained on the outside of any building without the explicit, itemized written approval of the Architectural Control Committee and the Board, nor shall any free standing antenna towers of any style be permitted.

3.16 Dishes. No exterior satellite dish or similar device shall be erected, placed or altered on any Lot without the explicit, itemized written approval of the Architectural Control Committee and the Board. Any such dish or similar device must not be visible from the greenbelt area of the Common Area.

3.17 Fences. No fence, wall or hedge shall be erected, placed or altered on any Lot without the explicit, itemized written approval of the Architectural Control Committee and the design of and materials used in the construction of fences (including stain color) and walls shall comply with the minimum fencing requirements listed in the Architectural Control Guidelines and have the explicit, itemized written approval of the Architectural Control Committee and the Board. No fence, wall or hedge shall be erected, placed or altered on any Lot within the front yard setback prescribed on Exhibit "B-1" and "B-2" attached hereto. No fence, wall or hedge shall exceed (8) feet in height, as measured from the minimum finished floor elevation prescribed on Exhibit "B-1" and "B-2." The foregoing height limitation shall not apply to fences, walls and hedges along the perimeter of the Land. No chain link fences or other wire type fences shall be erected on any Lot. All services, facilities, clothes lines, wood piles and air conditioning equipment must be enclosed within fences, walls and/or landscaping, except for air conditioning units installed in the area of the lot facing an alleyway and approved by the Architectural Control Committee. Owners of Lots abutting the golf course of Preston Trail Golf Club (and the Association as to only the area of the wrought iron fence located at the Common Area) shall construct and maintain in good repair a wrought iron fence as required by the Agreement filed in Volume 94116, Page 00237 of the Deed Records of Dallas County, Texas.

3.18 Retaining Walls and Landscape Edging. The design and materials for all retaining walls and landscape edging shall be limited to those designs and materials listed in the Architectural Control

Guidelines and must have the explicit, itemized written approval of the Architectural Control Committee and the Board for each particular retaining wall and landscape edging.

3.19 Landscaping. Any and all plans for the landscaping of front yards, side yards not enclosed by solid fencing and all of the backyard area which faces or is visible from the greenbelt area of the Common Area, including alterations, changes or additions thereto shall be subject to the explicit, itemized written approval of the Architectural Control Committee and the Board (unless Board approval is not required pursuant to the Architectural Control Guidelines) and shall comply with the requirements listed in the Architectural Control Guidelines. Subject to weather delay, each Lot shall be fully landscaped within one hundred twenty (120) days from the date on which the residence thereon is "completed", as provided in Section 3.26(a). Owners are advised that before any plants, decorative items or any other attachment is made to a neighbor's wall or fence, the Owner should first obtain that homeowner's explicit written approval.

3.20 Mailboxes, Trash Receptacles and Collection. Mailboxes shall be of a design and material listed in the Architectural Control Guidelines and shall be located as approved by the Architectural Control Committee and the Board. Each Owner shall make or cause to be made appropriate arrangements with the City of Dallas, Texas, for collection and removal of garbage and trash on a regular basis. Each Owner shall observe and comply with any and all regulations or requirements promulgated by the City of Dallas, Texas, and/or the Association, in connection with the storage and removal of trash and garbage. All trash, garbage, or waste matter shall be kept in tightly sealed bags or other approved containers which shall be maintained in a clean and sanitary condition. An Owner may place trash on the street curb or alley abutting his Lot only on the evening before those days designated by the City of Dallas, Texas as trash collection days. On all other days, an Owner must keep all trash, garbage and other waste material and waste containers hidden from public view. No Lot shall be used for open storage of any materials whatsoever, except that building materials to be used in the construction of improvements erected on any Lot may be placed upon such Lot at the time construction is commenced and may be maintained thereon through completion of construction. No garbage, trash, debris, or other waste matter of any kind shall be burned on any Lot.

3.21 Parking. On-street parking is restricted to approved deliveries, pick-up or short-term guests, short-term invitees, household employees and short term daytime and evening (not overnight) usage by Owners, and subject to the Rules and Regulations, as adopted by the Board. No individual guest, short-term invitee or household employee may utilize on-street parking for more than five consecutive days or 15 hours a week and no Owner or their family more than 25 hours (not overnight) in any week, parking in such instances being limited to the front or rear driveway of the residence.

3.22 Temporary Structures and Vehicles. No temporary structure of any kind shall be erected or placed upon any Lot. No trailer; mobile, modular or prefabricated home; tent; shack; barn or any other structure or building, other than the residence to be built thereon, shall be placed on any Lot. Any truck, bus, boat, boat trailer, trailer, mobile home, campmobile, camper or any other vehicle other than conventional automobile shall, if brought within the Properties, be stored, placed or parked within the garage of the appropriate Owner and concealed from view.

3.23 Signs / Holiday Decorations. No signs shall be displayed to the public view on any Lot without the explicit, itemized approval of the Architectural Control Committee, with the following exceptions: (i) the patriotic display of flags not exceeding 4' x 6' in size shall be permitted on customary holidays pursuant to the Architectural Control Guidelines; (ii) election related signs shall be permitted during the 90 days preceding the election and removed no later than 10 days thereafter and (iii) an Owner may only erect the standard realtor sign in the size and content established by the Architectural Control Committee and approved by the Board for the entire Community. "Open House" signage may only be displayed in the manner and times established by the Architectural Control Committee and approved by the

Board. Holiday decorations and lighting shall be in good taste and in compliance with the customary neighborhood activities and displayed only during the holidays season, as determined by the Board.

3.24 Offensive Activities. No noxious or offensive activity, as determined by the Board of Directors in its sole and absolute discretion, shall be conducted on any Lot nor shall anything be done thereon which is or may become an annoyance or nuisance to the other Owners. No garage sales, yard sales, estate sales, patio sales, flea markets, bazaars, sample sales or similar activities shall be conducted on any portion of the Properties. No animals, livestock or poultry of any kind shall be raised, bred or kept on any Lot, except that dogs (other than Pit Bull dogs or Pit Terriers which are not allowed), cats or other household pets (not to exceed three (3) adult animals) may be kept, provided that they are not kept, bred or maintained for commercial purposes.

3.25 Drilling and Mining Operations. No oil drilling, water drilling or development operations, oil refining, quarrying or mining operations of any kind shall be permitted upon or in any Lot, nor shall oil wells, water wells, tank, tunnels, mineral excavations or shafts be permitted upon or in any Lot. No derrick or other structure designed for use in boring for oil, natural gas or water shall be erected, maintained or permitted upon any Lot.

3.26 Duty of Construction.

(a) All initial residences have been constructed. Any subsequent construction or rebuild on any Lot shall be only pursuant to plans and specifications in compliance with the Architectural Control Guidelines and approved by the Architectural Control Committee and the Board. The construction shall be completed not later than (i) one (1) year for a total rebuild of the residence, provided, however the one (1) year period may be extended for the period of delays, due to force majeure, as long as the Owner is continuing to use all reasonable efforts to complete said improvements (the “**Force Majeure Period**”), or (ii) for a remodel of a residence within nine (9) calendar months following the Commencement of Construction. For the purposes hereof, the term “**Commencement of Construction**” shall be deemed to mean the earlier of (i) the date on which the foundation forms are set or (ii) construction activity commences on the Lot. For purposes hereof, construction shall be deemed completed when all plumbing fixtures are installed and operational; all cabinet work is completed and installed; all interior walls, ceilings, and doors are completed and installed, floors have been completed (with hardwood, carpet, tile or other similar floor covering installed); and the appropriate final finish has been applied to all surfaces within the structure, such as paint, wallpaper, paneling, stain or the like.

(b) In the event of destruction (total or partial) to the improvements on any individual Lot due to fire or any other cause, each Owner covenants and agrees to complete all necessary repairs or reconstruction of the damaged improvements or remove all remaining improvements within one (1) year following the date that the damage occurs, plus any Force Majeure Period.

(c) In the event of any major construction or remodel of a residence, in addition to the Declaration and the Architectural Guideline requirements for explicit itemized written approval by the Architectural Control Committee and the Board of the plans and specifications, the Owners agree to attach to their construction contract the construction rules addendum established by the Architectural Control Committee and approved by the Board, as it may be amended (the “**Construction Rules**”) which provides for certain requirements and obligations of the contractor and his subcontractors concerning access, identification requirements, timing of work, cleanup regulations, construction debris bins and other construction rules utilized to protect the Community and Lots. The Construction Rules shall be binding on the contractor and the Owner and/or the Association may enforce the Construction Rules pursuant to the terms of the Construction Rules.

3.27 Maintenance, Repair and Replacement of Improvements and Landscaping on Lots. Owners, occupants and Lessees of any Lot shall jointly and severally have the duty and responsibility, at their sole cost and expense, to keep such Lot and all buildings, other improvements and grounds in a well-maintained, clean and attractive condition at all times. Required maintenance, repair and replacement shall include meeting the conditions provided in this Declaration and the Architectural Control Guidelines and specifically include the following:

- (i) Complying with all governmental laws, including health, safety and property use requirements;
- (ii) Removing promptly all litter, trash, refuse and waste;
- (iii) Maintaining all residence exteriors, including in particular the timely repairing and repainting of wood components such as facia and window mullions and trim;
- (iv) Maintaining and repairing fences, gates, walls and retaining walls;
- (v) Maintaining parking areas and driveways in good repair;
- (vi) Maintaining landscape edging, pavers and walkways in good repair;
- (vii) Keeping all underground and surface drainage improvements and conditions in proper working order;
- (viii) Keeping exterior lighting in proper working order, using standard color of lighting for consistent look in Community established by Architectural Control Committee and approved by Board;
- (ix) Keeping all landscaping healthy, free of weeds and attractive;
- (x) Watering adequately all landscape areas;
- (xi) Maintaining all groundcovers, including grass, in healthy growth conditions with proper full coverage;
- (xii) Maintaining all shrubs, ornamentals and seasonal color properly pruned and replaced if overgrown; and
- (xiii) Maintaining all trees properly pruned

3.28 Maintenance of Common Properties. The Common Properties shall be maintained by the Association.

3.29. Failure to Abide by Terms/Association Actions. If, in the opinion of the Board, any such Owner, occupant or Lessee has failed in any of the duties or obligations set forth in this Article III, in addition to all other rights of the Association set forth herein, then the Association may give such person written notice of such failure and such person must within ten (10) days after receiving such notice, perform the repairs and maintenance or make arrangements with the Association for making the repairs and maintenance required. Should any such person fail to fulfill this duty and responsibility within such period,

then the Association, through its authorized agent or agents, shall have the right and power to enter onto the Lot and the improvements thereon and perform such repair and maintenance without any liability for damages for wrongful entry, trespass or otherwise to any person. The Owners of any part of the Lot on which such work is performed shall jointly and severally be liable for the cost of such work (such costs constituting a Special Assessment as specified in Section 7.1 hereof) and shall promptly reimburse the Association for such cost incurred, including a reasonable charge for administrative costs attributable thereto and reasonable attorneys' fees and court costs, if necessary, to collect the sum due the Association.

ARTICLE IV

PROPERTY RIGHTS IN COMMON PROPERTIES

4.1 Title to the Common Properties. The Association is the sole owner and has fee simple title to the Common Properties.

4.2 Owner's Easement of Enjoyment. Subject to the provisions of Section 4.3 of this Article, every Owner and any Lessee, who resides on a Lot, and each individual who resides with either of them, respectively, on such Lot shall have a nonexclusive right and easement of use and enjoyment in and to the Common Properties, subject however to the terms, restrictions and conditions in Section 4.3 (the "**Easement of Enjoyment**"). The Easement of Enjoyment shall be appurtenant to and shall pass with the title of every Lot; provided, however, the Easement of Enjoyment shall not give such person (i) any interest of any nature in the fee simple title, (ii) the right to make alterations, additions or improvements to the Common Properties, or (iii) usage rights beyond the specific rights granted herein, which are subject to the terms, conditions and restrictions herein.

4.3 Extent of Owner's Rights and Easements. The rights to the Easements of Enjoyment created hereby shall be subject to the following:

(a) The right of the Board to adopt, amend, enforce and revoke rules and regulations governing the use, operation and maintenance of the Common Properties including, without limitation, the authority to assess fines against Owners violating such rules and regulations (the "**Rules and Regulations**"). The Board is further authorized and empowered to prohibit the use, or to limit the manner and extent of use, of the Common Properties by Owners (i) owing Assessments or unpaid fines or other costs or (ii) who are violating the Rules and Regulations of the Association. By way of illustration, but without limitation, the Board shall have the power to deny such Owners the privilege of access to all Common Property.

(b) The right of the Board to enter into and execute contracts with third parties for the purpose of providing maintenance or such other materials or services consistent with the purposes of the Association;

(c) The right of the Board, subject to an Absolute Majority Vote of the Members of the Association, to dedicate or transfer all or any part of the Common Properties located on Campbell Road outside the exterior fence to any public agency, authority, or utility company for such purposes and upon such conditions as may be approved by such Members;

(d) The right of the public to the use and enjoyment of public rights-of-way, if any, located outside the exterior fence of the Common Properties.

4.4 Restricted Actions by Owners. No Owner, occupant or Lessee 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 increase of any insurance carried by the Association, or which would be in violation of any law. No waste shall be committed in the Common Properties by any Owner, occupant or Lessee.

4.5 Damage to the Common Properties. Each Owner shall be liable to the Association for all damage, other than ordinary wear and tear, to the Common Properties caused by the Owner, Owner's family, pets, guests, Lessees or other occupants of such Owner's Lot. The Common Properties may be subject to storm water overflow, natural bank erosion and other natural or man-made events or occurrences, which cannot be defined or controlled by the Declarant. Under no circumstances shall Former Declarant, Declarant or the Association ever be liable, and each current Owner and subsequent Owner, on behalf of themselves and their family, Lessees, guests or occupants thereof (i) waive any right to recovery from and (ii) release any claim or cause of action against Former Declarant, Declarant, the Association or any Officers, Directors or committee members of the Association, for any damages or injuries of any kind or character or nature whatsoever resulting from: (i) the occurrence of any natural phenomena, including but not limited to falling or slipping on ice or wet sidewalks, tree limbs falling, lightning, wild animals or other causes beyond the control of the Association; (ii) the failure or defect of any structure or structures situated on or within the Common Properties, including failures or defects occurring through the negligence of contractors employed by Declarant or the Association; (iii) any negligent or willful act, conduct, omission or behavior of any individual, group or individuals, entity or enterprise occurring on, within or related to the Common Properties and (iv) any use of the streets, alleys, or guard gate, including but not limited to any automobile or pedestrian accidents. **The Members acknowledge and agree that the use of the Common Properties by a Member or their family, guests, Lessees or occupants is solely at "THEIR OWN RISK."**

ARTICLE V EASEMENTS

5.1 Universal Easement. Each Lot within the Properties and the Owner of such Lot are hereby declared to have an easement on adjoining Lots not to exceed one (1) foot in width from the common property line of such Lots for the purpose of maintaining and repairing any dwelling or other structure that encroaches over the boundary line of a Lot due to inadvertent surveying errors, inadvertent engineering errors, errors in original construction, settlement or shifting of the building, or any other cause. Former Declarant has reserved and Declarant does hereby reserve the same one (1) foot in width easement over all Lots and over all Common Areas for the purpose of maintaining and repairing improvements constructed by the Former Declarant that encroach onto adjoining Lots or Common Areas. However, the benefits of the easements reserved or created in this Section 5.1 shall not be available with respect to an encroachment occurring due to willful misconduct of any Owner. Each of the easements hereinabove referred to shall be deemed to be established upon the recordation of the Original Declaration and shall be appurtenant to the Lots and Common Area benefitted by such easements and shall run with the land and inure to the benefit of successive owners of such Lots or Common Area.

