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Denton County
Juli Luke
County Clerk
Denton, TX 76202

Instrument Number: 2015-5810

As

Recorded On: January 20, 2015 **Declaration**

Parties: COUNTRY LAKES WEST LLC **Billable Pages: 78**

To **Number of Pages: 78**

Comment:

(Parties listed above are for Clerks reference only)

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Declaration	334.00
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THE STATE OF TEXAS }
COUNTY OF DENTON }

I hereby certify that this instrument was FILED in the File Number sequence on the date/time printed heron, and was duly RECORDED in the Official Records of Denton County, Texas.

Juli Luke

County Clerk
Denton County, Texas

DECLARATION OF COVENANTS, CONDITIONS & RESTRICTIONS

FOR

CARNEGIE RIDGE ADDITION

DECLARATION OF COVENANTS, CONDITIONS & RESTRICTIONS

FOR

CARNEGIE RIDGE ADDITION

STATE OF TEXAS §
§
COUNTY OF DENTON §

THIS DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS (the "Declaration") is made by COUNTRY LAKES WEST, LLC, a Texas limited liability company (the "Declarant").

WITNESSETH:

WHEREAS, Declarant is the developer and sole owner of all that real property located in the City of Denton ("City"), Denton County ("County"), Texas, as more particularly described on **Exhibit A** attached hereto. Said real property is herein called "Carnegie Ridge" and is herein also referred to from time to time as the "Addition" or the "Subdivision" or the "Property;"

WHEREAS, the Property shall consist of (i) all residential Lots (hereinafter defined) located in the Addition, and (ii) all Common Areas (hereinafter defined) located within the Addition;

WHEREAS, Declarant desires and proposes to establish and implement plans and aesthetic considerations in order to create a residential community on the Property and, to this end, desires to subject the Property to the covenants, conditions, restrictions and easements hereinafter set forth;

WHEREAS, Declarant desires to impose said covenants, conditions and restrictions on the Property and yet maintain reasonable flexibility to respond to changing and unforeseen circumstances as to control and maintain the quality and distinction of the Property;

WHEREAS, Declarant has deemed it desirable to create a homeowners' association to own and/or maintain the Common Areas (hereinafter defined) and to which would be delegated and assigned the powers of administering and enforcing the covenants, conditions and restrictions contained herein and collecting and disbursing the assessments and charges hereinafter created; and

WHEREAS, Declarant has caused or will cause such homeowners association to be incorporated under the Texas Business Organizations Code, under the name "Carnegie Ridge Homeowners Association, Inc." (the "Association").

NOW, THEREFORE, Declarant declares that the Property is and shall be held, transferred, sold, conveyed and occupied subject to this Declaration as follows AND IT IS SPECIFICALLY UNDERSTOOD AND AGREED THAT ALL LOTS SITUATED WITHIN THE PROPERTY SHALL BE SUBJECT TO THIS DECLARATION AND ALL OWNERS OF LOTS SHALL BE SUBJECT TO THE COVENANTS, CONDITIONS AND RESTRICTIONS SET FORTH HEREIN, AND THE ASSOCIATION FORMED PURSUANT HERETO SHALL BE MANDATORY FOR ALL OWNERS OF ALL LOTS AND ALL OF SUCH OWNERS MUST BE A PART OF THE ASSOCIATION.

Declarant has established this Declaration to provide a governance structure and a system of standards and procedures for the overall development, administration, maintenance and preservation of the Property.

ARTICLE i
CREATION OF THE COMMUNITY

1.1. Purpose and Intent.

Declarant, as the owner of the real property described in **Exhibit A**, intends by recording this Declaration to create a general plan of development for the Property. This Declaration provides a reasonable procedure for the future expansion of the subdivision to include additional real property as Declarant deems appropriate and provides for the overall development, administration, maintenance and preservation of the Property. An integral part of the development plan is the creation of the nonprofit corporation to be known as Carnegie Ridge Homeowners Association, Inc., an association comprised of all owners of real property in the Addition to own, operate and/or maintain various Common Areas and community improvements and to administer and enforce this Declaration and the other Governing Documents referred to in this Declaration.

This document does not and is not intended to create a condominium within the meaning of the Texas Uniform Condominium Act, Tex. Prop. Code Ann., Section 82.001, *et seq.*

1.2. Binding Effect and Term.

All property described in **Exhibit A**, and any additional property which is annexed into the Subdivision in the future by recording one or more Supplemental Declarations, shall be owned, conveyed, used, and otherwise encumbered subject to all of the provisions of this Declaration, which shall run with the title to such property. This Declaration shall be binding upon all persons having any right, title or interest in any portion of the Property, their heirs, successors, successors-in-title and assigns.

This Declaration shall be enforceable by Declarant, the Association, any Owner under the provisions herein and their respective legal representatives, heirs, successors and assigns for a term of 20 years from the date the Declaration is recorded. After such 20-year period, this Declaration shall extend automatically for successive 10-year periods unless a majority of the then Owners sign and record, within the year preceding any extension, an instrument which terminates this Declaration.

Nothing in this Section shall be construed to permit termination of any easement created in this Declaration without the consent of the holder of such easement. If any provision of this Declaration is determined by judgment or court order to be invalid, or invalid as applied in a particular instance, such determination shall not affect the validity of other provisions or applications.

1.3. Governing Documents.

The Governing Documents may be supplemented by additional covenants, restrictions and easements applicable to particular Phases within the Subdivision. Nothing in this Section shall preclude the recording of a Supplemental Declaration or other instrument applicable to any portion of the Subdivision (with the consent of the Owner of such property) which contains additional restrictions or more restrictive provisions; provided, any such Supplemental Declaration is subject to Article 11 unless otherwise permitted by Article 12. The Association may, but shall not be required to, enforce any such covenants, restrictions or other instruments, which are otherwise enforceable.

The Governing Documents shall apply to Owners as well as occupants of Lots and their respective tenants, guests and invitees. Any lease of a Lot shall provide that the lessee and all occupants of the leased Lot shall be bound by the terms of the Governing Documents.

In the event of a conflict between Texas law, the Certificate of Formation of the Association, this Declaration and the By-Laws of the Association, the provisions of Texas law, this Declaration, the Articles and the By-Laws (in that order) shall prevail. In the event of a conflict between or any of the Governing Documents and any additional covenants or restrictions, and/or the provisions of any other rules or policies governing any Phase, the Governing Documents shall control.

ARTICLE 1
DEFINITIONS

DEFINITIONS. The following words and phrases, whether or not capitalized (unless the context clearly indicates otherwise), have specified meanings when used in the Governing Documents, unless a different meaning is apparent from the context in which the word or phrase is used.

1.1 "ACC" means the Architectural Control Committee of the Association.

1.2 "Assessment" means any charge levied against a lot or owner by the Association, pursuant to the Governing Documents or State law.

1.3 "Association" means the association of owners of all lots in the Property, initially organized as Carnegie Ridge Homeowners Association, Inc., a Texas nonprofit corporation.

1.4 "Board" means the Board of Directors of the Association.

1.5 "Builder" means any homebuilder constructing the initial Residence upon a Lot in the normal course of conducting its business for profit.

1.6 "City" means the City of Denton, Texas, in which the Property is located.

1.7 "County" means Denton County, Texas, in which the Property is located.

1.8 "Declarant" means COUNTRY LAKES WEST, LLC, a Texas limited liability company, the developer of the Property, and/or the successors and assigns of Declarant, which acquire any portion of the Property for the purpose of development and which are designated a Successor Declarant by Declarant or by any such successor or assign, in a recorded document.

1.9 "Declarant Control Period" means that period of time, beginning the date this Declaration is recorded, and expiring on the date Declarant no longer owns a Lot in the Subdivision.

1.10 "Declaration" means this document, as it may be amended from time to time.

1.11 "Design Guidelines" shall mean and refer to those particular standards, restrictions, guidelines, recommendations and specifications applicable to all aspects of construction, placement, location, alteration, maintenance and design of any improvements within the Property, and all amendments, modification, supplements and interpretations thereof.

1.12 "Development Period" means the 20-year period beginning the date this Declaration is recorded, during which the Property is being developed, constructed or marketed. The Development Period terminates automatically when a dwelling is constructed on every lot in the Property. Declarant may terminate the Development Period at any time by recording a notice of termination.

1.13 "Governing Documents" means, singularly and collectively as the case may be, this Declaration and any applicable Supplemental Declaration, the Plat, the Association's Bylaws, the Association's Certificate of Formation, and the rules of the Association, as any of these may be amended from time to time. Any appendix, exhibit, schedule or certification accompanying a Government Document is part of that Governing Document.

1.14 "Lot" means a portion of the Property intended for independent ownership on which there is or will be constructed a dwelling, as shown on the Plat. Where the context indicates or requires, "Lot" includes all improvements thereon and any portion of a right-of-way that customarily is used exclusively by and in connection with the lot. "Lot" shall mean and refer to any one (1) of the enumerated plots or tracts of land shown upon the Preliminary Plat attached hereto as **Exhibit E**,

and "Lots" shall mean and refer to more than one (1) of same, and shall include all platted developed Lots as well as all platted undeveloped Lots.

1.15 "Majority" means more than half.

1.16 "Managing Agent" means any person or entity who has been engaged and designated by the Board to manage the daily affairs and operations of the Association.

1.17 "Member" means a member of the Association.

1.18 "Owner" means a holder of a recorded fee simple title to a Lot. Declarant is the initial owner of all Lots. Contract sellers and mortgagees who acquire title to a lot through a deed in lieu of foreclosure or through judicial or nonjudicial foreclosure are owners. Persons or entities having ownership interests merely as security for the performance of an obligation are not owners.

1.19 "Phase" means a particular phase developed upon the Property. Declarant may impose additional or different restrictions on each Phase. If Declarant annexes additional property into the Property as provided in Section 12.3, it may designate the area annexed as a particular Phase, and may impose, as provided in Section 12.3, additional or different restrictions on such area.

1.20 "Plat" means all plats, singularly and collectively, recorded in the Real Property Records of Denton County, Texas, and pertaining to the Subdivision, including (i) the preliminary Plat, and thereafter the Final Plat, for any Phase of the Property submitted to and approved by the City, or any other applicable governmental entity; (ii) after recordation thereof, the Final Plat for any Phase of the Property as recorded in the Records of Denton County, Texas; (iii) any replat of, or amendment to, the foregoing made by Declarant in accordance with this Declaration; and (iv) any final recorded Plat of any additional property annexed into the Property pursuant to Section 12.3. Any of the specified definitions of Plat include, without limitation, any and all dedications, limitations, restrictions, easements and reservations shown on the Plat, as it may be amended from time to time.

1.21 "Property" means all the land now or in the future which is made subject to this Declaration and all improvements, easements, rights and appurtenances to such land. A legal description of the Property is attached hereto as **Exhibit A**. Currently, the Property includes every residential lot thereon and it is anticipated that additional land may be added to the Property in the future pursuant to the terms of this Declaration.

1.22 "Residence" or "Residential Dwelling" or “Dwelling” means a single family detached residence constructed upon a Lot.

1.23 "Resident" means an occupant of a dwelling, regardless of whether the person owns the lot.

1.24 "Rules" means rules and regulations adopted by the board in accordance with the Governing Documents.

1.25 "Street" means any paved road that is typically within a fifty-foot (50') right-of-way and serves the front or side of a Lot upon which a Residence is constructed.

1.26 "Structure" means any structure (other than a Residence), fence, driveway, sidewalk, irrigation system, wall, tennis court, swimming pool, outbuilding, playground equipment or other improvement of any kind or type.

ARTICLE 2
PROPERTY SUBJECT TO DOCUMENTS

2.1 PROPERTY. The real property described in **Exhibit A** is held, transferred, sold, conveyed, leased, occupied, used, insured and encumbered subject to the terms, covenants, conditions, restrictions, liens and easements of this Declaration, including Declarant's representations and reservations as set forth herein, which run with the Property and bind all parties having or acquiring any right, title or interest in the Property, their heirs, successors and assigns and to the benefit of each owner of the Property.

2.2 ADDITIONAL PROPERTY. Additional real property may be annexed to the Property and subjected to this Declaration and the jurisdiction of the Association by the Declarant as permitted herein. Annexation of additional property is accomplished by recording a declaration of annexation, including an amendment to **Exhibit A**, in the Denton County real property records.

2.3 PLAT DEDICATIONS, EASEMENTS AND RESTRICTIONS. In addition to the easements and restrictions contained in this Declaration, the Property is subject to the dedications, limitations, easements, restrictions, maintenance agreements and reservations shown or cited on the Plat, which is incorporated herein by reference. Each owner, by accepting an interest in or title to a Lot, whether or not it is so expressed in the instrument of conveyance, covenants and agrees to be bound by the Plat, and further agrees to maintain any easement that crosses his Lot and for which the Association does not have express responsibility.

2.4 COMMON AREAS. The Common Area of the Property consists of the following components on or adjacent to the Property, even if located on a lot or a public right-of-way:

2.4.1 All of the Property, save and except the platted residential Lots and any portion of the Property which is not yet platted but which Declarant intends to plat into Lots in the future, and including all the platted non-residential tracts save and except public improvements conveyed to the City, including but not limited to streets and utilities, and including a swimming pool with related amenities, and one tract of open space consisting of approximately 1.4 acres of land;

2.4.2 The formal entrances to the Property, including (if any) the signage, landscaping, electrical and water installations, planter boxes and fencing;

2.4.3 Any modification, replacement or addition to any of the above-described areas and improvements; and

2.4.4 Personal property owned by the Association, such as any books and records, office equipment, and pool supplies and furniture (if any).

ARTICLE 3
PROPERTY EASEMENTS AND RIGHTS

3.1 GENERAL. In addition to the other easements and rights established by the Governing Documents, the Property is subject to the easements and rights contained in this Article.

3.2 EASEMENT FOR ENTRY FEATURE AND SCREENING WALL. The Association is hereby granted a perpetual easement (the "Maintenance Easement") over each Lot that abuts or contains a portion of the Property's formal entrances or the Property's screening wall, fence or berm, for the purposes stated in this Section, regardless of whether or how the Plat shows the easement, entry features or screening wall, fence or berm.

3.2.1 Purpose of Easement. The purpose of the Maintenance Easement is to provide for the existence, repair, improvement and replacement of the Property's formal entrances and screening wall, fence or berm to be maintained by the Association as a Common Area. In exercising this Maintenance Easement, the Association may construct, maintain, improve and replace improvements reasonably related to the screening or entrance of a residential subdivision, including: access gates, screening walls, fences and/or berms; planter beds, landscaping and plant material; electrical and water meters and equipment, including light fixtures and sprinkler systems; and signage relating to the Property.

3.3 MONUMENT EASEMENT AND STREETLIGHT EASEMENT. The Association is granted a perpetual easement (the "Monument Easement" or "Streetlight Easement," as the context requires) over each Lot that contains a standard street name monument ("Monument Lot") and/or a standard streetlight ("Streetlight Lot") for the purpose of repairing, removing and replacing the monument and/or streetlight as deemed necessary by the Association. In addition to the easement granted herein, the Association has the temporary right, from time to time, to use as much of the surface of the Monument Lot and/or Streetlight Lot as may be reasonably necessary for the Association to perform its contemplated work on the Monument Easement and/or Streetlight Easement. The owner of a Monument Lot and/or Streetlight Lot may not remove, deface, cover or screen the monument or streetlight or otherwise interfere with the intended use and purpose of the monument and/or streetlight.

3.4 OWNER'S MAINTENANCE EASEMENT. Every Owner is granted an access easement over adjoining Lots and Common Areas for the maintenance or reconstruction of his dwelling and other improvements on his lot, provided exercise of the easement does not damage or materially interfere with the use of the adjoining lot or common area. Requests for entry to an adjoining Lot or Common Area must be made to the owner of the adjoining lot, or the Association in the case of the Common Areas, in advance for a time reasonably convenient for the adjoining Owner, who may not unreasonably withhold consent. If an Owner damages an adjoining Lot or Common Area in exercising this easement, the Owner is obligated to restore the damaged property to its original condition, at his expense, within a reasonable period of time.

3.5 OWNER'S INGRESS/EGRESS EASEMENT. Every Owner is granted a perpetual easement over the Property's streets as may be reasonably required for vehicular ingress to and egress from his Lot.

3.6 ASSOCIATION'S ACCESS . Each Owner grants to the Association, the Board and the Declarant the right to access, repair and maintain all facilities and improvements within any wall, entry, fence, landscape or other similar easement as recorded on any Plat. Furthermore, the Association and the Developer are granted an easement of access and entry to every Lot and Common Area to perform any other duties required by the Governing Documents. By acquisition of a Lot, each Owner hereby grants, creates and conveys unto the Association, the other adjacent Owners and the Declarant a perpetual Drainage Easement over, through, under and across the Owner's Lot for the purpose of permitting runoff and/or storm water to drain from other adjacent Lots over, through, under and across the Owner's Lot(s). Without limiting the foregoing, in order to facilitate drainage from the Property over, through, under or across the Owner's Lot, each Owner hereby agrees that the Declarant or the Association, as the case may be, shall have the right to enter onto the Owner's Lot at any time to (i) prevent possible interference with the Drainage Easement and to remove possible hazards from the Drainage Easement area, (ii) prevent the construction or placement of any building, structure or other obstruction with the Drainage Easement area which may endanger or interfere with the efficient and convenient use of the Drainage Easement, (iii) grade, improve, construct, reconstruct, repair and perpetually maintain swales within the Drainage Easement area, and (iv) regrade portions of the Drainage Easement area necessary or appropriate to permit drainage as generally described herein or as approved or required by appropriate governmental authorities. Notwithstanding any of the foregoing rights of the Association or the Developer, each Owner hereby agrees to maintain the Drainage Easement area at such Owner's sole cost and expense. If any structures or other obstructions are constructed, created or placed by any Owner

within the Drainage Easement area without the prior written consent of the Association and the Declarant, the Declarant or the Association shall have the right to remove such structure or obstruction at the sole cost of such Owner.

3.7 UTILITY EASEMENT. The Association may grant permits, licenses and easements over common areas for utilities, roads and other purposes necessary for the proper operation of the Property. A company or entity, public or private, furnishing utility service to the Property is granted an easement over the Property for ingress, egress, meter reading, installation, maintenance, repair or replacement of utility lines and equipment, and to do anything else reasonably necessary to properly maintain and furnish utility service to the Property; provided, however, this easement may not be exercised without prior written notice to the Board. Utilities may include, but are not limited to, water, sewer, trash removal, fiber optic cable, electricity, gas, telephone, master or cable television, and security.