5.2 Zero Lot Line Easement. Each Lot having a zero side of zero lot line as shown on Exhibit "B-1" and Exhibit "B-2" and the Owner of such Lot have an easement on the Lot adjacent to such zero side as follows: (i) five (5) feet in width for Phase I Lots and (ii) three (3) feet in width for Phase II Lots along and adjacent to said zero side for the repair and maintenance of such Owner's improvements adjacent thereto.

5.3 Wall and Landscape Easement. An easement of varying width on Lot 1, Block 12/8209, Lot 78, Block 12/8209 and Lots 43-44, Block 12/8209 has been established on the Plats for the maintenance and repair of the perimeter screening wall and the associated landscaping and irrigation improvements. The Owner of such Lot shall not alter such perimeter screening walls, landscaping or irrigation even though

such improvements may be located on or adjacent to such Owner's Lot, but such Owner may maintain landscaping behind the screening wall within such easement on the Lot, subject to the right of the Association to enter upon such Lot to maintain, repair and replace improvements that are part of the Common Properties.

5.4 Utility Easements and Use of Surface Areas. Easements for installation and maintenance of underground utilities and lighting within the Common Areas are reserved as shown and provided for on the Plat.

5.5 Emergency and Public Service Vehicles. All police, fire protection, ambulance and other emergency vehicles and other public service vehicles and personnel have been granted an easement to enter upon the Common Properties, including the private streets, in the performance of their duties. In addition, an easement is hereby granted to the Association, its Officers, agents, employees and management personnel to enter the Common Properties to render any services.

5.6 Ingress and Egress by the Association. The Association has full rights of ingress and egress over and upon all Lots at all times for the maintenance and repair of each Lot (with no obligation for such work) and the Common Properties in accordance with the provisions hereof, and for the carrying out by the Association of its functions, duties and obligations hereunder, provided, however, except for the Association's right of entry pursuant to Section 3.29 due to Owner's failure to comply with the terms herein, entry shall be made with as little inconvenience to the Owner as practical and damage caused by the Association's entry, other than damages caused by the failure of the Owner to comply herewith, shall be repaired by the Association at the expense of the Association.

ARTICLE VI **HOMEOWNERS ASSOCIATION**

6.1 Purposes. The Association, through the Board, shall have the duty and responsibility to administer and maintain the Common Properties, to establish and collect Assessments and to disburse collected funds as so permitted, and such other powers necessary to enforce the terms and conditions of this Declaration.

6.2 Membership. Every Owner of a Lot shall automatically be a Member of the Association. However, there shall only be one (1) vote cast with respect to each Lot. If more than one Owner of a Lot are Members, however, they shall only be entitled to cast the one (1) vote for the Lot, and the Owners of the Lot shall determine how the one (1) vote is to be cast. If the Owners cannot agree on how the one (1) vote for the Lot is to be cast, the Association may disallow the vote for the Lot. In no event shall the reference to multiple Owners of a Lot modify, extend or allow the Lot and residence to be used for any purpose other than a single family residence. Each Owner is required to provide and update to the Association and the Association's Management Company on the "Owner Information Form" their full name and current contact information, including address, telephone number and email addresses, for administrative uses.

6.3 Administration and Maintenance of the Common Properties. The Association shall take the actions required, as determined by the Board, to care for and preserve the Common Properties, including any landscaping, screening walls, lighting within the Common Areas, entry area, gates and gate house. The Board shall be empowered to establish, amend and repeal the Rules and Regulations for the use of the Common Properties.

6.4 Assessments, Borrowing, Reserve Funds. The Board shall administer the Assessment process described in Article VII hereof. Upon prior approval of sixty-seven percent (67%) of the Members,

the Board may, on behalf of the Association, borrow funds on a secured or unsecured basis and, if secured, the security may consist of the assignment of current or future Assessments or the pledge of rights against delinquent Owners provided, however, that the Association shall not have the power to mortgage the Common Properties. The Board may establish reserve funds from Assessments or borrowing for the purpose of accumulating funds to pay the cost of repairing, refurbishing and replacing any Common Properties. Reserve funds shall be accounted for separately from other funds.

6.5 Policies. The Board is authorized to periodically establish and amend certain policies to be utilized in the operation of the Association and the enforcement of the terms and obligations under the Rules and Regulations (as may be adopted by the Board), the Bylaws and this Declaration (the "Policies"). The current Policies established by the Board, which are subject to revisions as determined by the Board are as follows and attached as Exhibit "C": (i) Reserve and Replacement Fund Operating Policy (Exhibit C-1), (ii) Enforcement Policy (Exhibit C-2), (iii) Member Suggestions, Complaints and Comments Procedure Policy (Exhibit C-3), (iv) Record Retention and Production Policy (Exhibit C-4), and (v) the Payment Plan, Assessment Collections and Application of Payments Policy (Exhibit C-5). Rules and Regulations and individual Policies may be amended and revised as determined by the Board, subject to any Applicable Laws or any restrictions set forth in the Bylaws or the Declaration. Any revision or addition to the Policies established by the Board or Rules and Regulations shall be set forth in a new revised specific policy to be included in Exhibit "C", which shall be recorded by the Board and supersede and replace in its entirety the applicable policy of Exhibit "C" and shall be effective as of the date of recordation of the new policy to be included in Exhibit "C" (For example, C-1 to be replaced by a new C-1). The revised Policies shall be posted on the Association website in accordance with all Applicable Law. The addition, modification or revision and recordation of any of the Policies by the Board shall not constitute an amendment to this Declaration and shall not require a vote of the Members for the adoption or recordation of same pursuant to Section 9.2 hereof.

6.6 Disbursement of Association Funds. The Board shall, subject to the terms, conditions and limitations set forth in the Bylaws, have the exclusive right to authorize the Association to contract for all goods, services, and insurance and to hold and disburse Association funds in payment therefore.

6.7 Fines. The Board is authorized, in addition to any and all other remedies provided herein, to levy fines in the amounts set forth in the Enforcement Policy in Section 9.3 or such higher reasonable amount set by the Board, due to the nature of the violation (subject to the maximum amount allowed by law). Such fines shall be deemed Special Assessments as provided in Section 7.1 hereof.

6.8 Liability Limitations. NO MEMBER, DIRECTOR OR OFFICER OF THE ASSOCIATION (PRESENTLY SERVING OR SERVING IN THE PAST) SHALL BE PERSONALLY LIABLE FOR OBLIGATIONS OR DEBTS CONTRACTED FOR OR OTHERWISE INCURRED BY THE ASSOCIATION, ACTIONS TAKEN BY (OR OMISSIONS) OF THE ASSOCIATION OR BOARD OR FOR THE NEGLIGENCE, WILLFUL MISCONDUCT OR OTHER TORT OF ANOTHER MEMBER, WHETHER SUCH OTHER MEMBER WAS ACTING ON BEHALF OF THE ASSOCIATION OR OTHERWISE. NEITHER THE DECLARANT NOR THE ASSOCIATION, ITS DIRECTORS, OFFICERS, AGENTS OR EMPLOYEES SHALL BE LIABLE FOR ANY INCIDENTAL OR CONSEQUENTIAL DAMAGES FOR FAILURE TO INSPECT THE COMMON PROPERTIES OR ANY PORTIONS THEREOF OR FOR FAILURE TO REPAIR OR MAINTAIN SAME. IN ADDITION, (I) THE DIRECTORS, (II) ANY MEMBERS OF A COMMITTEE OF THE ASSOCIATION, AND (III) ANY OFFICERS OF THE ASSOCIATION (PAST OR PRESENT) (COLLECTIVELY, THE "**INDEMNIFIED PARTIES**"), WHILE ACTING IN THEIR APPLICABLE CAPACITY SHALL NOT BE LIABLE TO ANY INDIVIDUAL MEMBER, ANY CLASS OR CLASS ACTION OF MEMBERS, TO THE OWNERS OF ANY LOT, ANY LESSEES OR OCCUPANTS OR GUESTS OF AN OWNER FOR ANY DAMAGES, LOSSES, OR CLAIMS SUFFERED OR CLAIMED ON ACCOUNT OF ANY

DECISION, APPROVAL OR DISAPPROVAL, COURSE OF ACTION, ACT (INCLUDING RESIGNATION), INACTION, OMISSION, ERROR, NEGLIGENCE OR THE LIKE MADE IN GOOD FAITH IN CONNECTION WITH THE ASSOCIATION, THE COMMON PROPERTIES, THE BYLAWS, THE RULES AND REGULATIONS, THE ARCHITECTURAL CONTROL GUIDELINES, THE DECLARATION OR THE NEGOTIATION, EXECUTION OR PERFORMANCE OF ANY AGREEMENT ENTERED INTO BETWEEN THE ASSOCIATION AND ANY THIRD PARTY. WITH RESPECT TO ALL DIRECTORS AND ANY OFFICERS OF THE ASSOCIATION, ALL CONDUCT SHALL BE DEEMED TO BE IN GOOD FAITH, EXCEPT FOR ACTS OF GROSS NEGLIGENCE AND INTENTIONAL BAD FAITH.

ARTICLE VII **ASSESSMENTS**

7.1 Creation of the Lien and Personal Obligation of Assessments. For each Lot owned by each Owner, such Owner shall be deemed to covenant and agree to pay to the Association: (1) all annual maintenance assessments or charges (“**Maintenance Assessments**”) assessed against his or its respective Lot or Lots, which assessments shall be on a calendar year basis; (2) all special assessments for capital improvements (“**Capital Assessments**”) assessed against his or her respective Lot or Lots, such assessments to be fixed, established and collected from time to time as herein provided; (3) all individual special assessments (“**Special Assessments**”) levied against such Owner or such Owner’s Lot or Lots as violation fines or to reimburse the Association for the costs for maintenance and/or repairs to Common Properties caused by the acts (or failure to act) of the individual Owner, his family, guests or other invitees and for maintenance or repair to the Owner’s Lot or improvements thereon in accordance with Section 3.27. Such assessments shall be fixed, established and collected from time to time as herein provided. The Maintenance, Capital and Special Assessments (collectively, the “**Assessments**”), together with any charge levied by the Association under the terms hereof or as allowed by law, along with such interest thereon and costs of collection thereof as hereinafter provided, shall be a charge and a continuing lien upon each Lot against which each such Assessment is made. There is, to the full extent permitted by law, a lien, with the power of non-judicial sale reserved in favor of the Association, as provided in Section 51.002 of the Texas Property Code (as it may be amended from time to time), created and established by the Original Declaration, which is valid and subsisting against each Lot within the Property to secure payment to the Association of any and all amounts due under this Declaration. Any unpaid Assessment together with interest thereon and costs of collection thereof as herein after provided, shall be the continuing personal obligation of each person who is the Owner of such Lot regardless of when the Assessment became due. Each Owner, and each prospective Owner, is hereby placed on notice that the covenant to pay assessments or any other charges provided for herein shall operate to place upon him or her the responsibility for payment of all amounts due the Association prior to the time of conveyance of a Lot and which may be payable at the time of conveyance. The purchasing Owner (“**Grantee**”), in a voluntary conveyance, is jointly and severally liable with the selling Owner (“**Grantor**”) for all unpaid amounts due the Association by Grantor or owed on Grantor’s Lot prior to conveyance of such Lot, without prejudice to Grantee’s right to obtain reimbursement from Grantor. Any prospective purchaser may request and is entitled to obtain, for a fee, a Resale Certificate pursuant to Chapter 207 of the Texas Property Code stating the amounts due the Association by Grantor or for Grantor’s Lot.

7.2 Purpose of Assessments. The Assessments levied by the Association shall be used exclusively for the purpose of promoting the health and welfare of the residents of the Lots, including in particular for the maintenance of the Common Properties and for their management and supervision and for carrying out the duties of the Association or the Board as set forth in this Declaration or in the Articles of Incorporation (the “**Articles of Incorporation**”) or bylaws of the Association (the “**Bylaws**”).

7.3 Basis and Amount of Maintenance Assessments.

(a) At each annual meeting of the Members (“**Annual Meeting**”), the Board shall set the amount of the Maintenance Assessment that may be levied against each Lot for the succeeding year, provided that for any year, the maximum Maintenance Assessment for such year may not be increased by the Board by more than ten percent (10%) above the prior year Maintenance Assessment, unless otherwise approved by an Absolute Majority Vote of the Members in the Association. If in any year the Board fails to set a Maintenance Assessment for such year, the Maintenance Assessment shall be deemed to be the same as the Maintenance Assessment for the preceding year.

(b) When the Maintenance Assessment is computed for Lots, all of such Maintenance Assessment shall be payable to the Association by the Member.

(c) Written notice of the Maintenance Assessment to be paid by each Member shall be sent to every Member, but for Lots having more than one Owner, only one Member for such Lot shall be entitled to notice. The Member to whom notice shall be sent shall be as requested in writing by the Owners of such Lot and in the event of conflicting or uncertain instruction, the recipient of such notices shall be determined by the Association.

7.4 Capital Assessments and Special Assessments.

(a) The Association may levy in any assessment year a Capital Assessment for the purpose of defraying, in whole or in part, the cost of any construction or reconstruction, unexpected repair or replacement of a capital improvement upon the Common Properties, including the necessary fixtures and personal property related thereto; provided that the maximum Capital Assessment for such year may not be increased by the Board by more than fifteen percent (15%) above the prior year Capital Assessment, unless otherwise approved by an Absolute Majority Vote of the Members in the Association. The Board has established a Reserve and Replacement Fund Operating Policy attached as Exhibit C. The minimum amount to be assessed by the Board and included as an annual Capital Assessment to fund the Reserve Fund shall be the amount set forth in the then current Replacement Fund Study.

(b) Upon an affirmative vote of a majority of the members of the Board of the Association, the Association may levy Special Assessments against individual Owners: (i) for reimbursement of maintenance or repairs incurred by the Association occasioned by the acts (or failure to act) of such individual Owners, Lessees or their invitees to the Common Properties (not ordinary wear and tear), (ii) for reimbursement of costs incurred by the Association for the maintenance or repair to the Owner's Lot or improvements thereon in accordance with Section 3.27 and Section 3.29 hereof.

7.5 Uniform Maintenance and Special Capital Assessments. Maintenance Assessments and Capital Assessments must be fixed at a uniform amount for all Lots.

7.6 Date of Commencement of Assessments; Due Date. The Board may, from time to time, establish the date that particular Assessments provided for herein shall be payable and may provide for payment of Assessments in monthly, quarterly, semi-annual or annual installments.

7.7 Effect of Non-Payment of Assessments: The Personal Obligation of the Owner; the Lien; Remedies of Association.

(a) If any Assessment or any part thereof is not paid on the date(s) when due, then the unpaid amount of such Assessment shall become delinquent and shall, together with such interest thereon and cost of collection thereof as hereinafter provided, thereupon become a continuing lien on the

lot of the non-paying Owner which shall bind such Lot, and shall be a personal obligation of the Owner of such Lot and his heirs, executors, devisees and personal representatives. The Association shall have the right to reject partial payments of an Assessment and demand the full payment thereof. The lien for unpaid Assessments shall be unaffected by any sale or assignment of a Lot and shall continue in full force and effect. By accepting a deed or other conveyance to a Lot or Lots, every person or entity hereafter acquiring any interest in such Lot or Lots shall be deemed to have covenanted and agreed to pay the Assessments provided for herein in the same manner as if the covenant and agreement to pay was expressly set forth in such deed or other conveyance, without regard to whether such covenant and agreement shall actually be so expressed in any such deed or other conveyance. No Owner may waive or otherwise escape personal liability for the Assessments provided herein by non-use of the Common Properties or abandonment of his Lot.