3.8 SECURITY. The Association may, but is not obligated to, maintain or support certain activities within the Property designed, either directly or indirectly, to improve safety in or on the Property. Each Owner and Resident acknowledges and agrees, for himself and his guests, that Declarant, the Association, and its directors, officers, committees, agents and employees are not providers, insurers or guarantors of security within the Property. Each Owner and Resident acknowledges and accepts his sole responsibility to provide security for his own person and property, and assumes all risks for loss or damage to same. Each Owner and Resident further acknowledges that Declarant, the Association, and its directors, officers, committees, agents and employees have made no representations or warranties, nor has the Owner or Resident relied on any representation or warranty, express of implied, including any warranty of merchantability or fitness for any particular purpose, relative to any fire, burglar and/or intrusion systems recommended or installed, or any security measures undertaken within the Property. Each Owner and Resident acknowledges and agrees that Declarant, the Association, and its officers, directors, committees, agents and employees may not be held liable for any loss or damage by reason of failure to provide adequate security or ineffectiveness of security measures undertaken.

3.9 RISK. Each Resident uses all Common Area amenities (if any) at his own risk. Each Resident is solely responsible for his own safety and that of his guests. The Association and the Declarant disclaims any and all liability or responsibility for injury or death occurring from use of the Common Area. By acquisition of a Lot, each Owner acknowledges that he has read the Governing Documents and accepts his sole responsibility for his own safety and that of his guests when using the Common Area, and assumes any and all risks for loss, injuries and death arising out of such use.

3.10 RESIDENTIAL CONSTRUCTION LIABILITY ACT. Without waiving any rights under law or equity, Owners acknowledge, covenant and agree that residential construction defect claims regarding any residence or Lot against the Declarant and/or Builder are controlled by the Texas Residential Construction Act (Texas Property Code § 27.00 *et. seq.*, as amended), which preempts the Texas Deceptive Trades Practices Act (Texas Business & Commerce Code § *et. seq.*, as amended) and any other law.

3.11 EPA/TCEQ COMPLIANCE. The Owner of each Lot and/or the Builder of each residence agree to comply with all EPA, TCEQ or other federal or state regulatory authority rules and regulations regarding erosion control and compliance with a Storm Water Pollution Prevention Plan affecting the Lots (the "Plan"), which include elements necessary for compliance with the nationwide general permit for construction activities administered by the EPA under the National Pollutant Discharge Elimination System. Each Owner and/or Builder acknowledges that the Declarant will not bear the cost or responsibility for complying with the Plan on any Lot upon the sale of that particular Lot within the subdivision to each Owner and/or Builder. The cost and responsibility to comply with the Plan shall be the responsibility of the Owner of each Lot or the Builder of each residence and the responsible Owner and/or responsible Builder agrees to reimburse Declarant the

cost of applicable EPA fines, if any, due to said Owner's and/or said Builder's non-compliance with the Plan.

ARTICLE 4
ARCHITECTURAL COVENANTS AND CONTROL

4.1 PURPOSE. Because the Lots are part of a single, unified community, the Association has the right to regulate the design, use and appearance of the Lots and Common Areas in order to preserve and enhance the Property's value and architectural harmony, and to promote and ensure the level of taste, design, quality and harmony by which the Property is developed and maintained.

4.2 ARCHITECTURAL CONTROL COMMITTEE. The Architectural Control Committee (the "ACC") consists of a minimum of three (3) persons but not more than five (5) appointed by the Declarant during the Development Period. After the Development Period, the ACC consists of three (3) persons but not more than five (5) appointed by the Board, pursuant to the Bylaws, or, at the Board's option, the Board may act as the ACC. If the Board acts as the ACC, all references in the Governing Documents to the ACC are construed to mean the Board. Members of the ACC need not be Owners or Residents.

4.3 LIMITS ON LIABILITY. The ACC has sole discretion with respect to taste, design and all standards specified by this Article. The members of the ACC have no liability for the ACC's decisions made in good faith and which are not arbitrary or capricious. The ACC is not responsible for (1) errors in or omissions from the plans and specifications submitted to the ACC, (2) supervising construction for the Owner's compliance with approved plans and specifications or (3) the compliance of the Owner's plans and specifications with City codes and ordinances, state and federal laws.

4.4 PROHIBITION OF CONSTRUCTION, ALTERNATION AND IMPROVEMENT. To request ACC approval, an Owner must make written application and submit two (2) identical sets of plans and specifications showing the nature, kind, share, color, size, materials and locations of the work for which approval is sought. Final plans and specifications shall be submitted in duplicate by certified mail, return receipt requested, to the ACC. The plans and specifications shall depict the nature, kind, shape, height, materials and location of all landscaping and improvements. The documents shall specify any requested variances from the requirements set forth in this Declaration. The ACC is authorized to request the submission of samples of proposed construction materials and such other information as it deems necessary to make its determination. At such time as the plans and specifications meet the approval of the ACC, one complete set of plans and specifications will be retained by the ACC for up to three (3) years only, and the other complete set of plans and specifications shall be marked "Approved", signed by a representative of the ACC and returned to the Lot Owner or his designated representative. If disapproved by the ACC, one set of such plans shall be returned marked "Disapproved" and shall be accompanied by a reasonable statement of the reasons for disapproval, which statement shall be signed by a representative of the ACC. Any modification of the approved set of plans and specifications must again be submitted to the ACC for its approval. The ACC's approval or disapproval, as required herein, shall be in writing. In no event shall the ACC give verbal approval of any plans and specifications.

4.5 DEEMED APPROVAL. If the ACC fails to respond in writing (negatively, affirmatively or requesting information) within sixty (60) days after the ACC's actual receipt of the Owner's application, the Owner may submit a second request for processing of its original application to the Board. If the Board fails to respond within forty-five (45) days after the Board's actual receipt of the Owner's second request, the Owner's application is deemed approved. The Owner may then proceed with the improvement, provided he adheres to the plans and specifications which accompanied his application and provided he initiates construction of the improvement within 90 days and completes the improvements in a timely manner. In the event the ACC's approval is deemed approved, the burden is on the Owner to document the Board's actual receipt of the

Owner's initial application and second request. A signed certified mail receipt may establish the ACC's receipt of the plans. Any Builder who is constructing residences on at least fifteen (15) Lots shall have the option of submitting a master set of final plans and specifications for all of the residences it intends to construct within the Property to the ACC in accordance with the provisions of this paragraph. Once the master set of plans has been approved, the Builder shall be allowed to construct residences in accordance with such approved plans and no further submittals shall be required unless material deviations have been made to such approved plans.

4.6 ACC GUIDELINES. The Association may publish architectural restrictions, guidelines and standards developed by the ACC, subject to revision from time to time including revisions to reflect changes in technology, style and taste. The Association may publish such documents on its own initiative but shall not be required to do so. Such publications are considered *advisory* publications for the ACC but shall not be interpreted as final or as the ultimate authority as it is the Declarant's intention that the ACC have discretionary authority when need be. Any publication cited, used or followed from time to time is not to be regarded as limiting the authority and/or the discretion of the ACC. Furthermore, in light of the ACC's discretion to deviate from such publications as need be, publications will not be considered public property or subject to review by anyone other than those comprising the ACC. The Association, acting through the ACC, has the right to establish and enforce architectural restrictions, guidelines and standards relating to every aspect of proposed or existing improvements on a Lot, including but not limited to dwellings, fences and landscaping, and further including replacements or modifications of original construction or installation.

ARTICLE 5
RESIDENTIAL CONSTRUCTION AND PERMITTED USES

5.1 COMPLIANCE REQUIREMENTS. All improvements on a Lot must (1) comply with any applicable City ordinances and codes, (2) have a building permit issued by the City, if any type of improvements requires a permit, (3) comply with the Planned Development Conditions, attached hereto as **Exhibit D**, and (4) have the ACC's prior written approval. These four requirements are independent, i.e. one does not ensure or eliminate the need for another. The ACC's prior written approval is a mandatory requirement for any variance and/or improvement constructed on every Lot.

5.2 VARIANCE. *The use of the Property is subject to the restrictions in this Article and subject to* rules adopted pursuant to this Article. The Board or the ACC, as the case may be, may grant a variance or waiver of a restriction or rule on a case-by-case basis and may limit or condition its grant.

5.3 HOUSES. The principle improvement on a Lot must be one detached single-family dwelling. The dwelling size, setbacks and exterior materials must comply with the applicable ordinance and with any higher standards established by the ACC, and comply with the Planned Development Conditions.

5.4 FRONT ELEVATION. There shall be no repeat house elevations within 200 feet linear feet of each other on the same street, which is measured from the nearest property line.

5.5 MINIMUM FLOOR AREA. The total minimum air-conditioned living area of the main residential structure constructed on each Lot shall be:

- 1,400 sq. ft. on lots less than 7,000 sq. ft.
- 2,000 sq. ft. on lots 7,000 sq. ft. to 8,400 sq. ft.
- 2,200 sq. ft. on lots 8,400 sq. ft. and greater

5.6 BUILDING MATERIALS. Except to the extent a higher percentage is required by the City, the total exterior wall area (as used herein the term "total exterior wall area" shall exclude windows and doors) of each building constructed or placed on a Lot shall comply with the Planned Development Conditions. Roofing shall also comply with the Planned Development conditions.

5.6.1 CHIMNEYS. All fireplace flues, smoke stacks and spark arrestors shall be completely enclosed and concealed from public view in finished chimneys. The material of the chimneys is to be brick if the chimney is on the back or side of the house and the chimney originates from the first floor exterior. The material may be Hardie Board siding or stucco if the chimneys protrude out from the roof deck. All chimneys must comply with the Planned Development Conditions.

5.6.2 WINDOWS. All windows shall be provided with trim, including but not limited to brick bands, shutters and/or stone options.

5.7 GARAGES. Each residence shall have a front entry garage suitable for parking a minimum of two (2) standard size automobiles, which garage conforms in design and materials with the main structure. All garages shall have cedar overlay, or LP Carriage style garage doors, and comply with the Planned Development Conditions and City ordinances.

5.8 NEW CONSTRUCTION. Dwellings must be constructed on the Lot. A dwelling or addition constructed elsewhere may not be moved onto a Lot. The construction of a dwelling must be started within 90 days after the ACC approves the dwelling's plans and specifications, and comply with the Planned Development Conditions. At the start of construction – but not before – building material to be used in the construction may be stored on the Lot. Once started, the dwelling and all improvements on the Lot must be completed with due diligence.

5.9 ACCESSORIES. Installation of all exterior items and surfaces, including address numbers, decorative hardware, fencing, walls, external ornamentation, light fixtures, and exterior paint and stain, is subject to the ACC's prior approval, including approval of design, color, materials and location, and must comply with the Planned Development Conditions.

5.10 FENCES AND WALLS. This Section is subject to the ACC's right to adopt additional or different specifications for construction or reconstruction of fences. All wood fences must comply with the Planned Development Conditions. Wood fences shall be stained off-site prior to the initial installation but once installed on-site staining for maintenance purposes is allowed. In addition, (i) all Lots with rear yards or side yards facing open spaces and public right-of-way shall use wrought iron fencing that conform to the City of Denton standards and will be installed by the Builder, (ii) the side yards and rear yards of all residential Lots that are not facing open spaces and public right-of-way shall have a 6' high wood privacy fence to be installed by the builder, and (iii) all wood privacy fencing will comply with the following requirements: (1) use all cedar boards, (2) treated on both sides with cedar tinted preservative or equal quality stain, (3) fence planks or panels must be at least five-eighths of one inch (5/8") in thickness, (4) fence planks or panels must have a gap between the ground and the wood to prevent rotting and decay, (5) all vertical posts will be galvanized steel, and (6) all materials will be securely fastened (i.e. vertical boards to horizontal stringers, stringers to vertical posts) and be free from rot, rust, vandalism, and other sources of decay.

5.11 RETAINING WALLS. Retaining walls must be constructed entirely with ACC-approved materials; however, railroad ties may not be used for a retaining wall visible from a street. Fences may not be constructed between a dwelling's front building line and the street. All fence design, location, height, material and color must be approved in writing by the ACC prior to installation, and must comply with the Planned Development Conditions.

5.12 UTILITIES. All utility lines and equipment must be located underground, except for (1) elevated or surface lines or equipment required by a public utility or the City; (2) elevated or surface lines

or equipment installed by Declarant as part of the initial development of the Property; and (3) surface equipment necessary to maintain, operate or read underground facilities, such as meters, risers, service pedestals and transformers. The ACC may require that utility meters, risers, pedestals and transformers be visually screened from the street and neighboring lots. Each Lot shall be connected to and shall use City water and sanitary sewage systems. Individual water supply and sewage disposal systems are not permitted. All utility lines, meters, risers, service pedestals and transformers must comply with the Planned Development Conditions.

5.13 LOT MAINTENANCE BY OWNERS. Both the Lot and the dwelling must be maintained in a manner so as not to be unsightly when viewed from the street or neighboring lots. The ACC is the arbitrator of acceptable appearance standards.

5.14 ASSOCIATION'S RIGHT TO PROMULGATE RULES. The Association, acting through its Board, is granted the right to adopt, amend, repeal and enforce reasonable rules and penalties for infractions thereof regarding the occupancy, use, disposition, maintenance, appearance and enjoyment of the Property. In addition to the restrictions contained in this Article, each Lot is owned and occupied subject to the right of the Board to establish Rules and penalties for infractions thereof governing:

a. Use of the Common Areas.
b. Hazardous, illegal or annoying materials or activities on the Property.
c. The use of the Property-wide services provided through the Association.
d. The consumption of utilities billed to the Association.
e. The use, maintenance and appearance of exteriors of dwellings and Lots.
f. The occupancy and leasing of dwellings.
g. Animals.
h. Vehicles.
i. Disposition of trash and control of vermin, termites and pests.
j. Anything that interferes with maintenance of the Property, operation of the Association, administration of the Governing Documents, or the quality of life for Residents.

5.15 ACCESSORY STRUCTURES. Without the prior written approval of the ACC, accessory structures – such as dog houses, gazebos, storage buildings, playhouses and greenhouses – are prohibited (not allowed) if (1) they exceed the height of a fence, (2) are visible from a street or Common Area, or (3) are visible by a person standing on the surface of an adjoining Lot. Accessory structures may not be located in front yards or in unfenced portions of side yards facing streets. If an accessory structure is installed in violation of this Section, the ACC reserves the right to determine that the accessory structure is unattractive or inappropriate or otherwise unsuitable for the Property and may require the Owner to screen it or to remove it. If the ACC grants approval for such structures, the approval may be revoked if the structure is not maintained, or if it becomes unsightly.

5.16 ANIMALS. No animals or livestock shall be raised, bred or kept on the Property except that dogs, cats or other household pets may be kept for the purpose of providing companionship for the private family. Animals are not to be raised, bred or kept for commercial purposes or for food. It is the purpose of these provisions to restrict the use of the Property so that no person shall quarter on the premises cows, horses, hogs, pigs (including pot-bellied pigs), guinea fowls, ducks, chickens, turkeys, skunks or any other animals that may interfere with the quietude, health or safety of the Community. Pets must be restrained or confined by their Owner to the back yard of the applicable Lot, inside a fenced area or within the residence erected thereon, provided any such pets may be walked only if a leash restrains such pet. It is the Owner's responsibility to keep the front of their Lot clean and free of pet debris. All animals must be properly tagged for identification. Unless the Rules provide otherwise, the subsections of this Article shall govern animals at the Property.

5.15.1 Disturbance. Pets must be kept in a manner that does not disturb the peaceful enjoyment of residences on other Lots.

5.15.2 Waste Removal. Unless the Rules provide otherwise, a Resident must prevent his pet from relieving itself on the Common Area or the Lot of another Owner. Each Resident is responsible for the removal of his pet's wastes from the Property.

5.15.3 Liability. An Owner is responsible for any property damage, injury or disturbance caused or inflicted by an animal kept on the Lot. The Owner of the Lot on which an animal is kept is deemed to indemnify and to hold harmless the Board, the Declarant, the Builder(s) and the Association from any loss, claim or liability resulting from any action of the animal or arising by reason of keeping the animal on the Property.

5.17 DRAINAGE. No person may interfere with the established drainage pattern over any part of the Property unless the Board has approved an adequate alternative provision for proper drainage. Further, each Owner covenants to honor any drainage easement affecting his Lot as shown on the plat or as required by any master drainage plan enacted by the City. Specifically, each Owner agrees (1) to maintain the integrity of the drainage design of his Lot by not filling or altering drainage swales that are constructed on the Lot as required by the City or by the ACC; (2) to not construct fences that impede or deflect the flow of water in drainage areas by placing objects or by planting excessive landscaping in those areas; and (3) to conform the design and construction of sidewalks, driveways and foundations in drainage areas to the City's drainage requirements.

5.18 DRIVEWAYS. The driveway portion of a Lot may not be used for any purpose that interferes with its ongoing use as a route of vehicular access to the garage. Without the Board's prior approval, a driveway may not be used: (1) for storage purposes, including storage of boats, trailers and inoperable vehicles; or (2) for repair or restoration of vehicles other than routine short-term maintenance.

5.19 BASKETBALL GOALS. Without the ACC's prior written approval, basketball goals and other recreational or sporting equipment may not be used, attached, mounted, or installed in a front yard, on a front driveway, in an unfenced portion of a side yard, or on the street side exterior portion of a dwelling. If the ACC grants approval for such equipment, the approval may be revoked if the equipment is not maintained, or if it becomes unsightly.

5.20 LANDSCAPING. Every front yard and back yard shall be fully sodded and have an underground irrigation system installed no later than thirty (30) days following the completion of the house. Landscape shall include a minimum of 20 one-gallon shrubs and a minimum of 2 three-inch trees for all lots 60 feet wide or greater, and a minimum of 1 four-inch tree for all lots less than 60 feet wide prior to the original conveyance of any house. All tree species are subject to approval by the City of Denton and the ACC. "Completion" as is used in this Section 5.19 shall be defined as the date upon which a Certificate of Occupancy is issued for the structure/house.

5.21 MAILBOXES. All mailboxes shall be installed according to a uniform set of detail specifications. Notwithstanding, unless otherwise required by law or U.S. Postal service regulations, all mailboxes must be exclusively constructed with use of the following materials: brick or stone matching the house located on the Lot or such other material as may be required by the applicable postal authority and approved by the ACC.

5.22 LEASING OF HOMES. An Owner may lease the dwelling on his Lot, subject to the Governing Documents (whether or not a written lease sets forth provisions for same), provided that no more than three people who are not related to each other as either a parent, child, spouse, or sibling may reside in the dwelling, and the residents may not park more than five motor vehicles at the residence. An Owner is responsible for providing his tenant with copies of the Governing Documents and notifying him of changes thereto. An Owner is also responsible for the tenant's

and/or his invitees' failure to comply with the Governing Documents and any and all federal, state or local laws and regulations.

5.23 NOISE AND ODOR. A Resident must exercise reasonable care to avoid making or permitting to be made loud, disturbing or objectionable noises or noxious odors that are likely to disturb or annoy Residents of neighboring Lots. The Rules may prohibit the use of noise-producing security devices.

5.24 OCCUPANCY. Other than the completed principle dwelling, no other structure on a Lot may be occupied as a residence at any time by any person. This provision applies, without limitation, to the garage, mobile homes, campers and storage sheds.