(b) The Association may give written notification to the holder(s) of the mortgage on the Lot of the non-paying Owner of such Owner's failure to pay any Assessment when such payment has not been received within ten (10) days after the date such Assessment was due.

(c) If any Assessment or part thereof is not paid when due, the unpaid amount of such assessment shall bear interest from the due date at a rate equal to the lesser of (i) eighteen percent (18%) per annum or (ii) the highest non-usurious rate of interest permitted by Applicable Law, and the Association may, at its election, bring an action at law against the Owner personally obligated to pay the same in order to enforce payment and/or to foreclose the lien against the property subject thereto, and there shall be added to the amount of such unpaid Assessment any and all costs of collection incurred by the Association, including reasonable attorneys' fees.

(d) Without limiting the other remedies available to the Association hereunder, for the purpose of further securing the payment and performance of each Owner's obligations hereunder, by accepting title to a Lot, the Owner thereof shall be deemed to have granted to the Association a contract lien covering such Lot, together with the right to appoint and remove a trustee and any number of substitute trustees and to cause the trustee or substitute trustee to foreclose the Association's lien against such Lot pursuant to a non-judicial foreclosure under a private power of sale conducted in accordance with the provisions of Section 51.002 of the Texas Property Code.

(e) In addition to the other remedies available to the Association under this Section 7.7, the Association shall have the authority to exercise all of the remedies contemplated by Section 4.3(a) and Section 9.3 herein against Owners that fail to pay Assessments in a timely manner.

7.8 Subordination of the Lien to Mortgages. The lien of the Assessments provided for herein shall be subordinate and inferior to the lien of any bona fide first lien mortgage or deed of trust now or hereafter placed upon the Lots subject to Assessment; provided, however, that such subordination shall apply only to the Assessments which have become due and payable prior to a foreclosure of such lien pursuant to the terms and conditions of any such mortgage or deed of trust. Such sale shall not relieve such Lots or the purchaser thereof from liability for the amount of any Assessments thereafter becoming due nor from the lien of any such subsequent Assessment. Upon request by an Owner, the Board, shall consider and may in its sole discretion, approve or disapprove the subordination of the lien of this Declaration to liens other than first lien mortgages or deeds of trust.

7.9 Exempt Property. The following property subject to this Declaration shall be exempted from the Assessments, charges and liens created herein:

- (i) All properties dedicated and accepted by the local public authority and devoted to public use.

- (ii) All Common Properties.

ARTICLE VIII
ARCHITECTURAL CONTROL COMMITTEE

8.1 Architectural Control Committee. The architectural control committee (the “**Architectural Control Committee**”), shall be composed of not less than three (3) members selected and appointed by the Board. The Architectural Control Committee shall function as the representative of the Board. The Architectural Control Committee shall exist and act for the purposes herein set forth as well as for all other purposes consistent with the creation and preservation of a first-class residential development. Any one or more of the members of the Architectural Control Committee may be removed from the Architectural Control Committee, with or without cause, by the Board.

No member of the Architectural Control Committee shall be entitled to any compensation for services performed hereunder nor be liable for claims, causes, causes of action or damages (except where occasioned by gross negligence or willful misconduct) arising out of services performed pursuant to this Declaration.

8.2 Architectural Approval.

(a) Architectural Control Guidelines. The Architectural Control Committee shall, from time to time, publish and promulgate Architectural Control Guidelines, subject to the Board’s written approval, which shall supplement these Covenants and Restrictions and are incorporated herein by reference (the “**Architectural Control Guidelines**”). The current Architectural Control Guidelines are attached as Exhibit “D” hereto. The Architectural Control Committee shall have the right from time to time to (i) amend the Architectural Control Guidelines, subject to the Board’s written approval, provided such guidelines, as amended shall be in keeping with the overall quality, general architectural style and design of the Community and (ii) replace and record the Exhibit “D” with the amended Exhibit “D” which shall supercede and replace in its entirety the prior Exhibit “D” and shall be effective as of the date of recordation. The Architectural Control Committee shall have the authority to make recommendations to the Board in interpreting the general intent, effect and purpose of those matters for which it is responsible in accordance with these Covenants and Restrictions, with the final decision to be made by the Board in their sole discretion. The Architectural Control Committee shall endeavor to promulgate the Architectural Control Guidelines in such a manner that only materials complying with all Applicable Laws and regulations are specified therein, but each Owner of a Lot (and not the Architectural Control Committee or the Board) is responsible for complying with such laws and regulations on his respective Lot. If the Architectural Control Committee should be advised that materials specified by the Architectural Control Guidelines do not comply with Applicable Laws, the Architectural Control Committee shall use reasonable efforts to inquire into the nature of the non-compliance and to make appropriate revisions of the Architectural Control Guidelines, subject to the approval of the Board.

(b) Required Approval. No building, structure, paving, pools, fencing, hot tubs or improvement of any nature shall be erected, placed or altered on any Lot until the site plan showing the location of such building, structure, driveway, paving or improvement, construction plans and specifications thereof and landscaping plans and grading plans therefor have been submitted with the Architectural/Landscape Approval Form and approved in writing by the Architectural Control Committee (and the Board, if required) as to: (i) location with respect to Lot lines, setback lines and finished grades with respect to existing topography, (ii) conformity and harmony of external design, color, and texture with existing structures and existing landscaping, (iii) quality of materials; adequacy of site dimensions; proper facing of main elevation with respect to nearby streets; and (iv) the other standards set forth within this

Declaration or the Architectural Control Guidelines. The Architectural Control Committee is authorized to request the submission of samples of proposed construction materials and colors of proposed exterior surfaces.

(c) Procedure. Final plans and specifications shall be submitted with the Architectural/Landscape Approval Form. One (1) set to be submitted to the Management Company and one (1) set to the Architectural Control Committee by the Owner for approval or disapproval by the Architectural Control Committee (and the Board, if required). If such plans and specifications meet the approval of the Architectural Control Committee and the Board (unless Board approval is not required pursuant to the Architectural Control Guidelines), one complete set of plans and specifications will be retained by the Architectural Control Committee and the other complete set of plans will be marked "Approved" and returned to the Owner. If such plans and specifications do not meet the approval of the Architectural Control Committee (and the Board, if required), one set of such plans and specifications shall be returned marked "Disapproved", accompanied by a reasonable statement of the reasons for such disapproval. Any modification or change to the approved set of plans and specifications or to construction or reconstruction pursuant thereto which materially affects items (i) through (iv) of the preceding paragraph must again be submitted to the Architectural Control Committee, for its review and approval. The Architectural Control Committee's (and the Board, if required) approval or disapproval as required herein shall be in writing. If the Architectural Control Committee (and the Board, if required) fails to approve or disapprove such plans and specifications within twenty (20) days after they have been submitted in writing and received, the plans and specifications shall be deemed disapproved.

(d) Committee Discretion. The Architectural Control Committee is authorized and empowered to consider and review any and all aspects of dwelling construction, construction of other improvements and location, quality and quality of landscaping on the Lots, and may advise the Board to disapprove aspects thereof which may, in the discretion of the Architectural Control Committee and the Board, adversely affect the living enjoyment of one or more Owner(s) or the value of the Properties. As an example, and not by way of limitation, the Architectural Control Committee may impose limits upon the location of window areas of one dwelling which would overlook the enclosed patio area of an adjacent dwelling. Also, the Architectural Control Committee is permitted to consider technological advance in design and materials and such comparable or alternative techniques, methods or materials may or may not be permitted, in accordance with the reasonable opinion of the Architectural Control Committee. The action of the Architectural Control Committee and the Board with respect to any matter submitted to them shall be final and binding upon the Owner submitting such matter, subject to the provisions of Section 9.8 hereof.

8.3 Variances. Upon submission of a written request for same, the Architectural Control Committee may, from time to time, in its sole discretion, subject to the Board's approval, permit Owners to construct, erect, or install improvements which are in variance from the Architectural Control Guidelines. In any such case, variances shall be in basic conformity with and shall blend effectively with the overall quality, general architectural style and design of the Community. No member of the Architectural Control Committee or the Board shall be liable to any Owner for any claims, cause of action or damages arising out of the grant of, or the refusal to grant, any variance to an Owner. Each request for a variance submitted hereunder shall be reviewed separately and apart from other such requests and the granting of a variance to any Owner shall not constitute a waiver of the Architectural Control Committee's and the Board's right to strictly enforce this Declaration against any other Owner.

8.4 Nonconforming and Unapproved Improvements. The Board may require any Owner to restore such Owner's improvements to the condition existing prior to the commencement of the construction thereof (including, without limitation, the demolition and removal of any unapproved improvement) if such improvements were commenced or constructed in violation of this Declaration,

including the Architectural Control Guidelines. In addition, the Board may, in its sole discretion, cause the Association to carry out such restoration, demolition and removal if the Owner fails to do so, at the Owner's cost. The Board may levy the amount of the cost of such restoration, demolition and removal as a Special Assessment against the Lot upon which such improvements were commenced or constructed and shall have all of the rights and remedies to enforce collection thereof provided by law and by this Declaration. Dwellings or other improvements (except landscaping) initially constructed in accordance with these Covenants and Restrictions and having received any necessary approval of the Architectural Control Committee in connection with their initial construction, may be repaired, maintained and restored in accordance with the standards in force at the time of their initial construction, notwithstanding any subsequent amendment or revision of these Covenants and Restrictions or of the Architectural Control Guidelines. If such dwellings or other improvements are totally destroyed or totally replaced, the new dwellings or other new improvements must conform to the Covenants and Restrictions and the Architectural Control Guidelines in force at the time of their construction.

8.5 Foundation Form Survey. After setting forms for the pouring of concrete for any foundation on a Lot, but before pouring any concrete for such foundation or otherwise proceeding with construction of such foundation, each Owner shall cause a foundation form survey to be prepared by a licensed surveyor and submitted to the Architectural Control Committee for approval. The foundation form survey shall depict the location of the foundation form in relation to all Lot lines, setback lines and easement lines affecting such Lot. If the foundation form survey reflects the violation of any Lot line or setback line or any violation of this Declaration, the Owner shall cause the violation to be cured before performing any further work on the Lot. No Owner shall proceed further with construction until the foundation form survey has been approved by the Architectural Control Committee and the Board. If an Owner fails to obtain a foundation form survey before constructing improvements on a Lot, the improvements shall be deemed unapproved improvements and the provisions of Section 8.4 hereof shall apply to such improvements. Without limiting any other rights or remedies available under this Declaration with respect to such Owner and Lot, the Board shall have the right to cause an appropriate survey (the "**Substitute Survey**") of the Lot and the improvements thereon to be made and shall have the right to recover from the Owner of such Lot its expenses incurred in obtaining the Substitute Survey. If the Substitute Survey reflects violations of any Lot line or setback line or any violation of this Declaration, the Board shall have all of the rights provided in Section 8.4 hereof to cause the violation to be corrected, including the right to require the demolition and removal of the unapproved improvements. If an Owner fails to comply with the provisions of this Section 8.5, any failure on the part of the Board to promptly obtain a Substitute Survey or to promptly require the demolition or removal of the unimproved improvements shall not result in a waiver or diminution of the rights of the Board hereunder or give rise to any claim or defense in favor of the Owner of the unimproved improvements.

8.6 NO LIABILITY. NEITHER DECLARANT, THE ASSOCIATION, THE ARCHITECTURAL CONTROL COMMITTEE, THE BOARD, NOR THE OFFICERS, DIRECTORS, MEMBERS, EMPLOYEES OR AGENTS OF ANY OF THEM, SHALL BE LIABLE IN DAMAGES TO ANYONE SUBMITTING PLANS AND SPECIFICATIONS TO ANY OF THEM FOR APPROVAL, OR TO ANY OWNER BY REASON OF MISTAKE IN JUDGMENT, NEGLIGENCE, OR NONFEASANCE ARISING OUT OF OR IN CONNECTION WITH THE APPROVAL OR DISAPPROVAL OR FAILURE TO APPROVE OR DISAPPROVE ANY SUCH PLANS OR SPECIFICATIONS. EVERY PERSON WHO SUBMITS PLANS OR SPECIFICATIONS AND EVERY OWNER AGREES THAT HE WILL NOT BRING ANY ACTION OR SUIT AGAINST DECLARANT, THE ASSOCIATION, THE ARCHITECTURAL CONTROL COMMITTEE, THE BOARD, OR THE OFFICERS, DIRECTORS, MEMBERS, EMPLOYEES OR AGENTS OF ANY OF THEM, TO RECOVER ANY SUCH DAMAGES AND HEREBY RELEASES, REMISES, AND QUITCLAIMS ALL CLAIMS, DEMANDS AND CAUSES OF ACTION ARISING OUT OF OR IN CONNECTION WITH ANY ACTUAL OR ALLEGED MISTAKE OF JUDGMENT, NEGLIGENCE OR NONFEASANCE AND HEREBY WAIVES THE

PROVISIONS OF ANY LAW WHICH PROVIDES THAT A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS, DEMANDS AND CAUSES OF ACTION NOT KNOWN AT THE TIME THE RELEASE IS GIVEN. APPROVAL OF PLANS AND SPECIFICATIONS BY THE ARCHITECTURAL CONTROL COMMITTEE AND THE BOARD IS NOT APPROVAL THEREOF FOR ENGINEERING, STRUCTURAL DESIGN, ADEQUACY OF MATERIALS OR COMPLIANCE WITH ALL APPLICABLE BUILDING CODES AND REGULATIONS. BY APPROVING SUCH PLANS AND SPECIFICATIONS NEITHER THE ARCHITECTURAL CONTROL COMMITTEE, THE MEMBERS THEREOF, THE DECLARANT, THE ASSOCIATION NOR THE BOARD ASSUMES LIABILITY OR RESPONSIBILITY FOR SAFETY OR ADEQUACY OF DESIGN, FOR ANY DEFECT TO ANY STRUCTURE CONSTRUCTED FROM SUCH PLANS AND SPECIFICATIONS.

ARTICLE IX **GENERAL PROVISIONS**

9.1 Duration. The Covenants and Restrictions of this Declaration shall run with and bind the Land, and shall inure to the benefit of and be enforceable by Declarant and each Owner and each of their respective legal representatives, heirs, successors and assigns. This Declaration shall be effective for an initial term of thirty-five (35) years from the date that this Declaration is recorded in the Real Property Records of Dallas and Collin Counties, Texas, after which time said Covenants and Restrictions shall be automatically extended for successive periods of ten (10) years unless, at least one (1) year prior to the expiration of the then current term, an instrument terminating this Declaration is signed by Owners of at least ninety (90) percent of the Lots, and is recorded in the Real Property Records of Dallas and Collin Counties, Texas.

9.2 Amendments. Notwithstanding Section 9.1 of this Article, this Declaration may be amended and/or changed upon the express written consent of at least sixty seven percent (67%) of the total votes allocated to the Members of the Association. Any and all amendments of this Declaration shall be recorded in the Official Public Records of Dallas and Collin Counties, Texas and shall be made available on the Association's website.