5.25 RESIDENTIAL USE. The use of a Lot is limited exclusively to residential purposes or any other use permitted by this Declaration. This residential restriction does not, however, prohibit a Resident from using a dwelling for personal business or professional pursuits provided that: (1) the uses are incidental to the use of the dwelling as a residence; (2) the uses conform to applicable governmental ordinances; (3) there is no external evidence of the uses; (4) the uses do not entail visits to the Lot by employees or the public in quantities that materially increase the number of vehicles parked on the street; and (5) the uses do not interfere with Residents' use and enjoyment of neighboring lots.

5.26 TELEVISION AND ANTENNAS. Each Resident of the Property will avoid doing or permitting anything to be done that may unreasonably interfere with the television, radio, telephonic, electronic, microwave, and cable or satellite reception on the Property. Antennas, satellite or microwave dishes, and receiving or transmitting towers that are visible from a street or from another Lot are prohibited within the Property, and shall be located inside the structure (such as in an attic or garage). The Owner of each Lot and/or residence hereby waives all rights, federal or other, for operating or maintaining ham radio antennas within the Property unless the ham radio antenna is not visible from the street or another lot.

5.25.1 Limited Exceptions. The following are the only areas for attachment and/or mounting that will be allowed as exceptions to the foregoing language in this Section:

a. Attachment, location or mounting in a fenced yard so long as it is not visible from a street or from another lot; and

b. Attached to or mounted on the rear wall of a structure below the eaves, on the residence or in a tree, provided it is mounted in the most inconspicuous location when viewed from the front of the residence.

In the event a dispute arises with regard to the determination of the "most inconspicuous location" of any such mounted satellite dish, a majority of the Board of Directors shall determine the most inconspicuous location and such determination shall be final. No satellite dish in excess of twenty-five inches (25") shall be permitted on any Lot.

5.27 TEMPORARY STRUCTURES. Improvements or structures of a temporary or mobile nature, such as tents, portable sheds, and mobile homes may not be placed on a Lot if visible from a street or another Lot. However, an Owner or Owner's contractor may maintain a temporary structure (such as a portable toilet or construction trailer) on the Lot during construction of the dwelling.

5.28 VEHICLES. All vehicles on the Property, whether owned or operated by the Residents or their families and guests, are subject to this Section and Rules adopted by the Board The Board may adopt, amend and repeal rules regarding the types, sizes, numbers, conditions, uses, appearances and locations of vehicles on the Property. Without prior written Board approval, the following types of vehicles and vehicular equipment (mobile or otherwise) may not be kept park or stored

anywhere on the Property if the vehicle is visible from a street or from another lot: mobile homes, motor homes, buses, trailers, boats, aircraft, inoperable vehicles, commercial truck cabs, trucks with tonnage over one ton, vehicles with advertising signage, vehicles which are not customary personal passenger vehicles, and any vehicle which the Board deems to be a nuisance, unsightly or inappropriate. This restriction includes overnight parking on streets, driveways and alleys. This restriction does not apply to vehicles and equipment temporarily on the Property in connection with the construction or maintenance of a dwelling. Vehicles that transport inflammatory, bio-hazardous or explosive cargo are prohibited from the Property at all times. The Association may affect the removal of any vehicle in violation of this Section or the Rules without liability to the owner or operator of the vehicle. All vehicles parked on any Lot within the view of public shall be in good operating condition, shall have current license plates, inspection stickers and registrations and shall be in daily use as motor vehicles on the streets and highways of the State of Texas.

5.29 WINDOW TREATMENTS. Without the ACC's prior written approval, the color of all window treatments within the dwelling that are visible from the street or another dwelling must appear in a neutral color, such as white, cream, beige, brown or gray. Solar screens are allowed with ACC approval only.

5.30 CONSTRUCTION, RESTRICTIONS AND PROHIBITED USES. The ACC's prior written approval for any variance and/or improvements constructed on every Lot must have the characteristics described herein, which may be treated as the minimum requirements for improving and using a Lot. The ACC and the Board may promulgate additional rules and restrictions, as well as interpretations, additions and specifications of the restrictions contained in this Article.

5.29.1 No temporary dwelling, shop, trailer or mobile home of any kind or any improvements of a temporary character (except children's playhouses, dog houses, greenhouses, gazebos and buildings for storage of lawn maintenance equipment) shall be permitted on any Lot except that the Builder or contractor may have temporary improvements (such as a sales office and/or construction trailer) on a given Lot during construction of the residence on that Lot or on a different Lot as agreed to between the Builder or contractor and the Declarant. No building material of any kind or character shall be placed or stored upon the Property until the Owner thereof is ready to commence construction of improvements, and then such material shall be placed within the property lines of the Lot upon which the improvements are to be erected.

5.29.2 No Lot or other area on the Property shall be used as a dumping ground for rubbish or a site for the accumulation of unsightly materials of any kind, including, without limitation, broken or rusty equipment, dissembled or inoperative cars, other vehicles or discarded appliances, furniture and/or grass clippings and tree trimmings. Trash, garbage or other waste shall not be kept except in sanitary containers. All incinerators or other equipment for the storage or other disposal of such material shall be kept in clean and sanitary condition. Materials incident to the construction or improvements may be stored on Lots during construction so long as construction progresses without undue delay.

5.29.3 No air-conditioning apparatus shall be installed on the ground in front of a residence. No air-conditioning apparatus shall be attached to any front wall or window of a residence, and no evaporative cooler shall be installed on the front wall or window of a residence. All air-conditioning equipment must be installed in the rear yard or on the side yard. If it is placed on a side yard and faces the street, it must be screened. Further, on a corner Lot the air-conditioning equipment may not be installed on a side yard that faces a street, regardless of whether the air-conditioning equipment is screened.

5.29.4 No Lot or improvement thereon shall be used for commercial or manufacturing purposes of any kind other than a small home office. No noxious or offensive activity shall be undertaken on the Property, nor shall anything be done which is or may become an

annoyance or nuisance to the neighborhood. Nothing in this subsection shall prohibit a Builder's use of a residence as a sales office until such Builder's last residence on the Property is sold. Nothing in this subsection shall prohibit an Owner's use of a residence for quiet, inoffensive activities such as a small home office, tutoring or giving lessons such as art, music or swimming so long as such activities do not materially increase the number of cars parked on the street or interfere with the other Owners reasonable use and enjoyment of their Lots and residences.

5.29.5 No fence, wall, hedge or shrub planting which obstructs sight lines at elevations between three feet (3') and six feet (6') above the roadway shall be placed or permitted to remain on any corner Lot within the triangular area formed by the street right-of-way lines and a line connecting them at points ten feet (10') from the intersection of the street right-of-way lines or, in the case of a rounded property corner, from the intersection of the street right-of-way lines as extended The same sight line limitations shall apply on any Lot within ten feet (10') from the intersection of a street right-of-way line with the edge of a private driveway or alley pavement. No tree shall be permitted to remain within such intersections unless the foliage line is maintained at sufficient height to prevent obstruction of such sight lines.

5.29.6 No garage, garage house or structure of a temporary character, such as a trailer, tent, shack, barn or other out-building shall be occupied by any Owner, tenant or other person prior to the erection of a residence or used on the Property at any time as a dwelling house; provided, however, that any Builder may maintain and occupy model homes, sales offices and construction trailers during the construction period and sales period.

5.29.7 No signs, billboards, posters or advertising devices of any character shall be erected, permitted or maintained on any Lot or dwelling, except, subject to the rights of the ACC and Declarant to require removal of any distasteful, unsightly, weathered or abandoned signs, one sign of not more than six (6) square feet in surface area advertising the particular Lot or residence on which the sign is situated for sale or lease. The right is reserved by Declarant to construct and maintain and to permit builders or others to construct and maintain such signs, billboards or advertising devices as are customary in connection with the general sale of residential property. No sign of any kind or character, including (a) any signs in the nature of a "protest" or complaint against Declarant or Builders, (b) any signs that describe, malign or refer to the reputation, character of building practices of Declarant or Builders, or (c) discourage or otherwise impact or attempt to impact anyone's decision to acquire a Lot or residence in the Subdivision shall be displayed to the public view on any Lot. The failure to comply with this restriction will also subject any Owner to a fine of $100.00 per day (to be collected by Declarant) for each day that such Owner fails to comply with this restriction. The non-payment of such fine can result in a lien against said Lot, which lien may be foreclosed on in accordance with the terms set forth in this Declaration in order to collect such fine by the Declarant or any Owner in the Subdivision.

5.29.8 The drying of clothes in full public view is prohibited. The Owners and occupants of any Lots at the intersection of streets or adjacent to parks, playgrounds or other facilities where the rear yard is visible to full public view shall construct a fence or other suitable enclosure to screen from public view the equipment and other items which are incident to normal residences, such as clothes drying equipment, yard equipment, wood piles, storage piles and the like.

5.29.9 No Owner shall perform, fail to perform or permit anything to be done or not done on his Lot which would violate any laws, statutes, ordinances or regulations of any kind or character.

5.29.10 No oil drilling, oil development operation, oil refining, quarrying, water well drilling or mining operations of any kind shall be permitted in or on the Property (other than by Declarant or entities with which Declarant has contracted), nor shall oil wells, water wells, tanks (including propane tanks), tunnels, mineral excavations or shafts be permitted upon or in any part of the Property (other than by Declarant or entities with which Declarant has contracted). No derrick or other structure designed for use in quarrying or boring for oil, natural gas or other minerals shall be erected, maintained or permitted on the Property by anyone other than Declarant or entities with which Declarant has contracted.

5.29.11 No Lot or Common Area may be used in any way that (1) may reasonably be considered a public nuisance and/or a disturbance of the peace; (2) may be calculated to reduce the desirability of the Property as a residential neighborhood; (3) may endanger the health or safety of Residents of other Lots; (4) may result in the cancellation of insurance on the Property; or (5) violates any law. The Board has the sole authority to determine what constitutes an annoyance.

ARTICLE 6
ASSOCIATION AND MEMBERSHIP RIGHTS

6.1 THE BOARD. Unless the Governing Documents expressly reserve a right, action or decision to the Owners, Declarant or another party, the Board acts in all instances on behalf of the Association. Unless the context indicates otherwise, references in the Governing Documents to the "Association" may be construed to mean "the Association acting through its Board of Directors".

6.2 THE ASSOCIATION. The duties and powers of the Association are those set forth in the Governing Documents, together with the general and implied powers of a property owners association and a nonprofit corporation organized under the laws of the State of Texas. Generally, the Association may do any and all things that are lawful and necessary, proper or desirable in operating for the peace, health, comfort and general benefit of its members, subject only to the limitations on the exercise of such powers as stated in the Governing Documents. The Association comes into existence on the earlier of (1) issuance of its corporate charter or (2) the initial levy of assessments against the Lots and Owners. The Association will continue to exist at least as long as the Declaration is effective against the Property, regardless of whether its corporate charter lapses from time to time.

6.3 GOVERNANCE. The Association will be governed by a board of elected[1] Directors. Unless the Association's Bylaws or Certificate of Formation provide otherwise, the Board will consist of at least three (3) persons elected at the annual meeting of the Association, or at a special meeting called for that purpose. The Association will be administered in accordance with the Bylaws. Unless the Governing Documents provide otherwise, any action requiring approval of the members may be approved in writing by Owners of at least a majority of all Lots, or at a meeting by Owners held in accordance with the Bylaws of at least a majority of the Lots that are represented at the meeting.

6.4 MEMBERSHIP. Each Owner is a Member of the Association, ownership of a Lot being the sole qualification for membership. Membership is appurtenant to and may not be separated from ownership of the Lot. The Board may require satisfactory evidence of transfer of ownership before a purported Owner is entitled to vote at meetings of the Association. If a lot is owned by more than one person or entity, each co-owner is a member of the Association and may exercise the membership rights appurtenant to the Lot. A Member who sells his Lot under a contract for

[1] Election by the members is the ultimate goal of the Declarant. Notwithstanding, during the Development Period and/or Declarant Control Period, the Board of Directors may be appointed/elected as set forth in the provisions of this Declaration, which cover and stipulate the rights of the Declarant during the respective time periods.

deed may delegate his membership rights to the contact purchaser, provided a written assignment is delivered to the Board. However, the contract seller remains liable for all assessments attributable to his Lot until fee title to the Lot is transferred.

6.5 CLASSES OF MEMBERSHIP AND VOTING. One vote is appurtenant to each Lot. The total number of votes equals the total number of Lots in the Property. Each vote is uniform and equal to the vote appurtenant to every other Lot, except during the Development Period as permitted in **Exhibit B**. Cumulative voting is not allowed. Votes may be cast by written proxy, according to the requirements of the Association's Bylaws.

The Association shall have two (2) classes of voting membership:

6.5.1 Class A. Class A Members shall be all Members with the exception of Declarant. Class A Members shall be entitled to one (1) vote for each Lot in which they hold the interest required for membership; provided, however, that in the event that more than one (1) person holds such interest or interests in any Lot, even though all such persons shall be Members, there shall be only one (1) vote for such Lot, which shall be exercised as they, among themselves, determine (but in no event shall more than one (1) vote be cast with respect to any such Lot).

6.5.2 Class B. The Class B Member shall be the Declarant. Until such time as the Declarant has sold all of the Lots in the Property, the Class B Member shall have the sole right to elect the Board of Directors of the Association and appoint the members of the ACC. Control of the Association shall only be vested in the Owners after completion of transfer to Class A Members of title to all of the Lots in the Property. The Declarant shall have ten (10) votes for each Lot it owns.

6.6 VOTING BY CO-OWNERS. The one (1) vote appurtenant to a Lot is not divisible. If only one of the multiple co-owners of a Lot is present at a meeting of the Association, that person may cast the vote allocated to the Lot. If more than one of the co-owners is present, the Lot's one vote may be cast with the co-owners' unanimous agreement. Co-owners are in unanimous agreement if one of the co-owners casts the vote by ballot or proxy by the other co-owners. If the person presiding over the meeting or balloting receives evidence that the co-owners disagree on how the one appurtenant vote will be cast, the vote will not be counted.

6.7 BOOKS RECORDS. The Association will maintain copies of the Governing Documents and the Association's books, records and financial statements. Books and records of the Association will be made available for inspection and copying if and as required by the Texas Business Organizations Code.

6.8 INDEMNIFICATION. THE ASSOCIATION INDEMNIFIES EVERY OFFICER, DIRECTOR AND COMMITTEE MEMBER (FOR PURPOSES OF THE SECTION, "LEADERS") AGAINST EXPENSES, INCLUDING ATTORNEY'S FEES, REASONABLY INCURRED BY OR IMPOSED ON THE LEADER IN CONNECTION WITH AN ACTION, SUIT OR PROCEEDING TO WHICH THE LEADER IS A PARTY BY REASON OF BEING OR HAVING BEEN A LEADER. A LEADER IS NOT LIABLE FOR A MISTAKE OF JUDGMENT, NEGLIGENT OR OTHERWISE. THIS RIGHT TO INDEMNIFICATION DOES NOT EXCLUDE ANY OTHER RIGHTS TO WHICH PRESENT OR FORMER LEADERS MAY BE ENTITLED. THE ASSOCIATION SHALL MAINTAIN GENERAL LIABILITY AND DIRECTORS' AND OFFICERS' LIABILITY INSURANCE TO FUND THIS OBLIGATION.

6.9 OBLIGATIONS OF OWNERS. Without limiting the obligations of Owners under the Governing Documents, each Owner has the following obligations:

6.9.1. Information. Within thirty (30) days after acquiring an interest in a Lot, within thirty (30) days after the Owner has notice of a change in any information required by this subsection, and on request by the Association from time to time, an Owner will provide the Association with the following information: (1) a copy of the recorded deed by which Owner has title to the Lot; (2) the Owner's address, telephone number and driver's license number, if any; (3) any mortgagee's name, address and loan number; (4) the name and telephone number of any Resident other than the Owner; and (5) the name, address and telephone number of Owner's managing agent, if any.

6.9.2. Pay Assessments. Each Owner will pay assessments properly levied by the Association against the Owner of his lot, and will pay regular assessments without demand by the Association.

6.9.3. Comply. Each Owner will comply with the Governing Documents as amended or restated from time to time.

6.9.4. Reimburse. Each Owner will pay for damage to the Property caused by the negligence or willful misconduct of the Owner, a Resident of the Owner's Lot, or the Owner or Resident's family, guest, employees, contractors, agents or invitees.

6.9.5. Liability. Each Owner is liable to the Association for violations of the Governing Documents by the Owner, a Resident of the Owner's Lot or the Owner or Resident's family, guests, employees, contractors, agents or invitees, and for costs incurred by the Association to obtain compliance, including attorney's fees whether or not suit is filed.

6.10 TRANSFER-RELATED FEES. A number of independent fees may be charged in relation to the transfer of title to a Lot, including but not limited to fees for resale certificates, estoppel certificates, copies of the Governing Documents, compliance inspections, ownership record changes and priority processing, provided the fees are customary in amount, kind and number for the local marketplace. Transfer-related fees are not refundable and may not be regarded as a prepayment of or credit against transfers unless a party to the transfer requests the corresponding documentation: (1) foreclosure of a deed of trust lien, tax lien or the Association's assessment lien; (2) transfer to, from or by the Association; and (3) voluntary transfer by an owner to one or more co-owners or to the Owner's spouse, child or parent. Transfer related fees may be charged by the Association or by the Association's managing agent, provided there is no duplication of fees. Transfer related fees charged by or paid to a managing agent must have the prior written approval of the Association, are not subject to the Association's assessment lien, and are not payable by the Association. This Section does not obligate the Board or the managing agent to levy transfer related fees.

ARTICLE 7
COVENANT FOR ASSESSMENTS

7.1 PURPOSES OF ASSESSMENTS. The Association will use assessments for the general purposes of preserving and enhancing the Property and for the common benefit of Owners and Residents, including but not limited to maintenance of real and personal property, management and operation of the Association, and any expense reasonably related to the purposes for which the Property was developed. If made in good faith, the Board's decision with respect to the use of assessments is final.

7.2 PERSONAL OBLIGATION. An Owner is obligated to pay assessments levied by the Board against the Owner or his Lot. An Owner makes payment to the Association at its principal office or at any other place the Board directs. Payments must be in full regardless of whether an Owner has a dispute with the Board, ACC or with the Association, another Owner, or any other person or entity regarding any matter to which this Declaration pertains. No Owner may exempt himself from his assessment liability by waiver of the use or enjoyment of the Common Area or by

abandonment of his Lot. An Owners' obligation is not subject to offset by the Owner nor is it contingent on the Association's performance of the Association's duties. Payment of assessment is both a continuing affirmative covenant personal to the Owner and a continuing covenant running with the Lot.

7.3 CONTROL FOR ASSESSMENT INCREASES. For the 2015 and 2016 calendar years, the maximum annual regular assessment shall be Four Hundred Seventy-Five and 00/100 Dollars ($475.00) per Lot. For the 2017 calendar year, the Board may increase the regular assessment to meet the anticipated needs of the appropriate budget, but the regular assessment may not be increased for calendar year 2017 by more than $100.00 per Lot unless such increase is approved by a majority vote of those members of the Association present at a meeting, in person or by proxy, where a quorum exists. For calendar years 2018 and thereafter, the Board may increase the regular assessment to meet the anticipated needs of the appropriate budget without any cap on the increase. The Regular Assessments shall commence on January 1, 2015, and shall be due each calendar year thereafter on January 31. No assessments shall be due on any Lot until such Lot is conveyed by Declarant or its successor or assign to a third party.

7.4 TYPE OF ASSESSMENTS. There are three (3) types of assessments: Regular, Special and Individual.

7.4.1. Regular Assessments. Regular assessments are based on the annual budget. Each Lot is liable for its equal share of the annual budget. If the Board does not approve an annual budget or fails to determine new regular assessments for any year, or delays in doing so, Owners will continue to pay the regular assessments as last determined. Regular assessments are used for common expenses related to the reoccurring, periodic and anticipated responsibilities of the Association, including but not limited to:

a. Maintenance, repair and replacement, as necessary of the Common Area.
b. Utilities billed to the Association.
c. Services billed to the Association and serving all Lots.
d. Taxes on property owned by the Association and the Association's income taxes.
e. Management, legal, accounting, auditing and professional fees for the Association.
f. Costs of operating the Association, such as telephone, postage, office supplies, printing, meeting expenses and educational opportunities of benefit to the Association.
g. Premiums and deductibles on insurance policies and bonds deemed by the Board to be necessary or desirable for the benefit of the Association, including fidelity bonds and directors' and officers' liability insurance.
h. Contributions to the reserve funds.
i. Any other expense which the Association is required by law or the Governing Documents to pay, or which in the opinion of the Board is necessary or proper for the operation and maintenance of the Property or for enforcement of the Governing Documents.

7.4.2. Special Assessments. In addition to regular assessments, and subject to the Owners' control for assessment increases, the Board may levy one or more special assessments against all Lots for the purpose of defraying, in whole or in part, common expenses not anticipated by the annual budget or reserve funds. Special assessments do not require the approval of the Owners, except that special assessments for the purposes provided hereafter must be approved by Owners of at least a majority vote of those members of the Association present at a meeting, in person or by proxy, at which a quorum exists. At least fifteen (15) days prior to any meeting of the Association called to consider any Special Assessment, the Board shall notify each Owner thereof by written notice specifying the total amount of the Special Assessment required, the amount thereof imposed on each Lot (which shall be uniform), the purpose for such Special Assessment

and the time and method of payment thereof. Special Assessments for the following purposes shall require approval under the terms set forth in this provision:

a. Acquisition of real property, other than the purchase of a lot at the sale foreclosing the Association's lien against the Lot;
b. Construction of additional improvements within the Property;
c. Any expenditure that may reasonably be expected to significantly increase the Association's responsibility and financial obligation for operations, insurance, maintenance, repairs or replacement.

7.4.3 Individual Assessments. In addition to regular and special assessments, the Board may levy an individual assessment against a Lot and an Owner. Individual assessments may include, but are not limited to: interest, late charges and collection costs on delinquent assessments; reimbursements for costs incurred in bringing an Owner or his Lot into compliance with the Governing Documents; fines for violations of the Governing Documents, insurance deductibles; transfer-related fees and resale certificate fees; fees for estoppel letters; reimbursement for damage or waste caused by willful or negligent acts; common expenses that benefit fewer than all of the lots, which may be assessed according to benefit received; fees or charges levied against the Association on a per lot basis; and "pass through" expenses for services to Lots provided through the Association and which are equitably paid by each Lot, according to benefit received.

7.5 BASIS AND RATE OF ASSESSMENTS. The share of liability for common expenses allocated to each Lot is uniform for all Lots, regardless of a Lot's location or the value and size of the Lot or dwelling, but subject to lower rates of assessment for vacant Lots.

7.5.1 Improved Lot. A Lot that has been improved with a dwelling for which the City has issued the initial certificate of occupancy will at all times thereafter be assessed at the full rate.

7.5.2 Lots Owned by Declarant. Notwithstanding the preceding subsection, Declarant shall not be liable for Assessments for any Lots that it owns. Declarant may, but shall have no obligation to, subsidize the Association from time to time. In the event Declarant decides to subsidize the Association and any shortfall in the operating budget of the Association is due in part to the failure of the Association to collect delinquent Assessments, then the Association shall immediately and vigorously pursue collection of such delinquent assessments through foreclosure, if necessary, and shall reimburse the Declarant the amounts, if any, so collected curing the Development Period Declarant is subject to the assessment exemption in Exhibit "B".

7.6 ANNUAL BUDGET. The Board will prepare and approve an estimated annual budget for each fiscal year. The budget will take into account the estimated income and expenses for the year, contributions to reserve funds, and a projection for uncollected receivables.

7.7 DUE DATE. The Board may levy regular assessments on any periodic basis (annually, semi-annually, quarterly or monthly). Regular assessments are due on the first day of the period for which levied. Special and individual assessments are due on the date stated in the notice of assessment or, if no date is stated, within ten (10) days after notice of the assessment is given. Assessments are delinquent if not received by the Association on or before the due date.

7.8 ASSOCIATION'S RIGHT TO BORROW MONEY. The Association is granted the right to borrow money, subject to the consent of Owners of at least a majority of Lots and the ability of the Association to repay the borrowed funds from assessments. To assist its ability to borrow, the Association is granted the right to encumber, mortgage, pledge, or deed in trust any of its real or personal property, and the right to assign its right to future income, as security for money

borrowed or debts incurred, provided that the rights of the lender in the pledged property are subordinate and inferior to the rights of the Owners hereunder.

7.9 ASSESSMENT LIEN. Each Owner, by accepting an interest in or title to a Lot, whether or not it is so expressed in the instrument of conveyance, covenants and agrees to pay assessments to the Association. Each assessment is a charge on the Lot and is secured by a continuing lien on the Lot. Each Owner, and each prospective Owner, is placed on notice that his title may be subject to the continuing lien for assessments attributable to a period prior to the date he purchased his Lot.

7.9.1. Superiority of Assessment Liens. The assessment lien is superior to all other liens and encumbrances on a Lot, except only for (1) real property taxes and assessments levied by governmental and taxing authorities, (2) a deed of trust or vendor's lien recorded before this Declaration, (3) subject to Section 7.9.2 below, a recorded deed of trust lien securing a loan for construction of the original dwelling, and (4) a first or senior purchase money vendor's lien or deed of trust lien recorded before the date on which the delinquent assessment became due.

7.9.2. Effect of Foreclosure, Other Conveyances. Foreclosing of a superior lien extinguishes the Association's claim against the Lot for unpaid assessments that became due more than six months before the sale (i.e., the party purchasing the Lot at the foreclosure sale or accepting title to the Lot by deed in lieu of foreclosure must pay all unpaid assessments which became due within the six month period before such conveyance), but does not extinguish the Association's claim against the former owner. The purchaser at the foreclosure sale or the party accepting title by deed in lieu of foreclosure is liable for assessments coming due from and after the date of the conveyance. In all other conveyances of a Lot, both the selling Owner and the new Owner are jointly liable for any unpaid assessments.

7.9.3. Perfection of Lien. The Association's lien for assessments is created by recordation of this Declaration, which constitutes record notice and perfection of the lien. No other recordation of a lien or notice of lien is required. However, the Association, at its option, may cause a notice of the lien to be recorded in the court's real property records.

7.9.4. Power of Sale. By accepting an interest in or title to a Lot, each Owner grants to the Association a private power of nonjudicial sale in connection with the Association's assessment lien. The Board may appoint, from time to time, any person, including an officer, agent, trustee, substitute trustee or attorney to exercise the Association's lien rights on behalf of the Association, including the power of sale. The appointment must be in writing and may be in the form of a resolution recorded in the minutes of a Board meeting.

7.9.5. Foreclosure of Lien. The assessment lien may be enforced by judicial or nonjudicial foreclosure. A nonjudicial foreclosure must be conducted in accordance with the provisions applicable to the exercise of powers of sale as set forth in Section 51.002 of the Texas Property Code, or in any manner permitted by law. In any foreclosure, the Owner is required to pay the Association's costs and expenses for the proceedings, including reasonable attorneys' fees. The Association has the power to bid on the Lot at foreclosure sale and to acquire, hold, lease, mortgage and convey same.

7.10 LIMITATIONS OF INTEREST. The Association and its officers, directors, managers and attorneys intend to conform strictly to the applicable usury laws of the State of Texas. Notwithstanding anything to the contrary in the Governing Documents or any other document or agreement executed or made in connection with the Association's collection of assessments, the Association will not in any event be entitled to receive or collect as interest a sum greater than the maximum amount permitted by applicable law. If from any circumstances whatsoever, the Association ever receives, collects or applies as interest a sum in excess of the maximum rate

permitted by law, the excess amount will be applied to the reduction of unpaid special and regular assessments, or reimbursed to the Owner if those assessments are paid in full.

ARTICLE 8
EFFECT OF NONPAYMENT OF ASSESSMENTS AND VIOLATION OF THE DOCUMENTS

8.1 COLLECTING DELINQUENT ASSESSMENTS. An assessment is delinquent if the Association does not receive payment in full by the assessment's due date. The Association, acting through its Board, is responsible for taking action to collect delinquent assessments. Neither the Board nor the Association, however, is liable to an Owner or other person for its failure to inability to collect or attempt to collect an assessment. The following remedies are in addition to and not in substitution for all other rights and remedies, which the Association has.

8.1.1 Interest. Delinquent assessments are subject to interest from the due date until paid, at a rate to be determined by the Board from time to time, not to exceed the lesser of 18 percent or the maximum permitted by law. If the Board fails to establish a rate, the rate is 12 percent per annum.

8.1.2. Late Fees. Delinquent assessments are subject to reasonable late fees, at a rate to be determined by the Board from time to time.

8.1.3. Costs of Collection. The Owner of a Lot against which assessments are delinquent is liable to the Association for reimbursement of reasonable costs incurred by the Association to collect the delinquent assessments, including attorney's fees and processing fees paid by the Association for the collection thereof.

8.1.4. Acceleration. If an Owner defaults in paying an assessment that is payable in installments, the Association may accelerate the remaining installments on ten (10) days' written notice to the defaulting Owner.

8.1.5. Suspension of Use and Vote. If an Owner's account has been delinquent for at least thirty (30) days, the Association may suspend the right of Owners and Residents to use Common Areas and common services during the period of delinquency. The Association may also suspend the right to vote appurtenant to the Lot. Suspension does not constitute a waiver or discharge of the Owner's obligation to pay assessments.

8.1.6. Money Judgment. The Association may file suit seeing a money judgment against an Owner delinquent in the payment of assessments without foreclosing or waiving the Association's lien for assessments.

8.1.7. Foreclosure of Assessment Lien. As provided by this Declaration, the Association may foreclosure its lien against the lot by judicial or nonjudicial means.

8.1.8. Application of Payments. The Board may adopt and amend policies regarding the application of payments. After the Association notifies the Owner of a delinquency, any payment received by the Association may be applied in the following order: individual assessments, special assessments and (lastly) regular monthly assessments. The Association may refuse to accept partial payments, i.e., less than the full amount due and payable. The Association may also refuse to accept payments to which the payer attaches conditions or directions contrary to the Board's policy for applying payments. The Association's policy may provide that endorsement and deposit of a payment does not constitute acceptance by the Association and that acceptance occurs when the Association posts the payments to the Lot's account.

8.2 ENFORCING THE DOCUMENTS. The remedies provided in this Section for breach of the Governing Documents are cumulative and not exclusive. In addition to other rights and remedies provided by the Governing Documents and by law, the Association has the following right to enforce the Governing Documents;

8.2.1. Nuisance. The result of every act or omission that violates any provision of the Governing Documents is a nuisance and any remedy allowed by law against a nuisance, either public or private, is applicable against the violation.

8.2.2 Fine. The Association may levy reasonable charges, as an individual assessment, against an Owner and his Lot if the Owner or Resident, or the Owner or Resident's family, guests, employees, agents or contractors violate a provision of the Governing Documents. Fines may be levied for each act of violation or for each day a violation continues, and does not constitute a waiver or discharge of the Owner's obligations under Governing Documents.

8.2.3. Suspension. The Association may suspend the right of Owners and Residents to use Common Areas (with the exception of streets) for any period during which the Owner or Resident, or the Owner or Resident's family, guests, employees, agents or contractors violate the Governing Documents. A suspension does not constitute a waiver or discharge of the Owner's obligations under the Governing Documents.

8.2.4. Self-Help. The Association has the right to enter any part of the Property, including Lots, to abate or remove, using force, as may reasonably be necessary, any erection, thing, animal person, vehicle or condition that violates the Governing Documents. In exercising this right, the Board is not trespassing and is not liable for damages related to the abatement. The Board may levy its costs of abatement against the Lot and Owner as an individual assessment. Unless an emergency situation exists in the good faith opinion of the Board, the Board will give the violating owner ten (10) days' notice of its intent to exercise self-help.

8.2.5. Suit. Failure to comply with the Governing Documents will be grounds for an action to recover damages or for the injunctive relief to cause any such violation to be remedied, or both. Prior to commencing any legal proceeding, the Association will give the defaulting party reasonable notice and an opportunity to cure the violation.

8.2.6. No Waiver. The Association and every owner has the right to enforce all restrictions, conditions, covenants, liens and charges now or hereafter imposed by Governing Documents. Failure by the Association or by any Owner to enforce a provision of the Governing Documents is not a waiver of the right to do so thereafter. If the Association does waive the right to enforce a provision, that waiver does not impair the Association's right to enforce any part of the Governing Documents at any future time.

8.2.7 No Liability. No officer, director or member of the Association is liable to any Owner for the failure to enforce any of the Governing Documents at any time.

8.2.8. Recovery of Costs. The costs of curing or abating a violation are at the expense of the Owner or other person responsible for the violation. If legal assistance is obtained to enforce any provision of the Governing Documents, or in any legal proceeding (whether or not suit is brought for damages or for the enforcement of the Governing Documents or the restraint of violation of the Governing Documents), the prevailing party is entitled to recover from the nonprevailing party all reasonable and necessary costs incurred by it in such action, including reasonable attorney's fees.

8.3 NOTICE AND HEARING. Before levying a fine for violation of the Governing Documents (other than nonpayment of assessment), or before levying an individual assessment for property damage, the Association will give the Owner written notice of the levy and an opportunity to be heard before the Board. The Association may also give a copy of the notice to the Resident. Pending the hearing, the Association may continue to exercise its other rights and remedies for the violation, as if the declared violation were valid. The Owner's request for a hearing suspends only the levy of a fine or damage charge. The Owner may attend the hearing in person, or may be represented by another person or written communication. The Board may adopt additional procedures and requirements for notices and hearing.

ARTICLE 9
MAINTENANCE AND REPAIR BY THE ASSOCIATION

9.1 ASSOCIATION MAINTAINS. The Association shall have the right, but shall not be deemed obligated, to maintain, repair and/or replace as a common expense, the portions of the Property listed below, regardless of whether the portions are on Lots or Common Areas.

(a) The Common Areas, including, without limitation,
(b) Any real and personal property owned by the Association but which is not a Common Area, such as a Lot owned by the Association,
(c) Any area, item easement or service, the maintenance of which is assigned to the Association by this Declaration or by the plat.

Notwithstanding the above, the Association shall be responsible for the maintenance of any screening wall and entryway features, open spaces and amenities of the Property, as a common expense. The City shall have no obligation for such maintenance, and the Association shall indemnify and hold the City harmless for any claims of payment for such maintenance.

9.2 OWNER RESPONSIBILITY. Each Owner has responsibility for the maintenance, repair and replacement of its Residence. For items for which the Owner is responsible, the Board may give the Owner written notice of the Association's intent to provide the necessary maintenance at Owner's expense. The notice must state, with reasonable particularity, the maintenance deemed necessary and a reasonable period of time in which to complete the work. If the Owner fails or refuses to timely perform the maintenance, the Association may do so at the Owner's expense, which is an individual assessment against the Owner and his Lot. In case of an emergency, however, the Board's responsibility to give the Owner written notice shall be waived and the Board may take any action it deems necessary to protect persons or property, the cost of the action being the Owners' expense.

9.3 SPECIAL FENCING. Declarant and/or the Association shall have the right, but not the obligation, to erect and/or install fences, walls and/or screening landscaping within (a) that portion of any Lot situated along certain streets, as determined by the Association, or (b) on any portion of the Property not comprising any portion of a Lot or dedicated street or alley. THE ASSOCIATION, AT ITS EXPENSE, SHALL BE OBLIGATED AND REQUIRED TO MAINTAIN, REPAIR AND/OR REPLACE SUCH FENCES, WALLS AND/OR SCREENING LANDSCAPING WITHIN THAT PORTION OF ANY LOT SITUATED ALONG THE PERIMETER OF THE ADDITION ADJACENT TO A PUBLIC STREET, AS SHOWN ON A FINAL PLAT. IT SHALL BE THE OBLIGATION OF THE LOT OWNER TO MAINTAIN ANY SPECIAL FENCING INSTALLED BY DECLARANT THAT IS ADJACENT TO ANY PUBLIC PARK OR PRIVATE PROPERTY AND THE ASSOCIATION SHALL HAVE THE RIGHT, BUT NOT THE OBLIGATION, TO MAINTAIN, REPAIR AND/OR REPLACE THE SPECIAL FENCING INSTALLED BY DECLARANT THAT IS ADJACENT TO ANY PRIVATE OR PUBLIC PARK OR PRIVATE PROPERTY.

9.4 SPECIAL LANDSCAPING. Declarant and/or the Association shall have the right to grade, plant and/or landscape and maintain, repair, replace and/or change such grading, planting and

landscaping on any portion of the Property not comprising any portion of a Lot or a dedicated street or alley or on any land dedicated to the City or on any portion of a Lot over which an easement has been reserved for the benefit of the Association. THE ASSOCIATION, AT ITS EXPENSE, SHALL BE OBLIGATED AND REQUIRED TO MAINTAIN AND REPAIR THE DRAINAGE EASEMENTS ON LOT B AND LOT C AND THE DETENTION AREA SHOWN AS AN OPEN SPACE IN LOT A, SUCH DRAINAGE EASEMENTS AND DETENTION AREA BEING SHOWN ON THE PLAT SHOWN ON THE ATTACHED EXHIBIT "E".

9.5 DECLARANT'S DISCRETION. Notwithstanding any provision herein to the contrary, the Declarant shall not be obligated to erect, install, maintain, repair or replace any fences, walls, sprinkler systems, grading, planting or landscaping on the Property.