9.3 Enforcement. These Covenants and Restrictions may be enforced against any person or persons violating or attempting to violate them, by any proceeding at law or in equity, including, without limitation, through actions to enjoin violations, to recover fines or damages, or to enforce any lien created by these covenants. In addition to the foregoing, and not in lieu thereof, the Board, is specifically authorized and empowered to promulgate (and amend from time to time) a comprehensive enforcement policy (the "**Enforcement Policy**") (Exhibit C-2) with respect to violations of this Declaration and any rules made hereunder. Such policy or system shall comply with Section 209.006 and Section 209.007 of the Texas Property Code (including any successor statute) and may include, without limitation, component steps such as written warnings, notices of violation, due process hearings and appeals, and the imposition of a discretionary range of monetary fines for violations of this Declaration and any rules made hereunder. Violation fines levied pursuant to any such policy shall constitute Special Assessments, secured by the continuing lien created in Article VII hereof. The Association will be entitled to its reasonable and necessary attorneys' fees incurred in enforcing this Declaration and collecting the violation fines. The failure by the Association 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.

9.4 Severability. If any provision of this Declaration is determined by judgment or court order to be invalid, or illegal or unenforceable, the remaining provisions of this Declaration shall remain in full force and effect in the same manner as if such invalid, illegal or unenforceable provision had been deleted from this Declaration by an amendment effective as of the date of such determination.

9.5 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.

9.6 Notices. Any notice required to be given to the Association, or to any Member or Owner under the provisions of this Declaration shall be deemed to have been properly delivered when deposited in the United States mail, postage prepaid, addressed to the last known address of such person as shown by the records of the Association at the time of such mailing.

9.7 Notices to Mortgagees. Upon written request delivered to the Association by a mortgagee of a Lot, the Association shall send to the requesting mortgagee written notification of any default hereunder affecting the mortgagor or the Lot covered by the mortgage of the requesting mortgagee. Any such request shall be in sufficient detail to enable the Association to determine the affected Lot and Owner and shall set forth the mailing address of the requesting mortgagee.

9.8 Disputes. Matters of dispute or disagreement between Owners with respect to interpretation or application of the provisions of this Declaration or the Association Bylaws or the Architectural Control Guidelines, shall be determined by the Board in its sole discretion. The determination of the Board shall be final and binding upon all Owners and non-appealable.

9.9 Club Restrictions. The Land, or portions thereof, is subject to the terms of that certain Agreement for Easements, Covenants and Restrictions (the "**Club Restrictions**"), dated June 13, 1994 by and between Preston Trail Golf Club, a Texas non-profit corporation, and Declarant, recorded as Instrument Number 94-0057851 of the Real Property Records of Collin County, Texas and in Volume 94116, Page 00237 of the Real Property Records of Dallas County, Texas. The Club Restrictions impose certain restrictions upon certain portions of the Land and the Lots in addition to the provisions of this Declaration. By accepting a conveyance of a portion of the Land, each Owner hereby covenants and agrees, with respect to the portion of the Land conveyed to such Owner, to observe, pay and perform the obligations and burdens imposed upon the Land or upon Preston Trail Land Company, Inc. or upon Declarant under the Club Restrictions and agrees that if such Owner fails to observe, pay and perform such obligations, then the Association and Preston Trail Land Company, Inc., acting in its corporate capacity or in its capacity as Declarant may each, at its option, cure such failure on behalf of such Owner, and may recover the cost of curing such failure from such Owner by any lawful means, together with interest thereon from the date such costs were incurred until paid at a rate of interest equal to the lesser of (i) eighteen percent (18%) per annum or (ii) the highest non-usurious rate of interest permitted by Applicable Law. Upon a failure of such Owner to timely pay such costs, the costs and accrued interest thereon may be treated as an unpaid Special Assessment under Section 7.1 hereof, and the Association and Preston Trail Land Company, Inc., acting in its corporate capacity or in its capacity as Declarant shall each have the same rights to enforce such Owner's obligation as is provided in Section 7.7 hereof. A copy of the Club Restrictions shall be available upon written request from the Association.

[Signatures on Following Page]

IN WITNESS WHEREOF, Declarant has caused this instrument to be executed as of the March 17, 2017.

DECLARANT

CAMBRIDGE PLACE AT PRESTON TRAIL
HOMEOWNERS ASSOCIATION,
a Texas nonprofit corporation

By: Patricia Brown
Patricia Brown, President

By: Mary C. Chaffin
Mary Chaffin, Secretary

Approved by Prior President:

[Signature]
Randolph D. Addison

CERTIFICATION

As President of Cambridge Place at Preston Trail Homeowners Association, Inc., I have read the foregoing First Amendment to the Declaration of Covenants, Conditions and Restrictions for Cambridge Place at Preston Trail, Dallas, Texas, do certify that it is true and correct, that it was approved upon the express written consent of Owners holding at least sixty-seven percent (67%) of the outstanding votes of each membership class of the Association, and do hereby approve same for recording in the Deed Records of Dallas County, Texas, and the Land Records of Collin County, Texas.

Patricia Brown
Patricia Brown, President

STATE OF TEXAS §
 §
COUNTY OF DALLAS §

BEFORE ME, the undersigned Notary Public, on this day personally appeared Patricia Brown, President of Cambridge Place at Preston Trail Homeowners Association, known to me to be the person whose name is subscribed to the foregoing instrument and acknowledged to me that she executed the same for the purposes therein expressed and in the capacity therein stated.

Given under my hand and affirmed seal of office, this 17th day of March, 2017.

Stephanie S. Talbert
Notary Public in and for the State of Texas



STATE OF TEXAS §
 §
COUNTY OF DALLAS §

BEFORE ME, the undersigned Notary Public, on this day personally appeared Mary Chaffin, Secretary of Cambridge Place at Preston Trail Homeowners Association, known to me to be the person whose name is subscribed to the foregoing instrument and acknowledged to me that she executed the same for the purposes therein expressed and in the capacity therein stated.

Given under my hand and affirmed seal of office, this 17th day of March, 2017.



Stephanie S. Talbert
Notary Public in and for the State of Texas

UNOFFICIAL

Exhibit A-1
Phase I Land

Unofficial

**EXHIBIT A-1
LEGAL DESCRIPTION
15.5969 ACRES**

BEING a tract of land out of the J.V. MOUNTS SURVEY, Abstract No. 634, in the City of Dallas, Collin County, and the J.V. MOUNTS SURVEY, Abstract No. 942 in the City of Dallas, Dallas County, Texas and being all of a 14.5343 acre tract of land described in deed to Preston Trail Land Company, Inc., recorded in Volume 94116, Page 211 of the Deed Records of Dallas County, Texas, part of a 0.4396 acre tract of land described in deed to Preston Trail Land Company, Inc., recorded in Volume 94116, Page 229 of the Deed Records of Dallas County, Texas and being all of a 0.7891 acre, and the two 0.0003 acre tracts of land described in deed to Preston Trail Land Company, Inc., recorded in the Deed Records of Dallas County, Texas and being more particularly described as follows:

BEGINNING at a 1/2" iron rod found in the west right-of-way line of Campbell Road (64' ROW at this point) for the southeast corner of PRESTON TRAILS FAIRWAYS, PHASE I, an addition to the City of Dallas, Texas according to the plat thereof recorded in Cabinet C, Slide 270 of the Map Records of Collin, Texas;

THENCE with the west right-of-way line of Campbell Road, South 01°29'20" East, a distance of 575.08 feet to a 5/8" iron rod set with a yellow plastic cap stamped "NELSON CORP." (hereinafter called 5/8" iron rod set) for corner;

THENCE leaving the said west right-of-way line the following courses and distances to wit:
North 46°29'20" West, a distance of 7.07 feet to a 5/8" iron rod set for corner;
South 88°30'40" West, a distance of 118.00 feet to a 5/8" iron rod set for corner;
South 43°30'40" West, a distance of 7.07 feet to a 5/8" iron rod set for corner;
South 01°29'20" East, a distance of 10.50 feet to a 5/8" iron rod set for corner;
South 88°30'40" West, a distance of 53.00 feet to a 5/8" iron rod set for corner;
North 01°29'20" West, a distance of 21.40 feet to a 5/8" iron rod set for corner;
South 88°30'40" West, a distance of 202.59 feet to a 5/8" iron rod set for corner;
North 67°47'30" West, a distance of 99.04 feet to a 5/8" iron rod set for corner;
South 88°21'23" West, a distance of 138.00 feet to a 5/8" iron rod set for corner;
South 01°29'20" East, a distance of 18.74 feet to a 5/8" iron rod set for corner;
South 88°30'40" West, a distance of 167.56 feet to a 5/8" iron rod set for corner;
South 82°54'28" West, a distance of 198.24 feet to a 5/8" iron rod set for corner;
South 33°46'09" East, a distance of 52.00 feet to a 5/8" iron rod set for corner;
South 56°13'51" West, a distance of 53.00 feet to a 5/8" iron rod set for corner;
North 33°46'09" West, a distance of 83.35 feet to a 5/8" iron rod set for corner;
South 68°44'04" West, a distance of 137.30 feet to a 5/8" iron rod set in the west line of the beforementioned 0.4396 acre tract;

THENCE with the west line of the beforementioned 0.4396 acre and 14.5343 acre tracts, the following courses and distances to wit:

North 33°46'09" West, a distance of 106.98 feet to a 1/2" iron rod found for corner;
North 06°27'49" West, a distance of 188.67 feet to a 1/2" iron rod found for corner;
North 17°47'17" East, a distance of 116.51 feet to a 1/2" iron rod found for corner;
North 32°07'46" East, a distance of 261.57 feet to a 1/2" iron rod found for corner;
North 30°18'16" East, a distance of 42.46 feet to a 1/2" iron rod found for the southwest corner of said PRESTON TRAILS FAIRWAYS, PHASE I;

THENCE with the south line of PRESTON TRAILS FAIRWAYS, PHASE I, South 89°59'57" East, a distance of 3 feet to a 1/2" iron rod found for the northwest corner of a 0.0008 acre tract of land described in deed recorded in Volume 92142, Page 3820, Land Records of Collin County, Texas;

THENCE with the west line of the 0.0008 acre tract, South 00°00'57" East, a distance of 1.28 feet to a 1/2" iron rod found for the southwest corner of 0.0008 acre tract;

THENCE with the south line of said 0.0008 acre tract, North 88°40'48" East, a distance of 52.01 feet to a 1/2" iron rod found for the southeast corner of the 0.0008 acre tract;

THENCE with the east line of the said 0.0008 acre tract, North 00°00'57" West, a distance of 0.10 feet to a 1/2" iron rod found in the south line of said PRESTON TRAILS FAIRWAYS, PHASE I;

THENCE with the said south line, North 89°59'03" East, a distance of 587.43 feet to the POINT OF BEGINNING and containing 15.5969 acres of land.

Bearing system based on deed to Preston Trail Land Company, Inc., recorded in Volume 94116, Page 211 of the Deed Records of Dallas County, Texas.

UNOFFICIAL

Exhibit A-2
Phase II Land

Unofficial

**EXHIBIT A-2
LEGAL DESCRIPTION
14.6887 ACRES**

BEING a tract of land out of the J.V. MOUNTS SURVEY, Abstract No. 942, in the City of Dallas, Dallas County, Texas and being part of a 618.27 acre tract described in Volume 192, Page 1745, of the Deed Records of Dallas County, Texas and being part of a 0.43889 acre and a 1.4010 acre tracts of land described in deed to Preston Trail Land Company, Inc. recorded in Volume 94116, Page 0229, of the Deed Records of Dallas County, Texas and being more particularly described as follows:

BEGINNING at a 5/8" iron rod found for the intersection of the west right-of-way line of Campbell Road (variable width ROW at this point) with the north right-of-way line of Preston Trails Drive (variable width ROW):

THENCE with the said north right-of-way line of Preston Trails Drive, the following courses and distances to wit:

South 43°47'26" West, a distance of 35.18 feet to a 1/2" iron rod found for the beginning of a tangent curve to the right, having a central angle of 26°53'18", a radius of 260.00 feet and a chord bearing and distance of South 57°14'05" West, 120.80 feet;

Southwesterly with said curve, an arc distance of 122.02 feet to a 5/8" iron rod set with a yellow plastic cap stamped "NELSON CORP." (hereinafter called 5/8" iron rod set) for the point of tangency;

South 70°40'44" West, a distance of 60.37 feet to a 5/8" iron rod set for the beginning of a tangent curve to the left, having a central angle of 30°36'20", a radius of 104.40 feet and a chord bearing and distance of South 55°22'34" West, 55.11 feet;

Southwesterly with said curve, an arc distance of 55.77 feet to a 5/8" iron rod set for the southeast corner of Common Property Area L of PRESTON TRAILS FIFTH SECTION, an addition to the City of Dallas, Texas, according to the plat thereof recorded in Volume 78068, Page 8006, of the Deed Records of Dallas County, Texas;

THENCE leaving the north right-of-way line of Preston Trail and with the northeast line of Common Property Area L, North 65°50'54" West, a distance of 329.92 feet to a 5/8" iron set rod for the northeast corner of said Common Property Area L and for the beginning of a tangent curve to the left, having a central angle of 33°32'39", a radius of 72.82 feet and a chord bearing and distance of North 82°37'14" West, 42.03 feet;

THENCE leaving the northeast line of the said Common Property Area L the following courses and distances to wit:

Westerly with said curve, an arc distance of 42.63 feet to a 1/2" iron rod found for corner;

South 80°36'27" West, a distance of 347.30 feet to a 5/8" iron rod set for corner;

North 62°13'17" West, a distance of 127.43 feet to a 5/8" iron rod set for corner;

North 32°11'33" West, a distance of 210.85 feet to a 5/8" iron rod set for corner;

North 33°46'08" West, a distance of 367.12 feet to a 5/8" iron rod set for corner;

North 66°44'04" East, a distance of 137.30 feet to a 5/8" iron rod set for corner;

South 33°46'09" East, a distance of 143.35 feet to a 5/8" iron rod set for corner;

North 55°13'51" East, a distance of 53.00 feet to a 5/8" iron rod set for corner;

North 33°46'09" West, a distance of 12.00 feet to a 5/8" iron rod set for the beginning of a non-tangent curve to the left, having a central angle of 126°38'45", a radius of 50.00 feet and a chord bearing and distance of North 07°05'32" West, 89.36 feet;

Northerly with said curve, an arc distance of 110.52 feet to a 5/8" iron rod set for corner;
North 82°54'28" East, a distance of 153.34 feet to a 5/8" iron rod set for corner;
North 88°30'40" East, a distance of 167.58 feet to a 5/8" iron rod set for corner;
North 01°29'20" East, a distance of 18.74 feet to a 5/8" iron rod set for corner;
North 88°21'23" East, a distance of 138.00 feet to a 5/8" iron rod set for corner;
South 67°47'30" East, a distance of 89.04 feet to a 5/8" iron rod set for corner;
North 88°30'40" East, a distance of 202.59 feet to a 5/8" iron rod set for corner;
South 01°29'20" East, a distance of 21.40 feet to a 5/8" iron rod set for corner;
North 88°30'40" East, a distance of 53.00 feet to a 5/8" iron rod set for corner;
North 01°29'30" West, a distance of 10.58 feet to a 5/8" iron rod set for corner;
North 88°30'40" East, a distance of 98.00 feet to a 5/8" iron rod set for corner;
South 46°28'20" East, a distance of 21.21 feet to a 5/8" iron rod set for corner;
South 01°29'20" East, a distance of 40.00 feet to a 5/8" iron rod set for corner;
North 88°30'40" East, a distance of 15.00 feet to a 5/8" iron rod set in the west right-of-way
line of Campbell Road;

THENCE with the said west right-of-way line of Campbell Road the following courses and distances
to wit:

South 01°29'20" East, a distance of 73.15 feet to a 5/8" iron rod found for the beginning of
a tangent curve to the left, having a central angle of 41°31'49", a radius of 651.31 feet and
a chord bearing and distance of South 22°14'45" East, 461.65 feet;
Southerly with said curve, an arc distance of 471.91 feet to the POINT OF BEGINNING and
containing 14.6887 acres of land.