9.6 LIMITATION ON RIGHTS, DUTIES. The provisions of this Section 9 regarding Declarant's rights and duties shall terminate and be of no further force and effect from and after that date which is the earlier of (i) twenty (20) years after the recording of this Declaration, or (ii) that date on which Declarant sells the last Lot in Subdivision to a third party. The rights and duties of the Association shall continue throughout the term hereof.

ARTICLE 10
INSURANCE

10.1 GENERAL PROVISIONS. The provisions of this Article, with which the Board will make every reasonable effort to comply, govern all insurance affecting the Property. The cost of insurance coverage and bonds maintained by the Association is an expense of the Association. Insurance policies and bonds maintained by the Association must be issued by responsible insurance companies authorized to do business in the State of Texas. The Association must be the named insured on all policies obtained by the Association. Each Owner irrevocably appoints the Association, acting through its Board, as its trustee to negotiate, receive, administer and distribute the proceeds of any claim against an insurance policy maintained by the Association. Additionally:

10.1.1. Notice of Cancellation or Modification. Each insurance policy maintained by the Association should contain a provision requiring the insurer to give at least ten (10) days' prior written notice to the Board before the policy may be canceled, terminated, materially modified or allowed to expire by either the insurer or the insured.

10.1.2. Deductions. An insurance policy obtained by the Association may contain a reasonable deductible, which will be paid by the party who would be liable for the loss or repair in the absence of insurance. If a loss is due wholly or partly to an act or omission of an Owner or Resident or their invitees, the Owner must reimburse the Association for the amount of the deductible that is attributable to the act or omission as an individual assessment, within the limits of the law of the State of Texas.

10.2 PROPERTY. To the extent it is reasonably available the Association will obtain blanket all-risk insurance for insurable Common Area improvements. If blanket all-risk insurance is not reasonably available, then the Association will obtain an insurance policy providing fire and extended coverage. Also, the Association will insure the improvements on any Lot owned by the Association.

10.3 GENERAL LIABILITY. The Association shall make every effort to maintain a commercial general liability insurance policy over Common Areas—expressly excluding the liability of each Owner and Resident within his lot—for bodily injury and property damage resulting from the operation, maintenance or use of the Common Areas. If the policy does not contain a severability of interest provision, it should contain an endorsement to preclude the insurer's denial of an Owner's claim because of negligent acts of the Association or other owners.

10.4 DIRECTORS AND OFFICERS LIABILITY. To the extent it is reasonably available, the Association will maintain directors' and officers' liability insurance, errors and omissions insurance, indemnity bonds or other insurance the Board deems advisable to insure the Association's directors, officers, committee members and managers against liability for any act or omission in carrying out their duties in those capacities.

10.5 OTHER COVERAGES. The Association may maintain any insurance policies and bonds deemed by the Board to be necessary or desirable for the benefit of the Association.

10.6 OWNER'S RESPONSIBILITY FOR INSURANCE. Each Owner will obtain and maintain fire and extended coverage on all the improvements on his Lot, in an amount sufficient to cover 100 percent of the replacement cost of any repair or reconstruction in the event of damage or destruction from any insured hazard. Further, each Owner will obtain and maintain general liability insurance on his Lot in the minimum amount of $500,000.00 per occurrence, which liability insurance shall name the Association as an additional insured. Each Owner and Resident is solely responsible for insuring his personal property in his dwelling and on the Lot, including furnishings, vehicles and stored items.

ARTICLE 11
AMENDMENTS

11.1 CONSENTS REQUIRED. As permitted by this Declaration, certain amendments of this Declaration may be executed by Declarant alone, or by the Board alone. Otherwise, Owners of at least a majority of the Lots must approve amendments to this Declaration.

11.2 METHOD OF AMENDMENT. Except as provided in Article 12 below, at any time the Owners may amend this Declaration by executing an instrument containing such amendment(s) and recording same in the appropriate Property Records of the County, provided, however, that for the period which the Declarant owns at least one Lot, no such amendment shall be effective without the joinder and consent of Declarant.

11.3 INTENTIONALLY DELETED.

11.4 CONDEMNATION. In any proceeding, negotiation, settlement or agreement concerning condemnation of the Common Area, the Association will be the exclusive representative of the Owners. The Association may use condemnation proceeds to repair and replace any damage or destruction of the Common Area, real or personal, caused by the condemnation. Any condemnation proceeds remaining after completion or waiver of the repair and replacement will be deposited in the Association's reserve funds.

ARTICLE 12
DECLARANT RIGHTS

12.1 SPECIFIC DECLARANT RIGHTS. Notwithstanding anything herein to the contrary (in the event of any provision herein is in contraction to this Article 12, in whole or in part, this Article 12 shall prevail), so long as Declarant, its successors or assigns, owns at least one (1) Lot (the "Declarant Control Period"), Declarant shall have the sole right, but not the obligation, in its sole discretion, at any time, effective as of the date hereof, to control, perform and/or conduct the following:

12.1.1. Appoint (including itself) and/or substitute at any time the Board of Directors.

12.1.2. Terminate any or all of the Board of Directors.

12.1.3. [Intentionally Omitted]

12.1.4. Enforce the provisions in this Declaration.

12.1.5. Review, determine and enforce the architectural control of the Lots, including the right to appoint the panel of the ACC.

12.1.6. Appoint, enlist, hire and/or retain a property management company in behalf of the Association as well as the right to terminate the services of any such management company at the Declarant's sole discretion.

12.1.7. Assign its rights and obligations under this Declaration to any entity at any time, in whole or in part.

12.1.8. Have the authority to approve or disapprove any and all Phases and/or street right-of-way access, either public or private, to the Property from adjacent land.

12.2 DECLARANT'S SOLE DISCRETION. Declarant's rights set forth above are absolute in its sole discretion and do not require the approval, consent or joinder of (i) any Owner, (ii) the Association, (iii) the Board of Directors, or (iv) any committees or other parties which may be established with respect hereto. At such time as the Declarant no longer owns a Lot, all of such rights of enforcement shall revert to the Board of Directors of the Association.

12.3 RIGHTS TO ANNEX. Declarant may annex additional property to become a portion of the Property and thereafter be subject to the terms, provisions and conditions of these Covenants, provided that so long as the Class B membership exists, any such annexation by Declarant may require the prior approval of HUD or VA. Declarant may exercise such right by recording a Supplement to this Declaration in the Records of Denton County, Texas, subjecting such additional property to the terms and conditions hereof. No further action or approval shall be required or necessary for the Declarant to annex additional properties into the Property for the purpose of subjecting it to this Declaration. Any document subjecting additional property to the Declaration may also impose different or additional restrictions not found in this Declaration upon such additional property; provided, however, that in no event shall such Supplement to the Declaration revoke, modify or add to the controls, covenants, conditions, restrictions, easements, development guidelines, charges and liens established by this Declaration or a previously filed Supplement to the Declaration as it or they may apply to the original Property or to any previously added additional land, nor shall same create an inequitable system for imposing Assessments on the Property or any part thereof. Upon the annexation and platting of any additional property as herein provided, each Lot described therein shall become a "Lot" for all purposes hereunder. Declarant reserves an exclusive right to control any and all future phases to the Subdivision and such right shall survive the Declarant Control Period as set forth herein.

12.4 NO DUTY TO ANNEX. Nothing herein contained shall establish any duty or obligation on the part of Declarant to annex any property to this Declaration and no owner of the property excluded from this Declaration shall have any right to have such property annexed thereto.

12.5 EFFECT OF ANNEXATION ON CLASS B MEMBERSHIP. In determining the number of Lots owned by Declarant for the purpose of Class B membership status the total number of Lots covered by this Declaration, including all Lots annexed thereto shall be considered. If Class B membership has previously lapsed but annexation of additional property restores the ratio of Lots owned by Declarant to the number required by Class B membership, such Class B membership shall be reinstated until it expires pursuant to the terms set forth in Section 6 and as may be found herein.

12.6 SPECIFIC DECLARATION RIGHTS TO AMEND DECLARATION. Declarant without joinder of the Board, the Association or the other Owners may amend this Declaration to correct any errors or to cause the Declaration to be in compliance with any City or other governmental

requirement (including any requirements imposed by the Federal Housing Administration, the Veterans Administration, the Department of Housing and Urban Affairs, the Federal Home Loan Mortgage Corporation, or the Government National Mortgage Association).

12.7 EASEMENT/ACCESS RIGHT. Declarant reserves a general easement over all streets, roads, rights-of-way, alleys and utility, maintenance, landscaping, wall and other easements in the Property and over the balance of the Common Area for access for purpose of finishing development of the Property as a subdivision and as otherwise reasonably necessary to affect Declarant's rights hereunder. Such easements and rights shall expire at such time that Declarant no longer owns a Lot.

12.8 ASSIGNMENT OF DECLARANT'S RIGHTS. Declarant may assign its rights to a successor Declarant hereunder by execution of a written document, recorded in Records of Denton County, Texas, specifically stating that Declarant has assigned its rights as such to a designated assignee and declaring such assignee to be the new "Declarant" hereunder.

12.9 DECLARANT'S RIGHT TO INSTALL IMPROVEMENTS IN SETBACK AND OTHER AREAS. Declarant, in connection with development of the Property and construction of dwellings thereon, reserves the right but shall have no obligation to install or construct walls, fences, irrigation systems and other improvements in the setback areas (being the areas on, along and/or between the boundary line of a Lot and the building or setback lines applicable to such Lot). If Declarant exercises such right in a setback area, then such wall, fence, irrigation system or other improvement shall be the property of the Owner(s) of the Lot(s) upon which or adjacent to these are located, and such Owner(s) shall maintain and repair any such improvement unless Declarant or the Association, by and through the Board, assumes such maintenance and repair obligations. If Declarant exercises such right in the above-described non-setback areas, then such wall, fence, irrigation system or other improvement shall be the property of the Association. So long as it owns any Lot, Declarant shall have the right, but not the obligation, to maintain and repair any such non-setback area improvements; otherwise, the Association shall assume the maintenance and repair or it may abandon such improvements at its discretion. If the City requires the maintenance, repair or removal of any such non-setback area improvements, the Association shall assume such responsibility at its expense. If the Association so abandons such non-setback area improvements or is properly dissolved, then the Owner(s) of the Lot(s) on or adjacent to which such improvements are located shall assume maintenance and repair at their expense.

12.10 REPLATTING OR MODIFICATION OF PLAT. From time to time, Declarant reserves the right to replat the Property or to amend or modify the Plat in order to assure a harmonious and orderly development of the Property as herein provided. Declarant may exercise such rights so long as it owns at least one Lot, in which case no joinder of any other Owner shall be required to give effect to such rights. By the acquisition of a Lot, each Owner acknowledges that he has read the Governing Documents and is advised of Declarant's right to replat the Property or to amend or modify the Plat, as Declarant deems necessary, and in Declarant's sole discretion. Moreover, each Owner further acknowledges, accepts and agrees that this right of Declarant is a benefit to each Owner and the Association. Each Owner, by acquisition of a Lot, consents to Declarant's execution of any replat on behalf of the Owner and the Association. However, any such replatting or amendment of the Plat shall be with the purpose of efficiently and economically developing the Property for the purposes herein provided or for compliance with any applicable governmental regulation. Declarant's rights under this Section shall expire at such time as Declarant no longer owns a Lot.

12.11 LIMITATION OF DECLARANT LIABILITY. The Declarant shall not be responsible or liable for any deficit in the Association's funds. Declarant may, but is under no obligation to, subsidize any liabilities incurred by the Association and the Declarant may, but is not obligated to, lend funds to the Association to enable it to defray its expenses, provided the terms of such loans are on reasonable market conditions at the time.

12.12 TERMINATION OF DECLARANT'S RESPONSIBILITIES. In consideration of Declarant's deficit funding of the Association, if any, upon the occurrence of any of the following events: (i) conversion of Declarant's Class B membership status to Class A membership status; (ii) completion of any facilities in the Common Area by Declarant; or (iii) assignment of Declarant's rights hereunder pursuant to Section 12.8, then and in such event Declarant shall be fully released, relieved and forever discharged from any further duty or obligation to the Association or any of its members as Declarant by reason of the terms and conditions of this Declaration including any amendments thereof or supplements thereto, save and except the duties and obligations, if any, of Declarant as a Class A member by reason of Declarant's continued ownership of one or more Lots, but not otherwise. Further, and without regard to whether or not Declarant has been released from obligations and duties to the Association, so long as Declarant holds record title to at least one (1) Lot and holds same for sale in the ordinary course of business, neither the Association nor its Board, no any member of the Association, shall take any action that will impair or adversely affect the rights of the Declarant or cause the Declarant to suffer any financial, legal or other detriment, including but not limited to, any direct or indirect interference with the sale of Lots. In the event there is a breach of this Section, it is acknowledged that any monetary award, which may be available would be an insufficient remedy and, therefore, in addition to all other remedies, the Declarant shall be entitled to injunctive relief restraining the Association, its Board or any member of the Association, from further breach of this Section.

ARTICLE 13
GENERAL PROVISIONS

13.1 COMPLIANCE. The Owners hereby covenant and agree that the administration of the Association will be in accordance with the provisions of the Governing Documents and applicable laws, regulations, and ordinances, as same may be amended from time to time, of any governmental or quasi-governmental entity having jurisdiction over the Association or Property.

13.2 NOTICE. All demands or other notices required to be sent to an Owner or Resident by the terms of the Declaration may be sent by ordinary or certified mail, postage prepaid, to the party's last known address as it appears on the records of the Association at the time of mailing. If an Owner fails to give the Association an address for mailing notices, all notices may be sent to the Owner's Lot, and the Owner is deemed to have been given notice, whether or not he actually receives it.

13.3 LIBERAL CONSTRUCTION. The terms and provisions of each Governing Document are to be liberally construed to give effect to the purposes and intent of the Governing Documents. All doubts regarding a provision, including restrictions on the use or alienability of property, will be resolved in favor of the operation of the Association and its enforcement of the Governing Documents, regardless of which party seeks enforcement.

13.4 SEVERABILITY. Invalidation of any provision of this Declaration by judgment or court order does not affect any other provision, which remains in full force and effect. The effect of a general statement is not limited by the enumeration of specific matters similar to the general.

13.5 CAPTIONS. In all Governing Documents, the captions of articles and sections are inserted only for convenience and are in no way to be construed as defining or modifying the text to which they refer. Boxed notices are inserted to alert the reader to certain provisions and are not to be construed as defining or modifying the test.

13.6 EXHIBITS. The exhibits listed below are attached to this Declaration and incorporated herein by reference. Because **Exhibit B** of this Declaration is destined to become obsolete, beginning 20 years after the date this Declaration is first recorded, this Declaration may be restated, re-recorded or published without **Exhibit B**, provided the other appendixes are not relettered. The automatic expiration and subsequent deletion of **Exhibit B** does not constitute an amendment of this Declaration. The exhibits to this Declaration include:

A. Legal Description of the Property;

B. Declarant Representations and Reservations;

C. Acknowledgment by Acquisition;

D. Planned Development Conditions; and

E. Preliminary Plat.

13.7 INTERPRETATION. Whenever used in the Governing Documents, unless the context provides otherwise, a reference to a gender includes all genders. Similarly, a reference to the singular includes the plural, the plural the singular, where the same would be appropriate.

13.8 DURATION. Unless terminated or amended by the Owners and/or the Declarant as permitted herein, the provisions of this Declaration run with and bind the Property, and will remain in effect perpetually to the extent permitted by law.

(*End of Provisions*)

Executed this 20TH day of January, 2015.

Address:

608 Eighth Avenue
Fort Worth, Texas 76104

DECLARANT:
COUNTRY LAKES WEST, LLC,
a Texas limited liability company

By: _____
Name: Rory Maguire
Title: Manager

STATE OF TEXAS §
§
COUNTY OF TARRANT §

This Declaration of Covenants, Conditions and Restrictions for Carnegie Ridge was acknowledged before me this 20 day of January, 2015, by Rory Maguire, Manager of COUNTRY LAKES WEST, LLC, a Texas limited liability company, on behalf of such limited liability company.

_____
Notary Public, State of Texas
Printed Name: Tatyana Rapoport

My Commission Expires:

2-22-2017

TATYANA RAPOPORT
NOTARY PUBLIC
STATE OF TEXAS
MY COMMISSION EXPIRES
February 22, 2017

CHC DEVELOPMENT
608 8TH AVE.
FORT WORTH, TX 76104

EXHIBIT A
Property Description

BEING A 60.071 ACRE TRACT OF LAND SITUATED IN THE B.B.B & C.R.R. SURVEY, ABSTRACT NO. 158, CITY OF DENTON, DENTON COUNTY, TEXAS, AND BEING PART OF A TRACT OF LAND, CONVEYED TO DRP COUNTRY LAKES, LLC. BY DEED RECORDED IN COUNTY CLERK'S FILE NO. 2010-54871, OFFICIAL PUBLIC RECORDS, DENTON COUNTY, TEXAS, SAID 60.071 ACRE TRACT, WITH REFERENCE BEARING BEING THE WEST LINE OF A 27.945 ACRE TRACT OF LAND CONVEYED TO KEVIN W. VANN J.C.D., D.D., BY DEED RECORDED IN COUNTY CLERK'S FILE NO. 2008-93871, OFFICIAL PUBLIC RECORDS, DENTON COUNTY, TEXAS, AND BEING MORE PARTICULARLY DESCRIBED BY METES AND BOUNDS AS FOLLOWS:

BEGINNING AT A 5/8 INCH IRON ROD WITH A YELLOW PLASTIC CAP STAMPED "JACOBS" SET FOR CORNER, SAID POINT BEING THE SOUTHEAST CORNER OF LOT 1, BLOCK A OF THE SOUTHWEST PUMP STATION ADDITION, AN ADDITION TO THE CITY OF DENTON, AS RECORDED IN CABINET W, PAGE 815, PLAT RECORDS, DENTON COUNTY, TEXAS, SAID POINT ALSO BEING ON THE WEST RIGHT-OF-WAY LINE OF JOHN PAINE ROAD, A VARIABLE WIDTH RIGHT-OF-WAY AS RECORDED IN CABINET U, PAGE 625, PLAT RECORDS, DENTON COUNTY, TEXAS;

THENCE, SOUTH 00 DEGREES 08 MINUTES 54 SECONDS EAST, ALONG THE WEST RIGHT-OF-WAY LINE OF SAID JOHN PAINE ROAD, A DISTANCE OF 601.56 FEET TO A 5/8 INCH IRON ROD WITH A YELLOW PLASTIC CAP STAMPED "JACOBS" SET FOR THE NORTHEAST END OF A CORNER CLIP AT THE INTERSECTION OF THE WEST RIGHT-OF-WAY LINE OF SAID JOHN PAINE ROAD, AND THE NORTH RIGHT-OF-WAY LINE OF MEANDERING CREEK DRIVE, A VARIABLE WIDTH RIGHT-OF-WAY AS RECORDED IN CABINET U, PAGE 625, PLAT RECORDS, DENTON COUNTY, TEXAS;