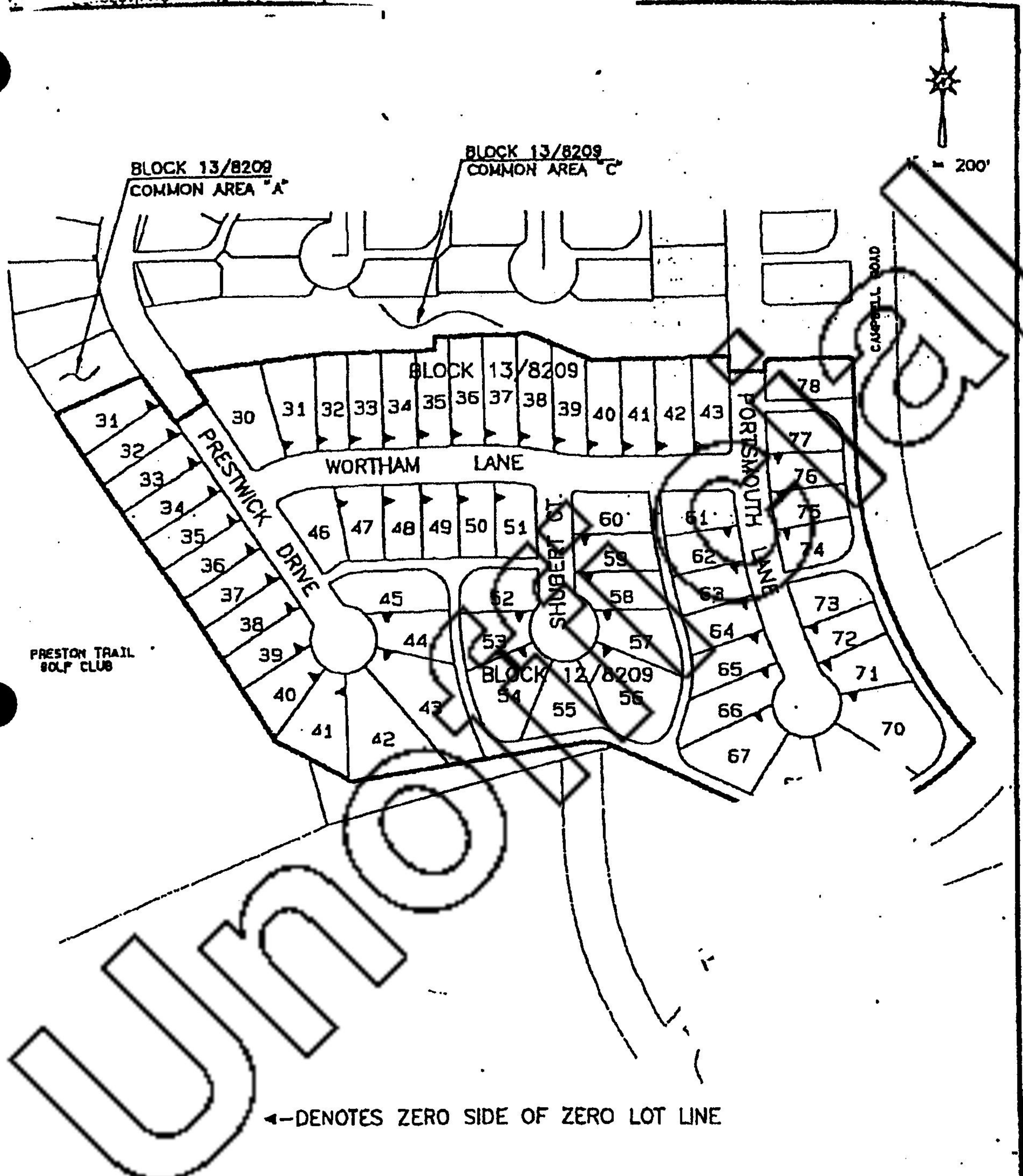
Bearing system base on deed recorded in Volume 94116, Page 0211 of the Deed Records of Dallas
County, Texas.

Exhibit A-3
Phase 1 Lots

Unofficial

Exhibit A-4
Phase II Lots

Unofficial



CAMBRIDGE PLACE AT PRESTON TRAIL
 PHASE TWO
 CITY OF DALLAS, TEXAS



POST, BUCKLEY, SCHUE & JERNIGAN, INC.
 5999 SUMMERSIDE DRIVE - SUITE 202
 DALLAS, TEXAS 76252
 TEL. (214) 350-2606 FAX (214) 350-2609

Exhibit A-5
Minimum Square Footage Variances

Unofficial

#	Street	Square Ft.
5771	Prestwick Lane	2,674
5814	Portsmouth Lane	2,684
5720	Archer Court	2,225
5724	Portsmouth Lane	2,758
5812	Portsmouth Lane	2,893
5808	Portsmouth Lane	2,906
5730	Portsmouth Lane	2,807
5753	Prestwick Lane	2,905
5818	Portsmouth Lane	2,889
5815	Portsmouth Lane	2,985
5711	Hagen Court	2,928
5732	Archer Court	2,854
5717	Archer Court	2,803

Unofficial

Exhibit B-1
Minimum Floor Elevations and Set Back
Requirement/Phase I

Unofficial

EXHIBIT B - 1

MINIMUM FLOOR ELEVATIONS AND SETBACK REQUIREMENTS

Minimum Floor Elevations: The minimum finished first floor elevation of the dwelling on each Lot shall be as shown on Page 2 of Exhibit B-1 attached hereto.

Front Yard Setback: No building or other structure nor any wall or fence (other than below grade retaining wall) shall be constructed within ten feet (10') of the front property line of any Lot.

Rear Yard Setback: No building or other structure shall be constructed within one foot (1') of the rear property line of any Lot.

On Lots adjacent to Preston Trail Golf Club, no building or other structures shall be located within twenty-five feet (25') of the rear property line of the Lot.

Side Yard Setback: Exhibit B-1 attached hereto shows the Land and the Lots therein. Lots designated with a triangle symbol () are zero lot line Lots, whose zero lot line side is the side on which the symbol is located.

On zero lot line Lots, a dwelling side shall be located one foot (1') from the zero lot line side. Courtyards are permitted on such side; however, in such cases an eight foot high masonry wall shall be located one foot (1') from the zero lot line side, enclosing such courtyard.

On the side of Lots adjacent to a zero lot line side, no building or structure shall be located within five feet (5') of such side property line.

On the side of Lots adjacent to a street, no building or structure shall be located within three feet (3') of such side property line.

On the side of Lots adjacent to an alley, no building or structure shall be located within one foot (1') of such side property line.

On the side of Lots adjacent to a Common Area, no building or structure shall be located within five feet (5') of such side property line.

Permitted Encroachments within Setbacks: Except in front yards, fences and walls in accordance with the Architectural Guidelines.

Cornice, eave and architectural details, up to two feet six inches (2'6").

Fireplaces, up to two feet (2').

Unofficial

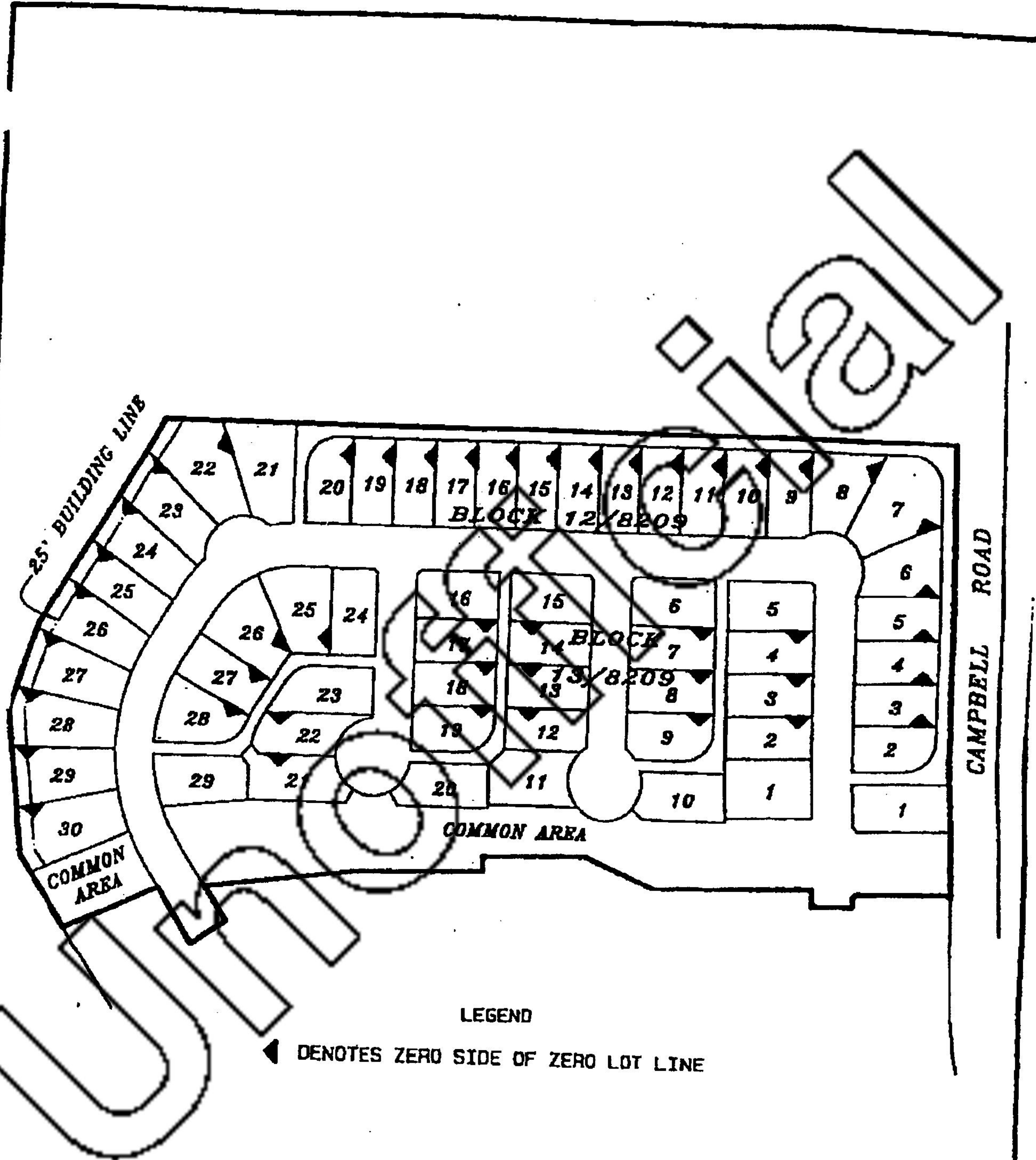


EXHIBIT B-1

NC

CAMBRIDGE PLACE AT PRESTON TRAIL
CITY OF DALLAS, TEXAS

THE NELSON CORPORATION

FOR INFORMATION ONLY CITY OF DALLAS TEXAS 75202 (214) 380-2806 FAX (214) 380-2809

LAND PLANNING • ENGINEERING • SURVEYING
CONSTRUCTION MANAGEMENT

**CAMBRIDGE PLACE AT PRESTON TRAIL
MINIMUM FINISHED FLOOR ELEVATIONS**

BLOCK 12

BLOCK 13

<u>LOT</u>	<u>ELEVATION</u>	<u>LOT</u>	<u>ELEVATION</u>	<u>LOT</u>	<u>ELEVATION</u>	<u>LOT</u>	<u>ELEVATION</u>
1	635.60	16	630.50	1	633.50	16	626.00
2	636.30	17	629.00	2	633.00	17	624.00
3	637.80	18	627.00	3	634.00	18	623.00
4	638.40	19	625.00	4	635.00	19	622.70
5	639.20	20	623.00	5	636.00	20	622.70
6	639.60	21	620.50	6	633.00	21	616.30
7	640.00	22	620.00	7	631.50	22	617.60
8	639.00	23	617.50	8	630.00	23	618.00
9	638.00	24	615.50	9	628.50	24	622.00
10	637.50	25	613.50	10	630.60	25	620.30
11	637.00	26	611.50	11	624.35	26	613.50
12	636.00	27	609.80	12	625.70	27	613.50
13	634.50	28	608.00	13	627.00	28	612.30
14	633.50	29	607.00	14	628.30	29	612.50
15	632.00	30	606.00	15	629.30		

Elevations are referenced to the following two benchmarks:

1. Square cut on storm sewer inlet approximately 250 feet North of Preston Trails Drive, on east curbline of Campbell Road. Elevation 633.66
2. Standard City of Dallas Water Department Benchmark in center of storm sewer inlet at the southeast corner of Campbell Road and Summerside Drive. Elev 637.12

Exhibit B-2
Minimum Floor Elevations and Set Back
Requirement/Phase II

Unofficial

EXHIBIT B-2

**MINIMUM FLOOR ELEVATIONS AND SETBACK REQUIREMENTS
FOR PHASE TWO**

Minimum Floor Elevations:

The minimum finished first floor elevation of the dwelling on each Lot shall be as shown on Page 2 of Exhibit B-2 attached hereto.

Front Yard Setback:

No building or other structure nor any wall or fence (other than below grade retaining wall) shall be constructed within ten feet (10') of the front property line of any Lot; except that the minimum front yard setback for the following three Lots shall be five feet (5'), and not ten feet (10'):

- i. Lot 39, Block 12/8209;
- ii. Lot 40, Block 12/8209; and
- iii. Lot 41, Block 12/8209.

Rear Yard Setback:

No building or other structure shall be constructed within one foot (1') of the rear property line of any Lot.

On Lots adjacent to Preston Trail Golf Club, no building or other structures shall be located within twenty-five feet (25') of the rear property line of the Lot.

Side Yard Setback:

Exhibit B-1 attached hereto shows the Land and the Lots therein. Lots designated with a triangle symbol (▼) are zero lot line Lots, whose zero lot line side (hereinafter called "zero side") is the side on which the symbol is located.

On zero lot line Lots, a dwelling side may be located within one foot (1') from the zero side of such Lot. Courtyards are permitted on the zero side of such Lot; however, in such cases an eight foot high masonry wall

enclosing such courtyard shall be constructed at least one foot (1') from the property line on the zero side.

On the side of Lots adjacent to the zero side of an adjoining Lot, no building or structure shall be located within three feet (3') of such side property line.

On the side of Lots adjacent to a street, no building or structure shall be located within three feet (3') of such side property line.

On the side of Lots adjacent to an alley, no building or structure shall be located within one foot (1') of such side property line.

Setbacks Adjacent to Common Areas

On the side of Lots adjacent to a Common Area, no building or structure shall be located within five feet (5') of such side property line, except as follows:

For Lot 31, Block 12/8209, the setback applicable to the property line that is adjacent to Common Area A (being depicted as such on Exhibit A) shall be three feet (3'), and no building or structure shall be located within three feet (3') of such side property line;

For Lots 30, 31, 32, 33, 34, 35, 39, 40, 41, 42, and 43, all in Block 13/8209, the setback applicable to the property line of such Lots that is adjacent to Common Area C (being depicted as such on Exhibit A) shall be ten feet (10'), and no building or structure shall be located within ten feet (10') of such rear property line.