THENCE, SOUTH 45 DEGREES 01 MINUTES 18 SECONDS WEST, ALONG SAID CORNER CLIP, A DISTANCE OF 28.20 FEET TO A 5/8 INCH IRON ROD WITH A YELLOW PLASTIC CAP STAMPED "JACOBS" SET FOR CORNER AT THE SOUTHWEST END OF SAID CORNER CLIP;

THENCE, ALONG THE NORTH RIGHT-OF-WAY LINE OF SAID MEANDERING CREEK DRIVE, THE FOLLOWING COURSES AND DISTANCES:

NORTH 89 DEGREES 48 MINUTES 30 SECONDS WEST, A DISTANCE OF 101.71 FEET TO A 5/8 INCH IRON ROD WITH A YELLOW PLASTIC CAP STAMPED "JACOBS" SET FOR CORNER, AND THE BEGINNING OF A TANGENT CURVE TO THE RIGHT HAVING A RADIUS OF 344.00 FEET, A CENTRAL ANGLE OF 25 DEGREES 59 MINUTES 44 SECONDS, A CHORD THAT BEARS NORTH 76 DEGREES 48 MINUTES 38 SECONDS WEST, WITH A CHORD DISTANCE OF 154.74 FEET;

ALONG SAID TANGENT CURVE TO THE RIGHT, AN ARC DISTANCE OF 156.08 FEET TO A 5/8 INCH IRON ROD WITH A YELLOW PLASTIC CAP STAMPED "JACOBS" SET FOR CORNER;

NORTH 63 DEGREES 48 MINUTES 46 SECONDS WEST, A DISTANCE OF 225.40 FEET TO A 5/8 INCH IRON ROD WITH A YELLOW PLASTIC CAP STAMPED "JACOBS" SET FOR CORNER ON THE WEST RIGHT-OF-WAY LINE OF EDUCATION DRIVE, A 100 FOOT RIGHT-OF-WAY AS RECORDED IN CABINET U, PAGE 625, PLAT RECORDS, DENTON COUNTY, TEXAS;

THENCE, SOUTH 26 DEGREES 11 MINUTES 14 SECONDS WEST, ALONG THE WEST RIGHT-OF-WAY LINE OF SAID EDUCATION DRIVE, A DISTANCE OF 203.00 FEET TO A 5/8 INCH IRON ROD WITH A YELLOW PLASTIC CAP STAMPED "JACOBS" SET FOR A CORNER OF THE AFORESAID 27.945 ACRE TRACT;

THENCE, ALONG THE NORTH AND WEST LINES OF SAID 27.945 ACRE TRACT, THE FOLLOWING COURSES AND DISTANCES:

NORTH 63 DEGREES 48 MINUTES 46 SECONDS WEST, A DISTANCE OF 261.42 FEET TO A 5/8 INCH IRON ROD WITH A YELLOW PLASTIC CAP STAMPED "CARTER BURGESS" FOUND FOR CORNER;

NORTH 62 DEGREES 10 MINUTES 27 SECONDS WEST, A DISTANCE OF 72.00 FEET TO A 5/8 INCH IRON ROD WITH A YELLOW PLASTIC CAP STAMPED "CARTER BURGESS" FOUND FOR CORNER;

NORTH 53 DEGREES 47 MINUTES 39 SECONDS WEST, A DISTANCE OF 48.68 FEET TO A 5/8 INCH IRON ROD WITH A YELLOW PLASTIC CAP STAMPED "CARTER BURGESS" FOUND FOR CORNER;

NORTH 34 DEGREES 51 MINUTES 42 SECONDS WEST, A DISTANCE OF 76.69 FEET TO A 5/8 INCH IRON ROD WITH A YELLOW PLASTIC CAP STAMPED "CARTER BURGESS" FOUND FOR CORNER;

NORTH 51 DEGREES 37 MINUTES 58 SECONDS WEST, A DISTANCE OF 293.81 FEET TO A 5/8 INCH IRON ROD WITH A YELLOW PLASTIC CAP STAMPED "CARTER BURGESS" FOUND FOR CORNER;

NORTH 72 DEGREES 32 MINUTES 47 SECONDS WEST, A DISTANCE OF 49.19 FEET TO A 5/8 INCH IRON ROD WITH A YELLOW PLASTIC CAP STAMPED "CARTER BURGESS" FOUND FOR CORNER;

SOUTH 89 DEGREES 58 MINUTES 18 SECONDS WEST, A DISTANCE OF 264.21 FEET TO A 5/8 INCH IRON ROD WITH A YELLOW PLASTIC CAP STAMPED "CARTER BURGESS" FOUND FOR THE NORTHWEST CORNER OF SAID 27.945 ACRE TRACT;

SOUTH 00 DEGREES 17 MINUTES 38 SECONDS EAST, A DISTANCE OF 1078.88 FEET TO A PK NAIL WITH SHINER FOUND IN THE APPROXIMATE CENTERLINE OF CRAWFORD ROAD, A VARIABLE WIDTH RIGHT-OF-WAY, AND BEING ON THE NORTH LINE OF THE ESTATES OF PILOT KNOB, PHASE 1, AN ADDITION TO THE CITY OF ARGYLE, AS RECORDED IN CABINET R, PAGE 10, PLAT RECORDS, DENTON COUNTY, TEXAS;

THENCE, SOUTH 89 DEGREES 42 MINUTES 22 SECONDS WEST, ALONG THE NORTH LINE OF THE SAID ESTATES OF PILOT KNOB, PHASE 1 ADDITION, AND THE APPROXIMATE CENTERLINE OF SAID CRAWFORD ROAD, A DISTANCE OF 860.15 FEET TO A 1/2 INCH IRON ROD FOUND FOR CORNER, SAID POINT BEING THE SOUTHEAST CORNER OF A TRACT OF LAND CONVEYED TO JOE AND BARBARA SIMPSON, BY DEED RECORDED IN VOLUME 3097, PAGE 570, DEED RECORDS, DENTON COUNTY, TEXAS;

THENCE, NORTH 00 DEGREES 06 MINUTES 15 SECONDS EAST, ALONG THE EAST LINE OF SAID SIMPSON TRACT, PASSING AT A DISTANCE OF 32.28 FEET, A 2 INCH IRON PIPE THAT

IS LEANING TO THE EAST, AND CONTINUING FOR A TOTAL DISTANCE OF 399.87 FEET TO A 5/8 INCH IRON ROD FOUND FOR THE NORTHEAST CORNER OF SAID SIMPSON TRACT;

THENCE, NORTH 89 DEGREES 47 MINUTES 03 SECONDS WEST, ALONG THE NORTH LINE OF SAID SIMPSON TRACT, A DISTANCE OF 199.88 FEET TO A 1 INCH IRON PIPE FOUND FOR THE NORTHWEST CORNER OF SAID SIMPSON TRACT, SAID POINT BEING ON THE EAST LINE OF A 3.81 ACRE TRACT OF LAND CONVEYED TO MARK BLACKMON, BY DEED RECORDED IN COUNTY CLERK'S FILE NO. 00-95187, OFFICIAL PUBLIC RECORDS, DENTON COUNTY, TEXAS;

THENCE, NORTH 00 DEGREES 12 MINUTES 13 SECONDS EAST, ALONG THE EAST LINE OF SAID 3.81 ACRE TRACT, A DISTANCE OF 428.63 FEET TO A 1/2 INCH IRON ROD FOUND FOR THE NORTHEAST CORNER OF SAID 3.81 ACRE TRACT;

THENCE, SOUTH 89 DEGREES 50 MINUTES 07 SECONDS WEST, ALONG THE NORTH LINE OF SAID 3.81 ACRE TRACT, A DISTANCE OF 12.55 FEET TO A POINT IN A TREE FOR CORNER;

THENCE, OVER AND ACROSS AFORESAID DRP COUNTRY LAKES, LLC. TRACT, THE FOLLOWING COURSES AND DISTANCES:

NORTH 00 DEGREES 12 MINUTES 13 SECONDS EAST, A DISTANCE OF 124.15 FEET TO A 5/8 INCH IRON ROD WITH A YELLOW PLASTIC CAP STAMPED "JACOBS" SET FOR CORNER;

NORTH 89 DEGREES 42 MINUTES 22 SECONDS EAST, A DISTANCE OF 96.10 FEET TO A 5/8 INCH IRON ROD WITH A YELLOW PLASTIC CAP STAMPED "JACOBS" SET FOR CORNER;

NORTH 70 DEGREES 18 MINUTES 43 SECONDS EAST, A DISTANCE OF 105.91 FEET TO A 5/8 INCH IRON ROD WITH A YELLOW PLASTIC CAP STAMPED "JACOBS" SET FOR CORNER;

NORTH 00 DEGREES 17 MINUTES 38 SECONDS WEST, A DISTANCE OF 77.00 FEET TO A POINT IN A POND FOR CORNER;

NORTH 83 DEGREES 22 MINUTES 05 SECONDS EAST, A DISTANCE OF 61.47 FEET TO A 5/8 INCH IRON ROD WITH A YELLOW PLASTIC CAP STAMPED "JACOBS" SET FOR CORNER;

NORTH 00 DEGREES 27 MINUTES 57 SECONDS EAST, A DISTANCE OF 586.62 FEET TO A 5/8 INCH IRON ROD WITH A YELLOW PLASTIC CAP STAMPED "JACOBS" SET FOR CORNER;

NORTH 89 DEGREES 58 MINUTES 18 SECONDS EAST, PASSING AT A DISTANCE OF 26.18 FEET A FENCE CORNER POST AT THE SOUTHWEST CORNER OF A TRACT OF LAND CONVEYED AS TRACT II TO PETRUS INVESTMENT, LP., BY DEED RECORDED IN COUNTY CLERK'S FILE NO. 98-0117450, OFFICIAL PUBLIC RECORDS, DENTON COUNTY, TEXAS, CONTINUING ALONG THE SOUTH LINE OF SAID TRACT II, IN ALL A TOTAL DISTANCE OF 1783.57 FEET TO A 5/8 INCH IRON ROD WITH A YELLOW PLASTIC CAP STAMPED "JACOBS" SET FOR THE WEST CORNER OF AFORESAID LOT 1, BLOCK A, SOUTHWEST PUMP STATION ADDITION;

THENCE, ALONG THE SOUTHWEST LINE OF SAID LOT 1, BLOCK A, THE FOLLOWING COURSES AND DISTANCES:

SOUTH 51 DEGREES 38 MINUTES 04 SECONDS EAST, A DISTANCE OF 428.57 FEET TO A 5/8 INCH IRON ROD WITH A YELLOW PLASTIC CAP STAMPED "CARTER BURGESS" FOUND FOR CORNER;

SOUTH 57 DEGREES 21 MINUTES 25 SECONDS EAST, A DISTANCE OF 150.27 FEET TO A 5/8 INCH IRON ROD WITH A YELLOW PLASTIC CAP STAMPED "JACOBS" SET FOR CORNER;

NORTH 89 DEGREES 51 MINUTES 06 SECONDS EAST, A DISTANCE OF 42.46 FEET TO THE **POINT OF BEGINNING**, AND CONTAINING 60.071 ACRES OF LAND, MORE OR LESS.

EXHIBIT B
DECLARANT REPRESENTATIONS AND RESERVATIONS

B.1 GENERAL PROVISIONS.

B.1.1. Introduction. Declarant intends the Declaration to be perpetual and understands that provisions pertaining to the initial development, construction, marketing and control of the Property will become obsolete when Declarant's role is complete. As a courtesy to the future users of the Declaration, who may be frustrated by then-obsolete terms, Declarant is compiling certain of the Declarant-related provisions in this Exhibit.

B.1.2. General Reservation and Construction. Notwithstanding other provisions of the Governing Documents to the contrary, nothing contained therein may be construed to, nor may any mortgagee, other owner, or the Association, prevent or interfere with the rights contained in this Exhibit, which Declarant hereby reserves exclusively until itself and its successors and assigns. In case of conflict between this Appendix and any other Governing Document, this Exhibit controls. This Exhibit may not be amended without the prior written consent of Declarant. The terms and provisions of this Exhibit must be construed liberally to give effect to Declarant's intent to protect Declarant's intent to protect Declarant's interests in the Property.

B.1.3. Purpose of Development and Declarant Control Periods. This Exhibit gives Declarant certain rights during the Development Period and the Declarant Control Period to ensure a complete and orderly build out and sell out of the Property, which is ultimately for the benefit and protection of owners and mortgagees.

B.2 DECLARANT CONTROL PERIOD RESERVATION. Declarant reserves the following powers, rights and duties during the Declarant Control Period (as defined in Section 12.1 of the Declaration):

B.2.1. Officers and Directors. During the Declarant Control Period, Declarant may appoint, remove and replace any officer or director of the Association, none of whom need be Members or Owners.

B.2.2. Declarant Assessments. During the Declarant Control Period, Lots owned by Declarant are not subject to assessment.

B.2.3. Builder Assessments. During the Declarant Control Period only, Declarant has the right but not the duty to reduce or waive the assessment obligation of a Builder, provided the agreement is in writing.

B.2.4. Expenses of Declarant. Expenses related to the completion and marketing of the Property will be paid by Declarant or by Builders and are not expenses of the Association.

B.2.5. Budget Control. During the Declarant Control Period, the rights of owners to veto regular assessment increases or special assessments are not effective and may not be exercised.

B.2.6. Organizational Meeting. Within 90 days after the end of the Declarant Control Period or sooner at the Declarant's option, Declarant will call an organizational meeting of the Members of the Association for the purpose of electing, by vote of the Owners, Directors to the Board. Written notice of the organizational meeting must be given to an Owner of each Lot at least 10 days before the meeting. For the organizational meeting, Owners of 10 percent of the Lots constitute a quorum.

B.2.7. Common Areas. At or prior to termination of the Declarant Control Period, Declarant will convey title to the Common Areas to the Association by deed—with or without warranty. At the time of conveyance, the Common Areas will be free of encumbrance except for the property taxes

accruing for the year of conveyance. Declarant's conveyance of title is a ministerial task that does not require and is not subject to acceptance by the Association or the Owners.

B.3 DEVELOPMENT PERIOD RESERVATIONS. Declarant reserves the following easements and rights, exercisable at Declarant's sole discretion, at any time during the Development Period:

B.3.1. Changes in Development Plan. Declarant may modify the initial development plan to respond to perceived or actual changes and opportunities in the marketplace. Subject to approval by the City, Declarant may (1) change the sizes, dimensions and configurations of Lots and streets; (2) change the minimum dwelling size; (3) change the building setback requirements; and (4) eliminate or modify any other feature of the Property.

B.3.2. Builder Limitations. Declarant may require its approval (which may not be unreasonably withheld) of all documents and materials used by a Builder in connection with the development and sale of Lots, including without limitation promotional materials; deed restrictions; and forms for deeds, lot sales and lot closings. Without Declarant's prior written approval, a Builder may not use a sales office or model in the Property to market houses, lots or other product located outside the Property.

B.3.3. ACC. During the Development Period, Declarant has the absolute right to appoint the Architectural Control Committee, consisting of any number of persons who serve at the pleasure of Declarant, and who may be removed and replaced by Declarant. Notwithstanding the foregoing, during the Development Period—after termination of Declarant Control, or earlier if Declarant permits—the Board may appoint or serve as a "modifications committee" to respond exclusively to modifications. The modifications committee may not involve itself with the approval of new homes or vacant lots.

B.3.4. Amendment. During the Development Period, Declarant may amend this Declaration and the other Governing Documents, without the consent of other Owners or any mortgagee, for the following limited purposes:

a. To annex real property to the Property.
b. To withdraw real property from the Property.
c. To create Lots, easements and Common Areas within the Property.
d. To subdivide, combine or reconfigure Lots.
e. To convert Lots into Common Areas.
f. To modify the construction specifications of this Declaration.
g. To merge the Association with another property owners association.
h. To comply with requirements of an underwriting lender.
i. To resolve conflicts, clarify ambiguities and to correct misstatements, errors or omissions in the Governing Documents.
j. To enable any reputable title insurance company to issue title insurance coverage on the Lots.
k. To enable an institutional or governmental lender to make or purchase mortgage loans on the Lots.
l. To change the name or entity of Declarant.
m. To change the name of the addition in which the Property is located.
n. For any other purpose, provided the amendment has no material adverse effect on any right of any Owner.

B.3.5. Completion. During the Development Period, Declarant has (1) the right to complete or make improvements indicated on the plat; (2) the right to sell or lease any lot owned by Declarant; and (3) an easement and right to erect, construct, and maintain on and in the Common Area and Lots owned or leased by Declarant whatever Declarant determines to be necessary and advisable in connection with the construction, completion, management, maintenance, leasing and marketing of the Property.

B.3.6. Easement to Inspect and Right to Correct. During the Development Period, Declarant reserves for itself the right, but not the duty, to inspect, monitor, test, redesign, correct, and relocate any structure, improvement or condition that may exist on any portion of the Property, including the Lots, and a perpetual nonexclusive easement of access throughout the Property to the extent reasonably necessary to exercise this right. Declarant will promptly repair, at its sole expense, any damage resulting from the exercise of this right. By way of illustration but not limitation, relocation of a screening wall located on any Lot may be warranted by a change of circumstance, imprecise sitting of the original wall, or desire to comply more fully with public codes and ordinances. This Section may not be construed to create a duty for Declarant or the Association.

B.3.7. Promotion. During the Development Period, Declarant reserves for itself an easement and right to place and relocate signs, banners, flags, display lighting, and seasonal landscaping on the Property, and to maintain models and sales offices for purposes of promoting, identifying and marketing the Property and/or Declarant's houses, Lots, developments or other products located outside the Property. During the Development Period, Declarant also reserves (1) the right to permit Builders to place signs and promotional material on the Property and (2) the right to exempt Builders from the sign restriction in this Declaration.

B.3.8. Access. During the Development Period, Declarant has an easement and right of ingress and egress in and through the Property for purposes of constructing, maintaining, managing and marketing the Property, and for discharging Declarant's obligations under this Declaration. Declarant also has the right to provide a reasonable means of access for the home-buying public through an existing or future gate that restricts vehicular access to the Property in connection with the active marketing of Lots and homes by Declarant or Builders, including the right to require that the gate be kept open during certain hours and/or on certain days. This provision may not be construed as an obligation or intent to gate the Property.

B.3.9. Utility Easements. During the Development Period, Declarant may grant permits, licenses and easements over, in, on, under and through the Property for utilities, roads and other purposes necessary for the proper development and operation of the Property. Declarant reserves the right to make changes in and additions to the easements on any Lot, as shown on the plat, to more efficiently or economically install utilities or other improvements. Utilities may include, but are not limited to, water, sewer, fiber optic, trash removal, electricity, gas, telephone, television and security.

B.3.10. Transfer Fees. During the Development Period, Declarant shall not be required to pay transfer-related fees and/or resale certificate fees.

B.3.11. Agents for Declarant. From time to time, Declarant may invite, request or employ one of its affiliates and/or a property/association management company, as its Agent, to share in the exercise of any, some or all of its easements and rights, without any formality other than the consent of Declarant. Notwithstanding such sharing, such agent will not become a successor Declarant unless such agent and Declarant join in an instrument that assigns and transfers Declarant's rights and duties under this Declaration, signed and acknowledged by both Declarant and such agent, and recorded in the county's real property records.

B.4 WORKING CAPITAL FUND. Declarant may (but is not required to) establish a working capital fund for the Association. Each and every Lot shall have a per Lot recurring contribution to this fund set at One Hundred and 00/100 Dollars ($100.00), a recurring fee to be paid upon each and every closing on the sale or transfer of any such Lot to an Owner other than the Declarant. Each new purchaser shall be responsible for contribution to the fund. Contributions to the fund are not advance payments of regular assessments and are not refundable. Declarant will transfer the balance of the working capital fund to the Association on or before termination of the Declarant Control Period, and the working capital fund shall be used for

building capital or making improvements for the benefit of the property of the Association and/or the members.[2]

B.5 SUCCESSOR DECLARANT. Declarant may designate one or more Successor Declarants for specified designated purposes and/or for specified portions of the Property, or for all purposes and all of the Property. To be effective, the designation must be in writing, signed and acknowledged by Declarant and Successor Declarant, and recorded in the real property records of Denton County, Texas. Declarant (or Successor Declarant) may subject the designation of Successor Declarant to limitations and reservations. Unless the designation of Successor Declarant provides otherwise, a Successor Declarant has the rights of Declarant under this section and may designate further Successor Declarant(s).

(End of Exhibit B)

[2] This fund will not be used for improvements, which are the responsibility of the Declarant, Develop or Builders.

EXHIBIT C
ACKNOWLEDGMENT BY ACQUISITION

By its acquisition and ownership of a Lot in the Property, each Owner acknowledges that:

(a) Due to the topography of its Lot and the Property, water will, at times, flow through and over portions of its Lot from adjacent and surrounding Lots in order to achieve positive drainage away from other Lots. No adverse action may be taken by said Owner(s) to the detriment of this positive drainage on its or adjacent Lots.

(b) The property adjacent to the Subdivision is not owned or controlled by Declarant and each Owner has hereby been advised to consult with the applicable departments of the City for any changes to and/or specific zoning information regarding its Lot, the Property and the zoning or proposed (re-)zoning of any adjacent property. It is also understood by each Owner that there are no oral, written or implied representations or warranties regarding zoning or development of the Property or adjoining properties.

(c) Each Lot may have "back-to-front" or "front-to-back" drainage. There may be a swale or swales over various portions of each Lot due to this drainage situation. The depth and width of any swales will vary depending on the elevations of its and adjacent Lots. The front and the rear portions of each Lot will not be level and no adjustments to the depth or severity of any swales should be made due to cosmetic or aesthetic concerns. Any alterations made after closing to any swales by an Owner may impact the drainage as well as any foundation warranty that he may own.

(d) The failure or excessive movement of any foundation of any dwelling in the Addition can result in the diminished value and overall desirability of the entire Addition. Each Owner agrees and understands that the maintenance of the moisture content of the soils on each Lot is necessary to preserve the structural integrity of each home in the Addition. Each Owner also acknowledges that the long term value and desirability of the Addition is contingent upon each Owner maintaining their dwelling so that no structural failure or excessive soil movement occurs within the Addition.

EACH OWNER IS HEREBY NOTIFIED THAT THE SOIL COMPOSITION IN TEXAS IN GENERAL AND THE PROPERTY IN PARTICULAR AND THE CONDITIONS OF THE LOTS MAY RESULT IN THE SWELLING AND/OR CONTRACTION OF THE SOIL IN AND AROUND THE LOT IF THE OWNER OF THE LOT DOES NOT EXERCISE THE PROPER CARE AND MAINTENANCE OF THE SOIL REQUIRED TO PREVENT SOIL MOVEMENT.

If the Owner fails to exercise the necessary precautions, damage, settlement, movement or upheaval to the foundation may occur. Owners are highly encouraged to install and maintain proper irrigation around their dwellings or take such other measures to ensure even, proportional and prudent watering around the foundation of the dwelling.

By each Owner's acceptance of a warranty deed to any Lot, each Owner, on behalf of Owner and Owner's representatives, successors and assigns, hereby acknowledge that the Declarant and all Builders in the Subdivision shall not be responsible or liable for any damage, settlement, movement or upheaval to the foundation or any other part of the residence constructed on said Lot and hereby releases and forever discharges, all Builders in the Subdivision and Declarant, and their respective shareholders, members, officers, directors, partners, employees, agents, representatives, affiliates, attorneys, successors and assigns, of and from any and all claim for the relief and/or causes of actions, liabilities, damages and claims whatsoever, known or unknown, direct or indirect, arising from or relating to the foundation and/or the residence constructed upon the Lot, including but not limited to any damage thereto caused by and/or related in any fashion to the soil condition upon which the same are constructed, the presence or groundwater and any other subsurface condition affecting the Lot and/or from the failure or improper or uneven watering of the Lot, inadequate grading or drainage facilities to carry water away from the foundation or planting of improper vegetation near the foundation or any action which affects the drainage of any Lot.

(e) Each Lot falls under the jurisdiction of the Association, which requires mandatory affiliation thereto, including the payment of an annual fee (which may be payable on a quarterly or other basis) per Section 7.3 of the Declaration. Each Owner will also incur a working capital contribution fee and a transfer fee per Section 6.10 of the Declaration, which he understands should be further reviewed for more detailed information regarding Association dues, assessments and restrictions.

(f) Each Owner understands and agrees that neither Declarant nor Builder has any responsibility as to the present condition or future maintenance of any trees on its Lot. Furthermore, it is understood by each Owner that nether Declarant nor Builder makes any assurances, implied or stated, in regard to the survival of any trees during the construction process of building and completing a Residence on his Lot. It is also acknowledged that neither Declarant nor Builder has any liability consideration on trees either during construction or after a Residence is purchased and occupied on the Lot. It is further understood that each Owner assumes all responsibility of the maintenance and the condition of any trees on his Lot.

(g) Any modifications or additions to each Residence or any Structure on any Lot require prior submittal to and approval of plans and specifications by the ACC pursuant to the Declaration. It is also understood that failure to so comply may result in the imposition of fines against the Owner and/or the removal of such modifications or additions at Owner's expense.

(h) There is no prescribed time for the construction or marketing by Builder or Declarant of a Residence on any Lot or the Lot itself. It is also understood that Builder and Declarant make no assurances regarding any established period of time during which Lots near the model homes or trailers of any Builder will remain vacant since the utility of such homes or trailers is of an indeterminate length of time.

(i) Each Owner should direct any issues concerns or questions regarding the Common Area or the Association to the property manager hired by the Association, whose name can be obtained by contacting any Builder or Declarant.

(End of Exhibit C)

EXHIBIT D
PLANNED DEVELOPMENT CONDITIONS

ORDINANCE NO. 99-350

AN ORDINANCE OF THE CITY OF DENTON, TEXAS AMENDING ORDINANCE NO. 99-205 TO PROVIDE FOR A DETAILED PLAN FOR 108.3 ACRES LOCATED WITHIN PLANNED DEVELOPMENT 174 (PD-174) ZONING DISTRICT; THE SUBJECT PROPERTY BEING THE PROPERTY GENERALLY LOCATED NORTH OF THE CITY OF ARGYLE BETWEEN INTERSTATE 35W AND JOHN PAINE ROAD; PROVIDING A SAVINGS CLAUSE; PROVIDING FOR A PENALTY IN THE MAXIMUM AMOUNT OF $2,000.00 FOR VIOLATIONS THEREOF; AND PROVIDING FOR AN EFFECTIVE DATE (Z-99-040).

WHEREAS, on June 15, 1999, by Ordinance 99-205, the City Council approved a change in zoning for 502.88 acres of land to Planned Development (PD-174) Zoning District; and

WHEREAS, on May 13, 1999 Binary Investment, Inc., on behalf of Violet Properties, L.P., submitted a detailed plan for 108.3 acres located within PD-174; and

WHEREAS, on June 9, 1999, the Planning and Zoning Commission recommended approval of a Detailed Plan for such 108.3 acres; and

WHEREAS, the City Council finds that the Detailed Plan is in compliance with the Concept Plan for Planned Development 174 (PD-174) Zoning District; NOW, THEREFORE,

THE COUNCIL OF THE CITY OF DENTON HEREBY ORDAINS:

SECTION 1. That Ordinance No. 99-205 providing for the approval of a Planned Development Zoning District Classification and Use Designation for the property described as PD-174 is amended by approving the Detailed Plan attached hereto and incorporated herein by reference as Exhibit B for 108.3 acres located within PD-174, more particularly described by the legal description attached hereto and incorporated herein by reference as Exhibit A.

SECTION 2. That a copy of this ordinance shall be attached to Ordinance No. 99-205, showing the amendment herein approved.

SECTION 3. All provisions of Ordinance No. 99-205 in conflict with the provisions of this Ordinance are hereby repealed, and all other provisions of Ordinance No. 99-205, not in conflict with the provisions of this Ordinance, shall remain in full force and effect.

SECTION 4. That any person violating any provision of this ordinance shall, upon conviction, be fined a sum not exceeding $2,000.00. Each day that a provision of this ordinance is violated shall constitute a separate and distinct offense.

SECTION 5. That this ordinance shall become effective fourteen (14) days from the date of its passage, and the City Secretary is hereby directed to cause the caption of this ordinance to be published twice in the Denton Record-Chronicle, a daily newspaper published in the City of Denton, Texas, within ten (10) days of the date of its passage.

PASSED AND APPROVED this the 21st day of September, 1999.

JACK MILLER, MAYOR

ATTEST:
JENNIFER WALTERS, CITY SECRETARY

By: Jennifer Walters

APPROVED AS TO LEGAL FORM:
HERBERT L. PROUTY, CITY ATTORNEY

By: Michael A. Burch

EXHIBIT A

LEGAL DESCRIPTION
105.996 ACRES

BEING A 105.996 ACRE TRACT OF LAND SITUATED IN THE B.B.B. & C.R.R. SURVEY, ABSTRACT NO. 158, AND THE E. PIZANO SURVEY, ABSTRACT NO. 994, DENTON COUNTY, TEXAS AND BEING PART OF TRACT I CONVEYED BY DEED TO VIOLET PROPERTIES ASSOCIATES, L. P., RECORDED IN COUNTY CLERK'S FILE NO. 98-019205, REAL PROPERTY RECORDS, DENTON COUNTY, TEXAS. SAID 105.996 ACRE TRACT, WITH BEARING BASIS BEING THE MOST EASTERLY LINE OF SAID TRACT I, BEING MORE PARTICULARLY DESCRIBED BY METES AND BOUNDS AS FOLLOWS:

BEGINNING AT A 1/2" IRON ROD FOUND FOR THE NORTHWEST CORNER OF SAID TRACT I, SAID POINT BEING ON THE SOUTHEAST RIGHT-OF-WAY LINE OF INTERSTATE HIGHWAY 35-W (A VARIABLE WIDTH RIGHT-OF-WAY);

THENCE, DEPARTING SAID SOUTHEAST RIGHT-OF-WAY, ALONG THE COMMON LINE OF AFORESAID TRACT I AND THE SOUTH LINE OF TRACT II CONVEYED BY SAID DEED TO HILLWOOD/McCUTCHIN, LTD. RECORDED IN VOLUME 2470, PAGE 678, DEED RECORDS, DENTON COUNTY, TEXAS, THE FOLLOWING THREE COURSES AND DISTANCES:

SOUTH 89 DEGREES 57 MINUTES 58 SECONDS EAST, A DISTANCE OF 274.15 FEET TO A 1/2" IRON ROD FOUND FOR CORNER;

SOUTH 00 DEGREES 27 MINUTES 57 SECONDS WEST, A DISTANCE OF 497.64 FEET TO A 1/2" IRON ROD FOUND FOR CORNER;

NORTH 89 DEGREES 58 MINUTES 18 SECONDS EAST, A DISTANCE OF 2269.01 FEET TO POINT FOR CORNER IN THE WEST LINE JOHN PAINE ROAD (A VARIABLE WIDTH PRESCRIPTIVE RIGHT-OF-WAY), FROM WHICH A 1/2" IRON ROD FOUND FOR AN INTERIOR ELL CORNER OF SAID TRACT I AND THE SOUTHEAST CORNER OF SAID TRACT II BEARS NORTH 89 DEGREES 58 MINUTES 18 SECONDS EAST A DISTANCE OF 21.41 FEET;

THENCE SOUTH 00 DEGREES 08 MINUTES 54 SECONDS EAST, WITH SAID WEST LINE OF JOHN PAINE ROAD AND 25 FEET WEST OF AND PARALLEL TO THE WEST LINE OF THE CITY LIMITS FOR THE CITY OF ARGYLE AS DESCRIBED IN VOLUME 794, PAGE 388, DEED RECORDS, DENTON COUNTY, TEXAS, A DISTANCE OF 1632.89 FEET TO A POINT FOR CORNER, SAID POINT LYING 25 FEET NORTH OF THE NORTH LINE OF THE SAID CITY LIMITS OF THE CITY OF ARGYLE AS DESCRIBED IN SAID INSTRUMENT;

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September 2, 1999

THENCE SOUTH 89 DEGREES 57 MINUTES 52 SECONDS WEST, WITH THE NORTHERLY LINE OF CRAWFORD ROAD (A VARIABLE WIDTH PRESCRIPTIVE RIGHT-OF-WAY) AND 25 FEET NORTH OF AND PARALLEL TO THE NORTH LINE OF THE SAID CITY LIMITS OF THE CITY OF ARGYLE AS DESCRIBED IN SAID INSTRUMENT, A DISTANCE OF 2350.87 TO A POINT FOR CORNER IN THE EAST LINE OF A TRACT OF LAND CONVEYED BY DEED TO JOE T. SIMPSON AND SPOUSE, BARBARA J. SIMPSON, RECORDED IN VOLUME 3097, PAGE 570, DEED RECORDS, DENTON COUNTY, TEXAS;

THENCE NORTH 00 DEGREES 06 MINUTES 15 SECONDS EAST, ALONG THE WEST LINE OF SAID TRACT I AND THE EAST LINE OF SAID SIMPSON TRACT, A DISTANCE OF 372.84 FEET TO A 5/8" IRON ROD FOUND AT THE NORTHEAST CORNER OF SAID SIMPSON TRACT;

THENCE NORTH 89 DEGREES 47 MINUTES 03 SECONDS WEST, ALONG THE SAID WEST LINE AND THE NORTH LINE OF SAID SIMPSON TRACT, A DISTANCE OF 199.88 FEET TO A 1" IRON PIPE FOUND AT THE NORTHWEST CORNER OF SAID SIMPSON TRACT IN THE EAST LINE OF A TRACT OF LAND CONVEYED BY DEED TO JED ARTHUR COOPER AND WIFE, CAROL JOY COOPER, RECORDED IN VOLUME 3097, PAGE 459, DEED RECORDS, DENTON COUNTY, TEXAS;

THENCE NORTH 00 DEGREES 12 MINUTES 13 SECONDS EAST, ALONG SAID WEST AND EAST LINES, A DISTANCE OF 428.63 FEET TO A 1/2" IRON ROD FOUND AT THE NORTHEAST CORNER OF SAID COOPER TRACT;

THENCE SOUTH 89 DEGREES 43 MINUTES 30 SECONDS WEST, ALONG SAID WEST LINE, THE NORTH LINE OF SAID COOPER TRACT, AND THE NORTH LINE OF A TRACT OF LAND CONVEYED BY DEED TO DOUGLAS TURNER AND WIFE, JEANETTE, RECORDED IN VOLUME 643, PAGE 443, DEED RECORDS, DENTON COUNTY, TEXAS, A DISTANCE OF 437.36 FEET TO A 2" IRON PIPE FOUND IN THE EAST LINE OF TRACT IV CONVEYED BY DEED TO HILLWOOD/McCUTCHIN, LTD., RECORDED IN VOLUME 2470, PAGE 678, DEED RECORDS, DENTON COUNTY, TEXAS;

THENCE NORTH 00 DEGREES 28 MINUTES 31 SECONDS WEST, ALONG SAID WEST LINE AND THE EAST LINE OF SAID TRACT IV, A DISTANCE OF 499.36 FEET TO A 1" IRON ROD FOUND IN THE AFORESAID SOUTHEAST RIGHT-OF-WAY LINE OF INTERSTATE HIGHWAY 35-W (A VARIABLE WIDTH RIGHT-OF-WAY);

THENCE ALONG SAID WEST LINE AND SAID SOUTHEAST RIGHT-OF-WAY, THE FOLLOWING THREE COURSES AND DISTANCES:

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NORTH 29 DEGREES 23 MINUTES 45 SECONDS EAST, A DISTANCE OF 692.68 FEET TO A CONCRETE MONUMENT FOUND FOR CORNER;

NORTH 23 DEGREES 59 MINUTES 37 SECONDS EAST, A DISTANCE OF 201.38 FEET TO A CONCRETE MONUMENT FOUND FOR CORNER;

NORTH 29 DEGREES 23 MINUTES 41 SECONDS EAST, A DISTANCE OF 50.58 FEET TO THE POINT OF BEGINNING AND CONTAINING 105.996 ACRES OF LAND, MORE OR LESS;

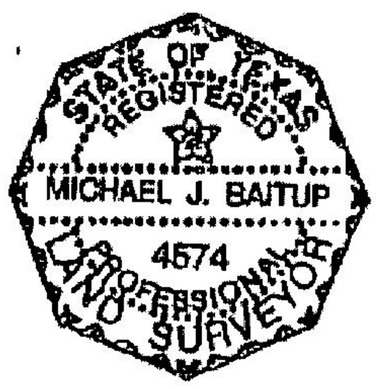
SURVEYORS CERTIFICATE

I, MICHAEL J. BAITUP, REGISTERED PROFESSIONAL LAND SURVEYOR IN THE STATE OF TEXAS, DO HEREBY CERTIFY THAT THE HEREON LEGAL DESCRIPTION ACCURATELY REPRESENTS THE DESCRIBED PROPERTY AS DETERMINED BY A SURVEY, MADE ON THE GROUND UNDER MY DIRECTION AND SUPERVISION AND 5/8" IRON RODS CAPPED "CARTER & BURGESS" HAVE BEEN SET AT ALL BOUNDARY CORNERS, UNLESS OTHERWISE NOTED. THE MONUMENTS OR MARKS SET, OR FOUND, ARE SUFFICIENT TO ENABLE RETRACEMENT.