For Lots, 36, 37, and 38, all in Block 13/8209, the setback applicable to the property line of such Lots that is adjacent to Common Area C (being depicted as such on Exhibit A) shall be fifteen feet (15'), and no building or structure shall be located within fifteen feet (15') of such property line.

Permitted Encroachments within Setbacks:

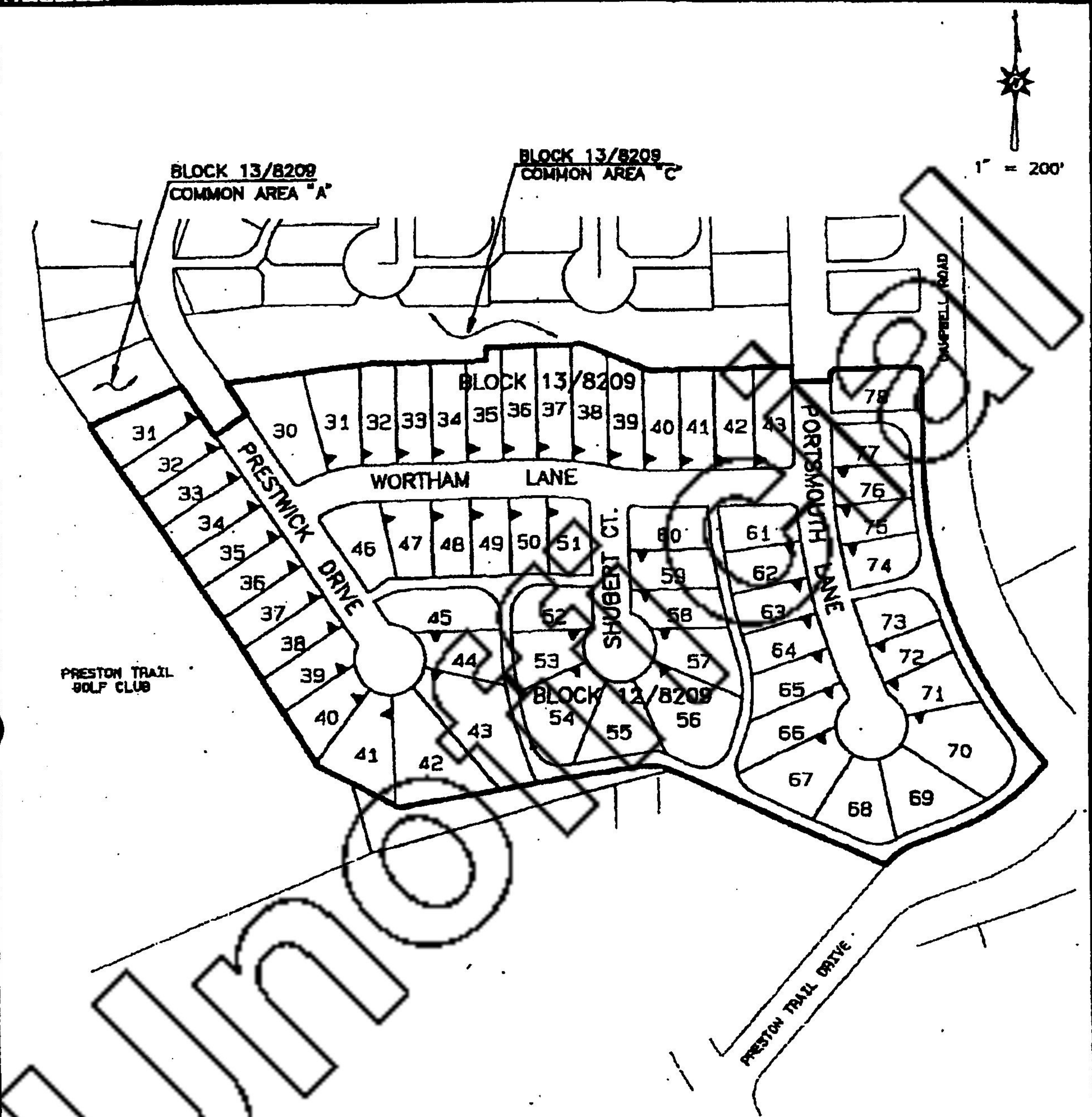
The following items may encroach into side yard setbacks and rear yard setbacks, but not front yard setbacks, subject, however, to such additional restrictions as may apply to Lots abutting the golf course of Preston Trail Golf Club:

Fences and walls that are designed in accordance with the Architectural Guidelines.

Cornices, eaves and architectural details of dwellings, but not extending nearer than two feet six inches (2'6") from the applicable Lot line.

Pools, spas, fountains and patios, all without roof structure.

UNOFFICIAL



←-DENOTES ZERO SIDE OF ZERO LOT LINE

EXHIBIT "B-2"

**CAMBRIDGE PLACE AT PRESTON TRAIL
PHASE TWO
CITY OF DALLAS, TEXAS**



POST, BUCKLEY, SCHUH & JERNIGAN, INC.
6000 SUMMERSIDE DRIVE ~ SUITE 202
DALLAS, TEXAS 75262
PL (214) 222-2222 FAX (214) 222-2209

CAMBRIDGE PLACE AT PRESTON TRAIL, PHASE TWO

MINIMUM FINISHED FLOOR ELEVATIONS

BLOCK 12

BLOCK 13

<u>LOT</u>	<u>ELEVATION</u>	<u>LOT</u>	<u>ELEVATION</u>	<u>LOT</u>	<u>ELEVATION</u>
31	607.0	55	632.4	30	615.7
32	607.8	56	632.4	31	617.0
33	609.6	57	630.9	32	618.2
34	612.4	58	629.8	33	619.1
35	615.2	59	628.7	34	621.1
36	617.3	60	627.7	35	622.3
37	619.6	61	629.8	36	623.1
38	621.6	62	630.3	37	623.8
39	623.6	63	630.9	38	624.6
40	624.5	64	631.6	39	625.5
41	626.8	65	632.2	40	626.7
42	628.1	66	632.8	41	628.2
43	630.0	67	633.3	42	629.9
44	626.8	68	633.9	43	630.4
45	624.4	69	634.7		
46	621.2	70	634.7		
47	622.1	71	633.6		
48	623.5	72	632.9		
49	624.0	73	631.5		
50	624.4	74	632.4		
51	624.9	75	633.1		
52	626.4	76	631.2		
53	628.5	77	633.6		
54	630.8	78	634.3		

Elevations are referenced to the following two benchmarks:

1. Square cut on storm sewer inlet approximately 250 feet North of Preston Trail Drive, on the east curbline of Campbell Road. Elevation 633.66
2. Standard City of Dallas Water Department Benchmark in the center of storm sewer inlet at the southeast corner of Campbell Road and Summerside Drive. Elevation 637.12

Unofficial

Exhibit C-1
Reserve and Replacement Fund Operating Policy

**RESOLUTION OF THE CAMBRIDGE PLACE AT PRESTON TRAIL
HOMEOWNERS ASSOCIATION, INC.**

**ADOPTION OF FUNDING RESOLUTIONS AND APPROVAL OF A
REPLACEMENT FUND OPERATING POLICY FOR MAJOR
REPAIRS AND REPLACEMENT OF CAPITAL ASSETS**

WHEREAS, Cambridge Place at Preston Trail Homeowners Association, Inc. (the Association") is a Texas Non-Profit Corporation, duly organized under the laws of the State of Texas; and

WHEREAS, in 2005, the Board of Directors of the Association ("the Board") commissioned the firm of Fisher-Smoucha Consulting to conduct a "Reserve Fund Study" ("the Study") to help the Board establish a long-range policy for setting aside restricted funds to meet expenditures for future major repairs and replacements of the Common Area Elements owned and maintained by the Association in Cambridge Place at Preston Trail subdivision in Dallas and Collin Counties, Texas; and

WHEREAS, the Board now desires to authorize, effective January 1, 2006, the transfer of the \$104,600 balance in Account Number 3550, called "Fund Balance Restricted-Repairs and Maintenance", to a new account called "Fund Balance-Replacement Fund"; and to transfer \$104,600 of assets designated for future major repairs to capital assets from the Operating Fund to the Replacement Fund; and

WHEREAS, Fisher-Smoucha Consulting recommended three (3) alternative funding Resolutions in its final report dated January 1, 2005, including Resolution Number 3, which utilizes the \$104,600 designated by the Association as of December 31, 2005, for future major repairs and replacements and assumes level annual contributions thereafter of \$23,000; and

WHEREAS, the goal of this funding strategy is to provide for all projected major repair and replacements of Common Area Elements without putting the Association's replacement fund in a deficit at any point over the twenty (20) years covered in the Fisher-Smoucha analysis period and to attain at December 31, 2024 and maintain thereafter the replacement fund balance at a 100% full funding level; and

WHEREAS, the Board now desires to adopt Resolution Number (3) of the Study and to promulgate and publish The Cambridge Place at Preston Trail Homeowners Association, Inc., Replacement Fund Operating Policy (the "Replacement Fund Operating Policy") as hereto approved by the Board;

NOW THEREFORE, BE IT RESOLVED that:


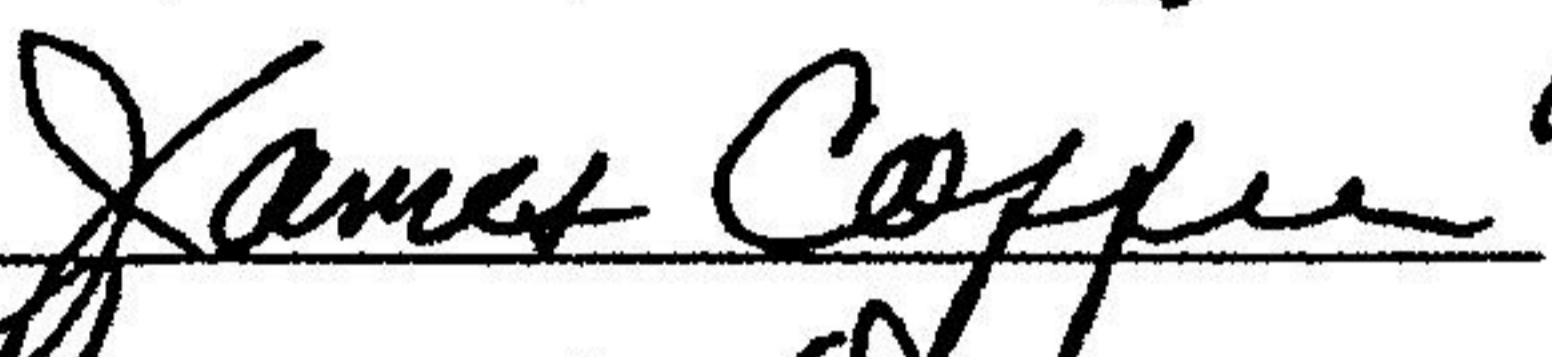

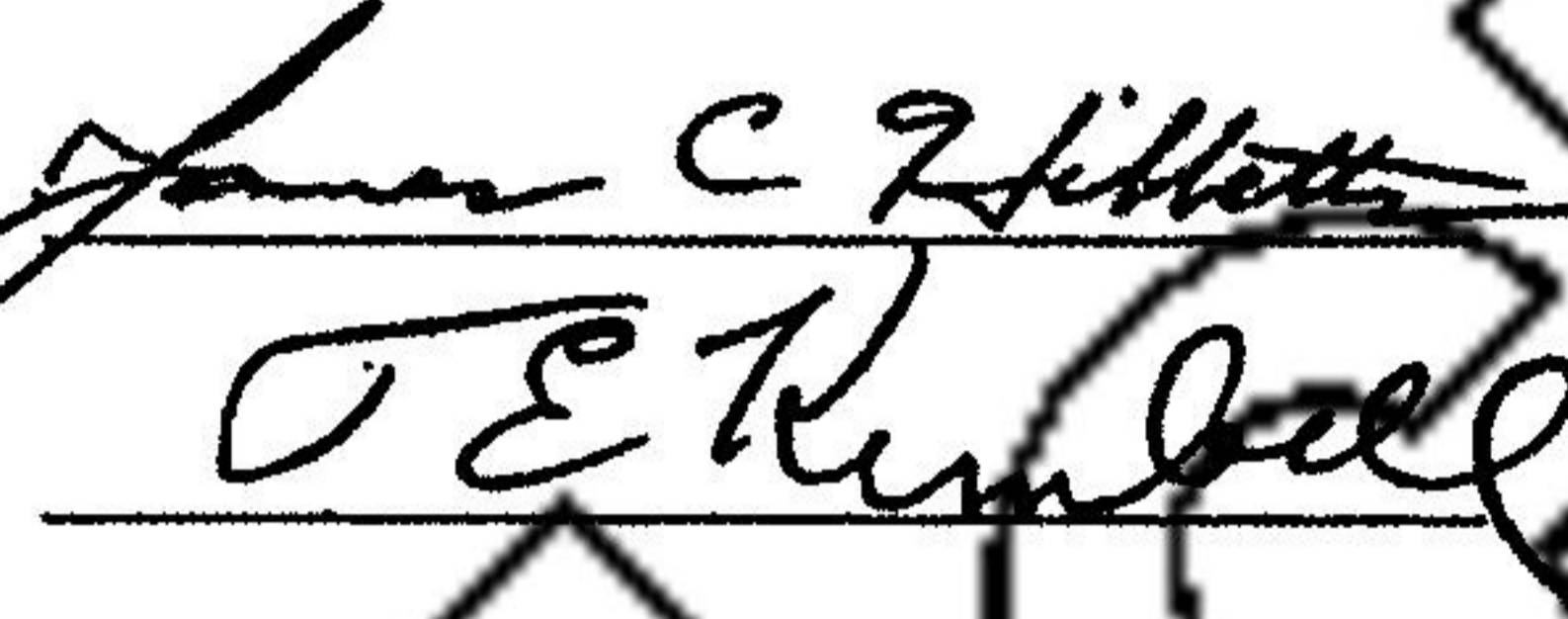
- (I) The \$104,600 balance in Account Number 3550, called "Fund Balance Restricted-Repairs and Maintenance", be and hereby is, effective January 1, 2006, transferred to a new fund account to be designated "Fund Balance - Replacement Fund"; and
- (II) The \$104,600 of assets designated for future major repairs to capital assets be and hereby is, effective January 1, 2006, transferred from the Operating Fund to the Replacement Fund; and

(III) Resolution Number Three (3) of the Study (a copy of which attached hereto and made part hereof as Exhibit A) be and hereby is in all things, approved, adopted and confirmed; and

(IV) The Replacement Fund Operating Policy (a copy of which is attached hereto and made a part hereof as Exhibit B) be and hereby is in all things, approved, adopted and confirmed and shall be filed in the Deed Records of Dallas and Collin Counties as part of this Resolution.

Signed this _____, 13th _____ day of December 2005

By the Board of Directors:


James C. Hillott

James Copper

Richard E. Damer

J. E. Kendall

UNOFFICIAL

Fisher-Smoucha Consulting

EXHIBIT A

Cambridge Place Homeowners Association
 Dallas Texas
 January 1, 2005

RESERVE FUNDING RESOLUTION NO.-3
 Calculates a Fully Funded (100%) Annual Contribution@

Year	Current Reserve Funds	Assumed Simple Interest	Indicated Net Annual Contribution	Accumulated Total Reserve	Less Expenditures	Remaining Balance
2005	80,000	2.0	23,000	104,600	7,900	96,700
2006	96,700	2.0	23,000	121,634	18,540	103,094
2007	103,094	2.0	23,000	128,136	8,057	120,099
2008	120,099	2.0	23,000	145,501	13,520	131,981
2009	131,981	2.0	23,000	157,620	17,481	140,139
2010	140,139	2.0	23,000	165,942	14,615	151,327
2011	151,327	2.0	23,000	177,354	3,076	174,278
2012	174,278	2.0	23,000	200,763	14,883	185,880
2013	185,880	2.0	23,000	212,598	2,027	210,571
2014	210,571	2.0	23,000	237,782	24,838	212,944
2015	212,944	2.0	23,000	240,203	21,178	219,025
2016	219,025	2.0	23,000	246,406	42,511	203,895
2017	203,895	2.0	23,000	230,973	3,843	227,130
2018	227,130	2.0	23,000	254,672	25,870	228,802
2019	228,802	2.0	23,000	256,378	3,960	172,418
2020	172,418	2.0	23,000	198,867	14,973	183,894
2021	183,894	2.0	23,000	210,572	32,968	177,604
2022	177,604	2.0	23,000	204,156	31,520	172,636
2023	177,636	2.0	23,000	199,088	45,394	153,694
2024	153,694	2.0	23,000	179,768	83,831	95,937

#-Projected January 1, 2005 Reserve Fund Balance

EXHIBIT B

Background

The Cambridge Place at Preston Trail Homeowners Association (the "Association") is responsible for the operation and maintenance of the common property within the development. The Association's common property includes streets, sidewalks, perimeter walls, entrance gates and mechanisms, gate house, greenbelt, street lighting and related capital assets.

The systematic accumulation of funds for future major repairs and replacements of common property is (a) a means of providing funds for major repairs and replacements when needed, (b) a method of charging current rather than future owners with the cost of the current use of assets, and (c) a means of preserving the market value of individual homes in the development.

Through 2005, the Association provided for future major repairs and replacements of common property by designating a portion of excess operating fund assessments as a replacement fund for future major repairs and replacements. At December 31, 2004, the Association had designated \$80,000 for future major repairs and replacements.

In 2005, the Association's Board of Directors engaged Fisher-Smoucha Consulting to conduct a "Reserve Fund Study." The purpose of the study is to help the Board of Directors establish a long-range policy for setting aside a restricted replacement fund to meet future expenditures for major replacements of the common area elements owned and maintained by the Association. The completed study included the following:

- Identification and analysis of each major element of common property
- Estimates of the normal and remaining useful lives of the components
- Estimates of the current replacement costs of the components
- A 20-year expenditure projection, assuming a 3% average annual inflation factor, based on historical data for construction costs in the Dallas area over the last 20 years
- Three alternative "Funding Resolutions" for consideration by the Board of Directors, representing replacement funding policies that will meet the projected future replacement expenditures without putting the Association's replacement fund in a deficit situation at any point over the 20-year analysis period. Each Funding Resolution assumes a 2% annual rate of return (after-tax) on the replacement fund and level annual contributions to the fund.

Adoption of Funding Plan

Effective January 1, 2006, The Board of Directors adopted Funding Resolution No.3 in the Reserve Fund Study. Funding Resolution No. 3 utilizes the \$104,600 designated by the Association as of January 1, 2006 for future major repairs and replacements and assumes level annual contributions of \$23,000. The goal of this funding strategy is to provide for all projected expenditures over the 20-year analysis period and to attain at December 31, 2024 and maintain thereafter the replacement fund balance at a 100% full funding level. For example, if the Association has a common area site component with a 10-year useful life and a \$10,000 current replacement cost, it should have \$3,000 set aside for its replacement after three years ($\$10,000 \div 10 \text{ years} = \$1,000 \text{ per year} \times 3 \text{ years} = \$3,000$). In this example, \$3,000 equals full funding.

Commencing in 2006, the Association's annual budget shall include amount sufficient to fund the replacement fund in accordance with Funding Resolution No. 3. The 2005 funding for the replacement fund shall be provided from existing excess operating fund assessments. To the extent practicable, the Association shall work to achieve a 100% full funding level prior to December 31, 2024. The Association may fund the replacement fund by the designation of current year member assessments or transfers from the undesignated operating fund. Cash or other investment accounts applicable to the replacement fund shall not be commingled with operating fund accounts.

Updating the Reserve Fund Study and Level Annual Contributions

The Association shall obtain an updated Reserve Fund Study every five years or earlier as considered necessary by the Board of Directors. In evaluating whether to update the Reserve Fund Study, consideration shall be given to the following questions:

- Has the Association added or replaced any significant common elements?
- Have the common elements sustained extreme wear and tear from unseasonable weather or lack of maintenance?
- Has local inflation for materials and labor substantially increased?
- Has the Association deferred or moved up replacements from the anticipated scheduled date of replacement?
- Did replacement fund income and expenses occur as planned?

The Board of Directors shall adjust the amounts of the level annual contributions to the replacement fund based on each updated Reserve Fund Study.

Replacement Fund

The Association shall use fund accounting, which requires that funds, such as operating funds and funds designated for future major repairs and replacements, be classified separately for accounting and reporting purposes. Disbursements from the replacement fund may be made only for designated purposes.

The replacement fund accounting activity shall include:

- The portion of members' annual assessments designated for future major repairs and replacements
- Interest earned on replacement fund investment accounts net of income taxes
- Expenditures for major repairs or replacements of the common area site improvements detailed in Exhibit C of the Reserve Fund Study, as periodically updated (see Replacement Fund Expenditures section below)
- Transfers between the operating and replacement funds authorized by the Board of Directors
- Investment of replacement fund balances

The Board of Directors is adopting a plan expected to provide funding for major repairs and replacements over the remaining useful lives of the components based on the Reserve Fund Study's estimates of future replacement costs and considering amounts previously accumulated in the replacement fund.

Funds are accumulated in the replacement fund based on estimated future costs for repairs and replacements of common property components. Actual expenditures and investment income may vary from the estimated amounts, and the variations may be material. Therefore, amounts accumulated in the replacement fund may not be adequate to meet all future needs for major repairs and replacements. If additional funds are needed, the Association has the right, subject to membership or Board of Directors approval, to increase regular assessments, pass special assessments, or delay major repairs and replacements until funds are available. If variations from estimated expenditures result in the accumulation of excess funds, the Board of Directors would consider a reduction in future contributions to the replacement fund.

Replacement Fund Expenditures

Expenditures for major repairs and replacements of common area site improvements detailed in Exhibit C of the Reserve Fund Study (as periodically updated) shall be expensed in the replacement fund. The cost of major repairs and replacements shall be accumulated in a project work order. When the project is completed, the Board of Directors shall determine, or reaffirm, that the project meets the criteria for expensing in the replacement fund.

The Association expenses major repairs and replacements to common real property in its financial statements because (a) the common real property is directly associated with the lots in the development or (b) the common real property is not used to generate significant cash flows and the Board of Directors cannot dispose of the property at its discretion.

Expenditures for routine maintenance and repairs, inspection and service fees, maintenance contracts and other items, which are not contemplated in Exhibit C of the Reserve Fund Study (as periodically updated), shall be charged against expense in the operating fund. Replacing minor parts, lubricating and adjusting equipment, repainting, and cleaning are examples of maintenance charges that occur regularly and are treated as ordinary operating fund expenses. These items are generally replaced in small, low-cost increments.

Unless specifically contemplated in Exhibit C of the Reserve Fund Study (as periodically updated), project expenditures aggregating \$3,000 or less shall be expensed in the operating fund. For project expenditures in excess of \$3,000 that are not contemplated in Exhibit C of the Reserve Fund Study (as periodically updated), the Board of Directors shall determine whether the expenditures are chargeable against expense in the operating fund or the replacement fund. In making such determination, the Board of Directors shall consider the extent that the expenditures extend the useful life of the asset and the frequency of the expenditures.

Investment Policy for Replacement Fund

The Association's replacement fund assets shall be invested with the objectives of (a) preserving the replacement fund's principal, (b) structuring maturities to satisfy expenditure requirements, (c) mitigating the effects of interest rate volatility upon replacement fund assets and (d) maximizing investment performance consistent with the other investment objectives.

Maturities of investment securities shall not exceed five years. The Association shall consider laddered investment techniques to extent practicable in relation to the timing of expected expenditures. Maturities may be matched to the dates of the expenditures using the most recent Reserve Fund Study.

Securities shall be selected with an emphasis on these characteristics: preservation of capital; quality; effective maturity; and net after-tax return. Investments may include money market funds of a bank or major brokerage firm; bank certificates of deposit; AAA-rated municipal or U.S. treasury securities. Beyond quality considerations, selection criteria shall emphasize securities' maturities before yields.

The Board of Directors shall review the performance of the investments in relation to the objectives of the replacement fund annually. Policy considerations concerning changes in investment strategy or security selection criteria shall require a meeting of the Board of Directors to obtain a consensus.

**ASSOCIATION RESOLUTION TO ESTABLISH A RESERVE FOR
REPLACEMENT AND MAJOR REPAIRS TO CAPITAL ASSETS**

**RESOLUTION OF THE CAMBRIDGE PLACE AT PRESTON TRAIL
HOMEOWNERS ASSOCIATION, INC.**

RE: RESERVE FOR REPLACEMENT AND MAJOR REPAIRS TO CAPITAL ASSETS

WHEREAS, Cambridge Place at Preston Trail Homeowners Association, Inc. is a Texas corporation duly organized and existing under the laws of the State of Texas;

and

WHEREAS, the Board of Directors desire a resolution to establish a reserve for replacement and major repairs to capital assets;

NOW, THEREFORE, the Board of Directors unanimously adopted the following resolution by and on behalf of the Cambridge Place at Preston Trail Homeowners Association, Inc.

RESOLVED, that the Reserve for Replacement and Major Repairs to Capital Assets be established in the books of the Association in accordance with the guidelines as given by Exhibit A (Operating Policy - Reserve for Replacement and Major Repairs to Capital Assets), attached.

This resolution is adopted and made a part of the minutes of the Board of Directors Meeting of February 6, 2002.

BY: John Hawkins 2/14/02
John Hawkins

BY: Mark E. Mitchell 2/15/02
Mark Mitchell

BY: Walter Laidlaw
Walter Laidlaw

Exhibit A

Operating Policy Reserve for Replacement and Major Repairs to Capital Assets

Establishment for the Initial Reserve

The Reserve will be established by reclassifying \$50,000 from EQUITY to RESERVE FOR THE REPLACEMENT AND MAJOR REPAIRS TO CAPITAL ASSETS and will be classified between EQUITY and LIABILITIES on the balance sheet of the Cambridge Place Owners Association. The cost of replacement and major repairs to the Capital assets (streets, sidewalks, perimeter walls, street lighting systems, entrance gates and mechanisms, gatehouse, irrigation systems and other capital assets) are to be charged to the Reserve.

A cash balance equal to the Reserve balance is to be identified in the accounts of the Association. The cash may be invested as authorized by the Board of Directors. The cash may be commingled with cash or investments of the Association as long as appropriate identification is maintained in the accounts of the Association. Any income earned by investment of the Reserve funds will not be added to the Reserve balance but will be credited to income of the Association.

Charges to the Reserve

The Board of Directors will determine whether the cost of replacement or repair is to be charged to current operating expense or whether the cost is to be offset by a reduction in the Reserve. The determination will be based on the frequency of occurrence (not expected to occur more frequently than 3 to 5 years) and the cost of the project (generally expected to cost in excess of \$10,000).

The cost of major repairs is to be accumulated in a project work order and charged to the operating budget. When the project is completed, the Board of Directors will determine, or reaffirm, that the project meets the criteria of a replacement of major repair. If so determined, the Reserve will be reduced by an amount equal to the cost of the project and credited to operating expense. A like amount segregated in the accounts as Reserve cash or investment will be reclassified to the general accounts of the Association.

Additions to the Reserve

Provisions for additions to the Reserve in the future are to be charged as an operating expense of the Association. The Board of Directors shall authorize additions in the annual budget. The amount of the additions is to be based on a periodic forecast/estimate of the likely future replacement and major repairs, and prior experience in comparison to the then existing Reserve balance. The object is to accumulate the Reserve over the years in which the facilities are used and depleted, thereby having each homeowner share the cost for each year the homeowner is a resident of Cambridge Place.

In the event the Reserve is deemed to be excessive based in the periodic forecast/estimate and prior experience, the Board of Directors may authorize a reduction in the Reserve and return of cash to the accounts of the Association equal to the reduction in the Reserve balance. It is anticipated that the Reserve balance would not be reduced below \$50,000.

Unofficial

Exhibit C-2
Enforcement Policy

Unofficial

**AMENDED AND RESTATED
RESOLUTION OF THE CAMBRIDGE PLACE AT PRESTON TRAIL
HOMEOWNERS ASSOCIATION, INC.**

ENFORCEMENT POLICY

WHEREAS, Cambridge Place at Preston Trail Homeowners Association, Inc. (the "Association") is a Texas Corporation, duly organized under the laws of the State of Texas; and

WHEREAS, all Members of the Association are subject to the Declaration of Covenants, Conditions for Cambridge Place at Preston Trail (the "Declaration"); and

WHEREAS, the Board of Directors (the "Board"), pursuant to the First Amendment of the Declaration of Covenants, Conditions and Restrictions for Cambridge Place at Preston Trail (the "First Amendment"), dated December 15, 2003, is authorized and empowered to promulgate a comprehensive Enforcement Policy (the "Policy") with respect to any future violations of the Declaration and the First Amendment (collectively, the "Cambridge Place Declaration"); and

NOW THEREFORE, BE IT RESOLVED that the following Policy shall become effective on the date of this Resolution:

Article 1 – Notices

A. When a violation of the Declaration is reported to the Community Manager at the Management Company, Management Company will notify the Board of the alleged violation. Should the Board deem it necessary to proceed with enforcement action it will notify Management Company to take the following steps as delineated below in Article 1, subparagraphs B, C, and D and Article 2 as required.

B. Upon notification from the Board to commence enforcement action, the Management Company will send a letter to the homeowner in question notifying them of the violation and requesting the homeowner's cooperation in promptly correcting the violation. The first notice letter will be in the nature of a reminder as to the requirements of the Cambridge Place Declaration, and will urge the homeowner to communicate with the Management Company immediately so that the matter can be remedied by mutual agreement.

C. If cooperation is not forthcoming in a reasonable time and should the Board, in its discretion, deem it necessary to continue pursuing the matter, then Management Company will send a second notice letter which will set an appropriate time, to be based on the nature of the violation and the time needed to correct it, within which the homeowner must correct the violation. The homeowner will again be urged to communicate immediately with the Management Company in order that the matter can be remedied by mutual agreement so that further enforcement action will not be necessary.

D. If the violation has not been corrected within the time limit set out in the Second Notice Letter, and the Board deems it necessary, a third letter notice will be sent to the homeowner by certified mail, return receipt requested, and first class U.S. mail setting a deadline for compliance within 13 days of the date of the letter.

Article 2 – Due Process Proceedings under Chapter 209 of the Texas Property Code

If the violation of the Cambridge Place Declaration has not been resolved after communication between the homeowner in violation and SBB, with the Board's approval, and following the various notices described in Article 1, above, then a series of steps may occur:

A. The third notice letter, as described in Article 1(D) above will describe the violation that is the basis of the enforcement action and advise the homeowner of his or her right to request a hearing before the Board. The letter shall also advise the homeowner that if the violation continues to exist after a date certain, any attorney's fees and costs incurred by the Association in enforcing the Cambridge Place Declaration shall be charged to the homeowner's account. The purpose of the hearing will be to permit the homeowner to show cause why the Board should not find the homeowner in violation of the Cambridge Place Declaration. The homeowner will have 30 days after receipt of the third notice letter to request such a hearing. A homeowner must submit a written request for hearing to SBB within such 30 day period.

B. If no hearing is requested by the homeowner, then the Board, at the expiration of the 30-day period, may take action as described in subparagraph C, below. If a hearing is requested, then the Board will set a date and place for the hearing within 30 days. The Board will give the homeowner at least 10 days written notice of the date and place of the hearing, and issue its decision on the dispute within 5 days after the hearing. If the Board's decision is in favor of the homeowner, then there is no violation of the Cambridge Place Declaration and the matter is closed. If the Board rejects the position of the homeowner, the violation is upheld, and the Board may then take action as described in subparagraph C below.

C. If the homeowner does not request a show-cause hearing within the 30 day period, or, having requested a hearing, fails to show cause why he or she is not in violation of the Cambridge Place Declaration, the Board may then take action to enforce compliance with the Cambridge Place Declaration. These actions may include, but are not limited to:

- a. The imposition of fines will be done according to the following schedule:
 - (i) \$50.00 for the first month of noncompliance; (ii) \$100 for the second month of noncompliance; and (iii) \$200 for the third and each subsequent month of noncompliance. The maximum aggregate amount of fines that can be imposed for the same continuing violation is \$1,000.00
- b. The suspension of use of the common areas.
- c. The institution of litigation to obtain the homeowners compliance with the Cambridge Place Declaration.
- d. The charging to the homeowner's account of attorneys' fees incurred by the association to correct the violation.

- e. Correcting the violation in accordance with the Cambridge Place Declaration, Paragraph 3.28(b), and charging the cost of the remedial work to the homeowner's account as a Special Assessment as specified in Section 7.5(b) of the Cambridge Place Declaration.

Article 3 – Miscellaneous

In the event of a conflict between the Policy and the Declaration, then the terms of the Declaration shall control. The failure by the Association or any homeowner to enforce any covenant or restriction contained in the Declaration shall in no event be deemed a waiver of the right to do so thereafter. Depending on the nature of the violation, the Board shall have the option to proceed directly to the notice letter described in Article 1 (D) above. Notwithstanding any provision contained herein to the contrary, and as provided in Section 209.006 (b) (2) (A) of the Texas Property Code, a homeowner does not have the right to request a hearing or an opportunity to cure the violation prior to the sanctions being imposed, if the homeowner was given notice and a reasonable opportunity to cure a similar violation within the preceding 6 months. In addition, the notice and hearing provisions contained herein, and in Section 209.006 and Section 209.007 of the Texas Property Code, do not apply if the Association files suit seeking a temporary restraining order or temporary injunctive relief or files a suit that includes foreclosure as a cause of action.

This Amended and Restated Resolution of the Cambridge Place at Preston Trail Homeowners Association, Inc. - Enforcement Policy shall supersede and render void that certain Resolution of the Cambridge Place at Preston Trail Homeowners Association, Inc. Enforcement Policy recorded in 2004 in the Official Public Records of Collin and Dallas Counties.

Approved by the Board of Directors on June 8, 2011.

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Exhibit C-3
Member Suggestions, Complaints and Comments
Procedure Policy

**CAMBRIDGE PLACE AT PRESTON TRAIL
HOMEOWNERS ASSOCIATION**

**MEMBER SUGGESTIONS, COMPLAINTS AND COMMENTS
PROCEDURE POLICY**

1. **Written Notice Acceptable.** The Association's goal is to foster a neighborhood community in which Members work together to respect each other and maintain the Common Property and the Members' residences to the high standards established for the Community. To assist in that endeavor, clear and concise communication is needed between the Members, the Board, and the Management Company. Therefore, to avoid miscommunication and to document activities, Member suggestions, complaints and comments regarding matters (the "Requested Action") shall be submitted in writing by email, hand delivery, mail or delivery service, indicating the Member's name and address, and forwarded to the Management Company and the appropriate Committee Chairman, with a copy to the Board.

2. **Review and Response.** The applicable Committee and/or the Management Company, as applicable, shall first review and investigate the Requested Action and report to the Board the results of the review and their recommended action to be taken, including if applicable, an estimated costs to be incurred concerning the Requested Action. The Board shall have final authority to determine the action to be taken concerning the Requested Action and shall advise the Member or advise the Committee or Management Company to respond to the Member.

3. **Procedure Regarding Employees.** Complaints concerning employees of the gatehouse or landscape service shall be made only to the Management Company and the appropriate Committee with a copy to the Board. The Management Company and/or applicable Committee shall investigate the complaint and recommend the action to be taken by the Board. Complaints against the Management Company shall be made directly to the Board who shall investigate and take any action determined by the Board, if any. The Board will attempt to resolve the complaint with the Management Company and report to the complainant the action taken, if any.

Exhibit C-4
Record Retention and Production Policy

Unofficial

**CAMBRIDGE PLACE AT PRESTON TRAIL
HOMEOWNERS ASSOCIATION**

RECORDS RETENTION AND PRODUCTION POLICY

The following policy is promulgated pursuant to and in accordance with Texas State Law, Article VI, Section 6.01 of the By-laws and Article IV, Section 4.3(a) of the Declaration of Covenants, Conditions and Restrictions for Cambridge Place at Preston Trail Homeowners Association (Association).

Purpose:

To establish a uniform and consistent policy to retain and produce records as detailed below.

Retention of Records:

The Association will maintain records in the following categories for the duration stated for each category:

<u>Category</u>	<u>Retention Period</u>
Account Records of Current Owners	Five (5) Years
Contracts for Terms of at Least One (1) Year	Four (4) Years after Expiration of Contract
Minutes of Owner Meetings / Board Meetings	Seven (7) Years
Tax Returns and Audits	Seven (7) Years
Financial Books and Records	Seven (7) Years
Governing Documents	Permanently

Production of Records:

- 1) Owners may have access to Association records, upon submission of a written request to the Association or its representative by certified mail to the mailing address of the Association or authorized representative as listed in the current management certificate.
- 2) The written request must identify the records requested and indicate whether the owner wants to inspect the records or have the Association forward copies.
- 3) The Association will respond to the written request within ten (10) business days from receipt of the request to, as appropriate:
 - i. provide written notice of dates on which records may be inspected, or
 - ii. provide the requested copies, or
 - iii. provide the owner written notice that it is unable to produce the records within the ten (10) day period and provide a date, within fifteen (15) business days

from the date of the Association's response, by which the records will be sent or made available to the owner for inspection

- Owners are responsible for the costs of producing and copying Association records in accordance with the cost schedule below. The Association will estimate the costs for producing records.
- Payment must be made in advance.

Cost Schedule

- 1) Standard Paper Copy (either 8.5" x 11" or 8.5" x 14") - ten cents (\$.10) per page
- 2) Oversized Paper Copy (up to 11" x 17) - fifty cents (\$.50) per page
- 3) Rewritable CD or Non-rewritable CD - one dollar each (\$1.00)
- 4) Programmer- twenty-eight dollars and fifty cents (\$28.50) per hour
- 5) Labor- fifteen dollars (\$15.00) per hour
- 6) Overhead – 20% of the labor and/or programmer charge

Labor charge will be applied whenever it is necessary to locate, compile, manipulate data and/or reproduce the requested information if the request exceeds fifty (50) pages. The Labor charge will apply regardless of the number of pages if the documents requested are in a remote storage facility.

A programmer charge will be applied if a particular request requires the service of a programmer to execute an existing program so that the requested information may be accessed and copied.

Records Which Will Not Be Produced:

The Association will keep certain records confidential and decline to make them available. These specifically include:

- 1) violation histories of owners
- 2) owners' personal financial information
- 3) owners' contact information other than address
- 4) association personnel files

Exhibit C-5
Payment Plan, Assessment Collections and Application of
Payments Policy

Unofficial

**CAMBRIDGE PLACE AT PRESTON TRAIL
HOMEOWNERS ASSOCIATION**

**PAYMENT PLAN, ASSESSMENT COLLECTION AND
APPLICATION OF PAYMENTS POLICY**

The following policy is promulgated pursuant to and in accordance with Texas State Law and the Declaration of Covenants, Conditions and Restrictions for Cambridge Place at Preston Trail (DCCR).

Purpose:

The purpose of this policy is to provide a uniform and consistent way to manage homeowner requests for payment plans to address their delinquent assessments and fees due to the Association (hereafter referred to as "delinquent amounts").

It is the intention of the Board of Directors to work with homeowners to satisfy their obligation to the Association to pay in full any and all delinquent amounts. To do so, the Board of Directors has established this policy.

Payment Plans:

1. Any homeowner may, subject to the conditions set forth below, request the Association's approval of a payment plan to repay delinquent amounts; any such request must be in writing and submitted to the Association's management company.
2. Unless the homeowner expressly elects a payment plan term shorter than three (3) months, a payment plan will have a term of no less than three (3) months or more than eighteen (18) months, as determined by the Board of Directors in its sole discretion.
3. Current assessments that become due and payable by the homeowner during the term of the payment plan must be paid in a timely manner, in addition to making payments required pursuant to the payment plan, or provision for their payment must be addressed in the payment plan.
4. The Association may charge a fee to negotiate, establish and initiate any payment plan, together with a monthly fee to administer the payment plan for its duration; such fees shall be included in the payment plan unless the Board determines otherwise.
5. Every payment plan must provide for payment of the total debt owed to the Association, including, without limitation, late fees, interest, fines and other collection costs.
6. A homeowner will not be eligible for a payment plan within the two (2) year period following any default under a prior payment plan.
7. Interest on any unpaid delinquent amounts will continue to accrue during the term of the payment plan in accordance with Section 7.8 (c) of the DCCR's and remain the obligation of the homeowner.
8. Each payment plan will contain a detailed payment schedule setting forth the date that each payment is due and the amount of each payment to be made, provided that a payment plan may include, without such specificity, a final payment to include interest

- accrued on unpaid delinquent amounts under paragraph 7 above and any fees assessed under paragraph 4 above.
9. Any payment plan approved after a homeowner's account has been turned over to the Association's attorney for collection must be paid in certified funds.
 10. Any payment plan approved after notice has been given to the homeowner that the property is in foreclosure must, in order to forestall foreclosure, set forth a) the minimum amount, established by the Board of Directors, to be paid by the homeowner and b) the date by which such initial payment must be received, and such amount must in fact be received by the Association in a timely manner; otherwise the foreclosure shall proceed.

Settlements:

The Board of Directors will consider offers to settle an account once the homeowner is at the foreclosure stage but is not obligated to accept such an offer if it deems acceptance to not be in the best interest of the Association. Settlements must be paid in certified funds and are subject to the deadlines established by the Association's attorney.

Default:

The Board of Directors has established the following criteria for determining what constitutes "default" on a payment plan.

"Default" on a payment plan may include one or both of the following:

1. Failure of a homeowner to make a timely payment in full of any amount due in accordance with an approved payment plan.
2. Failure of a homeowner, who is a party to a payment plan, to make a timely payment in full of any additional assessments not included in the payment plan that come due during the term of the payment plan.

Should the homeowner default on a payment plan:

1. The Board of Directors, at their sole discretion, shall have the right a) to demand the immediate payment in full of all delinquent and unpaid amounts addressed in the payment plan, including any interest accrued and unpaid thereon from the date the plan was approved and b) with respect to a failure to make a timely payment in full of any additional assessments not included in the payment plan, to exercise any and all rights available to it at law and under the DCCR.
2. The Board of Directors, at their sole discretion, shall have the right to insist that any such payment be in certified funds.
3. The Board of Directors, at their sole discretion, shall have the right to proceed with appropriate collection measures in accordance with the Association's Collection Policy in order to secure payment of amounts due to the Association.

Assessment Collection:

Assessments are collected on an annual basis. Each annual assessment is due and payable on or before January 31st of the calendar year in which they are due.

Annual statements will be mailed approximately forty-five (45) days before the due date. Any annual assessment not received by the due date will be considered delinquent and interest of 18% per annum, or the maximum allowed by law, in accordance with Section 7.8(c) of the DCCR's, will be assessed to the account for that month and each month thereafter, until the balance is paid.

When an account becomes more than sixty (60) days delinquent, the Association will mail a Demand Letter. A \$10.00 fee for this letter will be charged to the delinquent account.

When an account becomes more than ninety (90) days delinquent, a Demand Letter will be sent by the Association's Attorney. All costs incurred will be assessed to the account.

If there is no response to the Attorney Demand Letter within thirty (30) days, the Attorney will be instructed to record a Notice of Lien against the property. All costs incurred will be assessed to the account.

Any account reaching 120 days delinquent will be reviewed by the Association Board of Directors and at their direction may be posted for foreclosure as allowed by the DCCR's and the laws of the State of Texas.

Priority of Payments:

Except as otherwise provided for and authorized by law, any partial payments received from a homeowner shall be applied in accordance with state statute, i.e., in the following order:

1. Delinquent assessments;
2. Current assessments;
3. Attorney's fees and collection costs associated solely with delinquent assessments, and any other charge that could provide the basis for foreclosure;
4. Other attorney's fees not associated with the collection of assessments;
5. Fines, and
6. Other amounts owed the Association which are unsecured.

However, where provided for and allowed by applicable law, the Association will apply partial payments from that owner in the order determined by the Assessment Collection and Payments Application policy previously filed by the Association on March 28, 2005 in Collin County and on March 29, 2005 in Dallas County.

Exhibit D
Architectural Control Guidelines

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Architectural Control Guidelines

of

**Cambridge Place at Preston Trail
Homeowners Association**

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Cambridge Place at Preston Trail Homeowners Association

Architectural Control Guidelines

The following architectural, landscape, hardscape and construction guidelines (the “**Architectural Control Guidelines**”) are promulgated by the Board of Directors (the “**Board**”) of Cambridge Place at Preston Trail Homeowners Association (the “**Association**”) pursuant to and in accordance with the Laws of the State of Texas and the provisions of the Amended and Restated Covenants, Conditions and Restrictions for Cambridge Place at Preston Trail (the “**Declaration**”), as applicable and as may be amended from time to time by the Board, and should be read as part of the Declaration. These Architectural Control Guidelines are intended to establish a uniform and consistent policy to maintain the overall quality, general architectural, landscape and hardscape style and design of Cambridge Place at Preston Trails (the “**Community**”). The Architectural Control Guidelines are enforced by the Board through the Architectural Control Committee (“**ACC**”) pursuant to the terms recited herein and in the Declaration.

Review and Approval Process

Each homeowner in the Community is individually responsible to review and have knowledge of the requirements and obligations in the Declaration and these Architectural Control Guidelines and to abide by the terms, restrictions and approval process recited herein. The Architectural Control Guidelines are divided into the following sections:

- Landscape, Lighting and Retaining Walls/Edging
- Masonry
- Roofing Materials
- Other External Materials Allowed in Certain Areas
- Windows and Skylights
- Exterior Colors
- Front Walks and Drives
- Fencing
- Mailboxes
- Religious Displays on Entry Doors and Door Frames
- Installation and Display of Flags and Flagpoles
- Rain Barrels/Collection Devices
- Solar Energy Panels and Certain Roofing Materials

All architectural, structural, landscape and hardscape changes require the submission of an architectural change approval form (the “Architecture/Landscape Approval Form”) to the ACC and the ACC’s approval (and the Board’s approval, if required as provided herein) in writing prior to the beginning of any work except for the (i) specific Landscape Replacement Items, as defined below in the “Landscape Section” and (ii) routine repairs to existing residences which repairs are made with the same type and color of materials, for example, replacement of glass for existing windows or replacement of gutters. The