DATED: 9/2/99

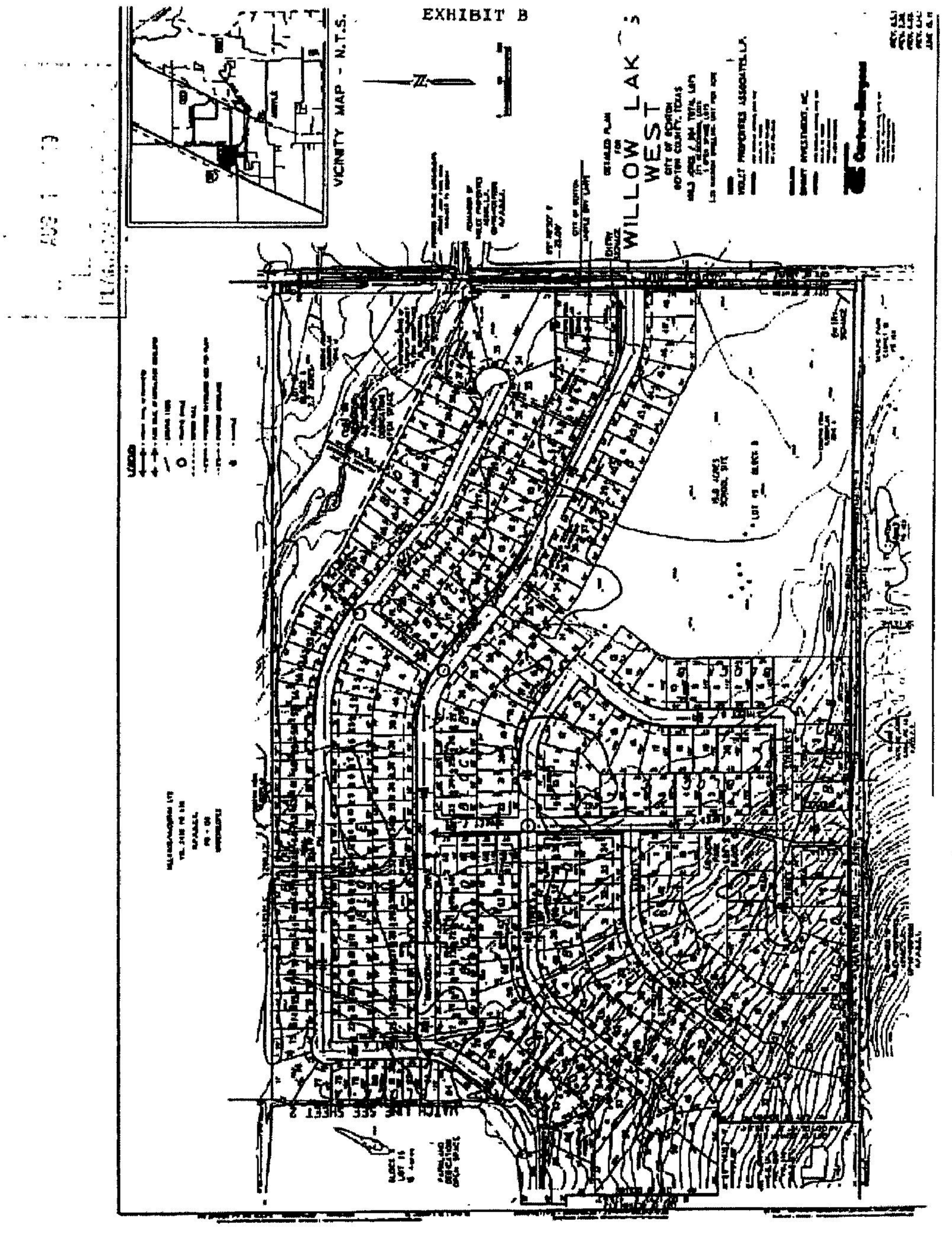
Michael J. Baitup

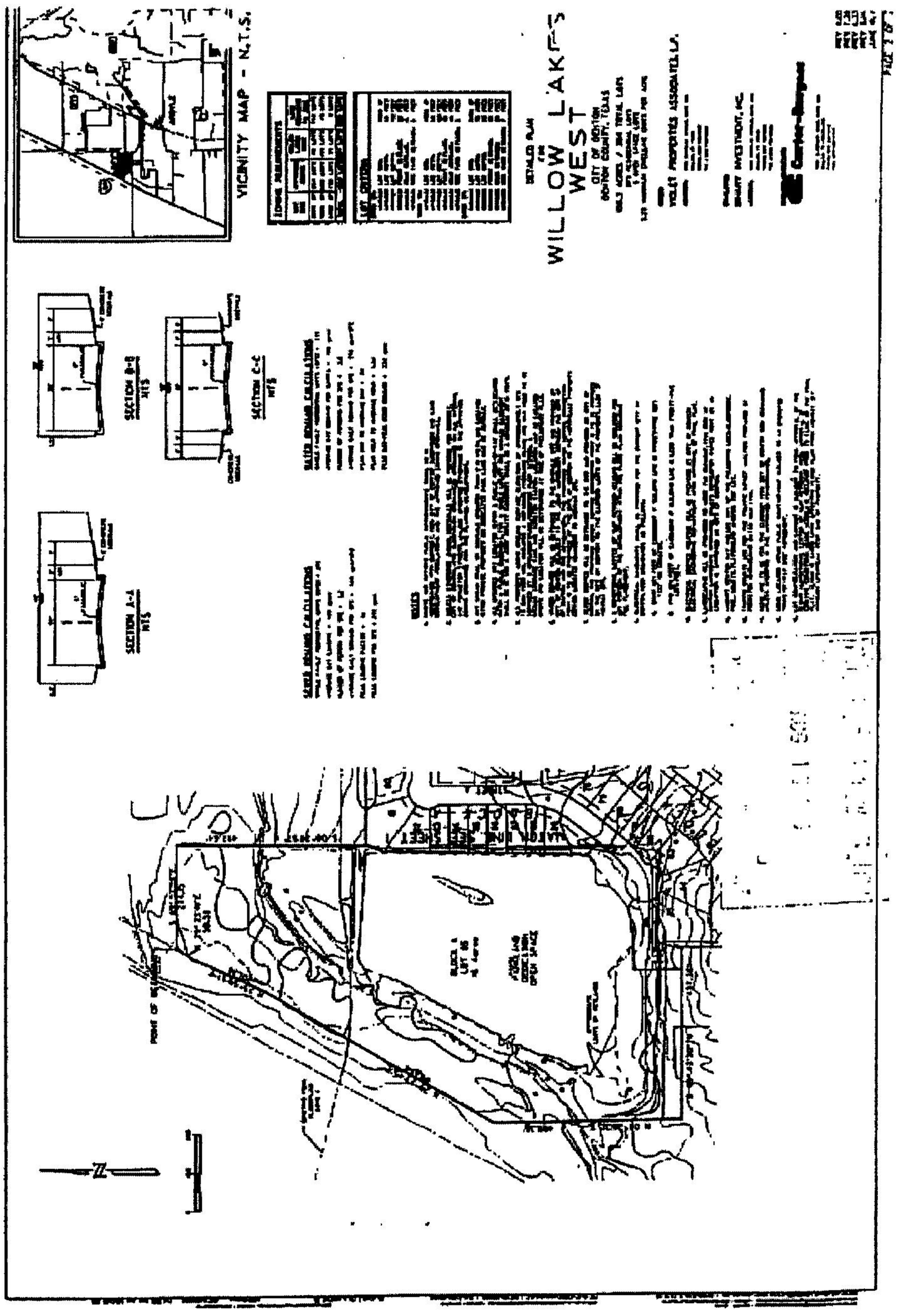
MICHAEL J. BAITUP
REGISTERED PROFESSIONAL LAND SURVEYOR
TEXAS REGISTRATION NO. 4574



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September 2, 1999

EXHIBIT B




WILLOW LAKES
WEST
VICINITY MAP - N.T.S.

PD-174
CLN(Date) Zoning

ORDINANCE NO. 99-205

AN ORDINANCE OF THE CITY OF DENTON, TEXAS, INITIALLY DESIGNATING A PLANNED DEVELOPMENT (PD) ZONING DISTRICT CLASSIFICATION AND USE DESIGNATION FOR 502.88 ACRES OF LAND GENERALLY LOCATED NORTH OF THE CITY OF ARGYLE, SOUTH OF JOHNSON ROAD BETWEEN INTERSTATE 35E AND HIGHWAY 377; PROVIDING FOR A PENALTY IN THE MAXIMUM AMOUNT OF $2,000.00 FOR VIOLATIONS THEREOF; PROVIDING FOR SEVERABILITY AND PROVIDING FOR AN EFFECTIVE DATE. (Z-99-041)

WHEREAS, Binary Investment, Inc. on behalf of Violet Properties, L.P. has applied for zoning 502.88 acres of land as a Planned development (PD) zoning district classification and use designation; and

WHEREAS, on June 9, 1999, the Planning and Zoning Commission recommended approval of the requested zoning; and

WHEREAS, the City Council finds that the zoning will be in compliance with the 1988 Denton Development Plan, the 1998 Denton Plan Policies, and the 1999 Growth Management Strategies and Plan; NOW, THEREFORE,

THE COUNCIL OF THE CITY OF DENTON HEREBY ORDAINS:

SECTION I. District Established. That the 502.88 acres of land described in the legal description attached hereto and incorporated herein as Exhibit "A" is zoned Planned Development (PD) zoning district classification and use designation under the comprehensive zoning ordinance of the City of Denton, Texas.

SECTION II. Concept Plan. That Exhibit "B", attached hereto and incorporated into this ordinance by reference, is approved as the Concept Plan for the district. Land uses, open space and public facilities authorized or required for the district shall be located generally as designated on the concept plan and shall be subject to the standards and conditions set forth in this ordinance. If designated sites for public buildings are not donated to or acquired by the appropriate governmental entity, such sites may be used for one-family dwellings subject to the standards and conditions set forth in this ordinance.

SECTION III. Land Uses. That the following land uses are authorized within the district:

(1) one-family dwellings detached, not to exceed a gross density of 3.25 units per acre; provided, however, that the land area used in such calculation shall be net of the area of any school site that is to be dedicated to or acquired by a school district;

(2) uses accessory to one-family dwellings;

(3) other signs conforming to City of Denton sign ordinance;

(4) home office as accessory use;

(5) public schools and other government buildings, structures and facilities;

(6) parks and recreational facilities, including trails, subject to conditions set forth in section VI;

(7) detached living quarters, and any use allowed in a One-Family Dwelling Unit (SF-7) District by Specific Use Permit, subject to standards and procedures set forth in sections 35-106 to 35-115 inclusive, of the zoning ordinance.

SECTION IV. Lot Size Mix. That, consistent with the density limitations set forth in section 2, the following mix of lot sizes is authorized within the district:

(1) at least 150 lots 8,400 sq. ft. or greater in size;

(2) at least 600 lots between 7,000 sq. ft. and 8400 sq. ft in size;

(3) for the remainder of the lots, between 5,500 sq. ft and 7000 sq. ft in size.

SECTION V. Development Standards. That one-family dwellings within the district are subject to the following development standards by lot size:

Min Lot Size:	8,400 sf*	7,000 sf	5,500 sf
Min Lot Width:	70'	60'	50'
Min Lot Depth:	110'	105'	105'
Max Bldg Coverage:	50%	50%	50%
Open Space per Lot:	20%	20%	20%
Front yard set-back:	25'	20'	20'
Rear yard set-back:	20'	20'	15'
Side yard set-back:	7'	5'	5'
Max Height:	36'	36'	36'

Enclosed Garages:**	2 car	2 car	2 car
Masonry requirement:***	80%	80%	80%

* Dimensional standards for 8400 sq. ft. lots also apply to larger lot sizes.

** Attached or detached, cannot extend in front of house. Must be flush or recessed from front facade.

*** 80% of the surface area of all exterior walls excluding dormers, gables, porches, windows, doors, and bay windows provided that 100% masonry is required for the front side of residential structures. Masonry includes brick, stone, or stucco.

SECTION VI. Standards Applicable to Particular Uses. That the following additional standards apply to particular uses authorized within the district:

(1) Trails. Design of park trails and urban trails shall be differentiated in accordance with the Concept Plan. Trails located on residential streets shall be 8 feet wide. Where a residential trail exists on one side of a street, no sidewalk is required on the opposite side. Trails located along parks, lakes and open space or between lots shall be of a width and material agreed to between the City Parks Department and the Property Owner. Materials must be less intrusive and less expensive than concrete. Trails shall lead to the neighborhood centers, schools, parks and open spaces designated in the Concept Plan.

(2) Miscellaneous uses. All mailboxes, street signs and light poles shall be themed to match and differentiate the development. Entry features such as signage, landscaping and other signs meeting City Code may be placed in the street median, subject to plat review.

SECTION VII. Landscaping. That landscaping shall be installed as required by City ordinance, except that each lot must have at least one 4-inch caliper tree measured 36 inches above the ground in the planting area between the sidewalk and the street.

SECTION VIII. Public Facilities. That public facilities shall be installed in accordance with the following standards:

(1) Roads.

a. Perimeter collector roads shall conform to the street standards set forth in the Streets Chapter of the Draft Denton Comprehensive Plan, which is attached hereto as Exhibit C and incorporated by reference herein.

b. The internal collector road, which will access the school and the neighborhood center, will be constructed using the City's current street standards, except that the right-of-way shall be 65 feet in width, there shall be two 6-foot planting areas adjacent to the curb, one side of the road shall have an 8-foot sidewalk and the other side shall have a 4-foot sidewalk.

c. Internal residential streets will be built according to current street standards, except that there shall be a 5-foot planting area between the sidewalk and street paving.

d. Some traffic circles, as described in Exhibit C, shall be utilized to reduce speed along the longer direct roads.

e. Alleys are not required; provided that, if alleys are used, both streets and alleys shall be built according to standards in Exhibit C for streets.

(2) Sidewalks. All sidewalks shall be 5 feet wide, unless allowed otherwise by this ordinance.

SECTION IX. Additional Conditions. That the following conditions shall apply within the district:

(1) All residential lots adjacent to Crawford Road shall be a minimum of 10,000 sq. ft.

(2) A twenty-foot (20') buffer yard shall be established along and measured from Crawford Road dedicated right-of-way, in which trees shall be preserved to the maximum extent possible.

SECTION X. Zoning Map. That the City's official zoning map is amended to show the designation of this zoning district classification.

SECTION XI. Penalty. That any person violating any provision of this ordinance shall, upon conviction, be fined a sum not exceeding $2,000.00. Each day that a provision of this ordinance is violated shall constitute a separate and distinct offense.

SECTION XII. Effective Date. That this ordinance shall become effective fourteen (14) days from the date of its passage, and the City Secretary is hereby directed to cause the caption of this ordinance to be published twice in the Denton Record-Chronicle, a daily newspaper published in the City of Denton, Texas within then (10) days of the date of its passage.

SECTION XIII. Severability. That the terms and provisions of this ordinance shall be deemed to be severable and if the validity of any section, subsection, sentence, clause or phrase of this ordinance should be declared to be invalid, the same shall not affect the validity of any other section, subsection, sentence, clause or phrase of this ordinance.

PASSED AND APPROVED this the 15th day of June, 1999.

JACK MILLER, MAYOR

ATTEST:
JENNIFER WALTERS, CITY SECRETARY

BY: Jane Richardson, Assistant

APPROVED AS TO LEGAL FORM:
HERBERT L. PROUTY, CITY ATTORNEY

BY: Eddie Martin

EXHIBIT A

LEGAL DESCRIPTION
502.880 ACRES

BEING A 502.880 ACRE TRACT OF LAND SITUATED IN THE WILLIAM SMITH SURVEY, ABSTRACT NO. 1182 AND 1187, THE MARY SMITH SURVEY, ABSTRACT NO. 1181, THE SPENCER GRAHAM SURVEY, ABSTRACT NO. 468, THE B.B.B. & C.R.R. SURVEY, ABSTRACT NO. 158, AND THE E. PIZANO SURVEY, ABSTRACT NO. 994, DENTON COUNTY, TEXAS AND BEING PART OF TRACT I CONVEYED BY DEED TO VIOLET PROPERTIES ASSOCIATES, L. P., RECORDED IN COUNTY CLERK'S FILE NO. 98- 019205, REAL PROPERTY RECORDS, DENTON COUNTY, TEXAS. SAID 502.880 ACRE TRACT, WITH BEARING BASIS BEING THE MOST EASTERLY LINE OF SAID TRACT I, BEING MORE PARTICULARLY DESCRIBED BY METES AND BOUNDS AS FOLLOWS:

BEGINNING AT A 1/2" IRON ROD FOUND FOR THE NORTHWEST CORNER OF SAID TRACT I, SAID POINT BEING ON THE SOUTHEAST RIGHT-OF-WAY LINE OF INTERSTATE HIGHWAY 35-W (A VARIABLE WIDTH RIGHT-OF-WAY);

THENCE, DEPARTING SAID SOUTHEAST RIGHT-OF-WAY, ALONG THE COMMON LINE OF AFORESAID TRACT I AND THE SOUTH LINE OF TRACT II CONVEYED BY SAID DEED TO HILLWOOD/McCUTCHIN, LTD. RECORDED IN VOLUME 2470, PAGE 678, DEED RECORDS, DENTON COUNTY, TEXAS, THE FOLLOWING THREE COURSES AND DISTANCES:

SOUTH 89 DEGREES 57 MINUTES 58 SECONDS EAST, A DISTANCE OF 274.15 FEET TO A 1/2" IRON ROD FOUND FOR CORNER;

SOUTH 00 DEGREES 27 MINUTES 57 SECONDS WEST, A DISTANCE OF 497.64 FEET TO A 1/2" IRON ROD FOUND FOR CORNER;

NORTH 89 DEGREES 58 MINUTES 18 SECONDS EAST, A DISTANCE OF 2290.42 FEET TO A 1/2" IRON ROD FOUND FOR CORNER IN JOHN PAINE ROAD (A VARIABLE WIDTH PRESCRIPTIVE RIGHT-OF-WAY);

THENCE NORTH 00 DEGREES 06 MINUTES 45 SECONDS WEST, WITH THE GENERAL DIRECTION OF JOHN PAINE ROAD, ALONG THE WEST LINE OF SAID TRACT I, AND THE EAST LINE OF SAID HILLWOOD/McCUTCHIN, LTD TRACT II, A DISTANCE OF 3640.35 FEET TO A 1/2" IRON ROD FOUND AT THE INTERSECTION OF SAID JOHN PAINE ROAD AND JOHNSON ROAD (A VARIABLE WIDTH PRESCRIPTIVE RIGHT-OF-WAY), FROM WHICH A 60D NAIL BEARS NORTH 36 DEGREES 41 MINUTES 03 SECONDS WEST, A DISTANCE OF 9.38 FEET;

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May 28, 1999

THENCE NORTH 89 DEGREES 44 MINUTES 44 SECONDS EAST, WITH THE GENERAL DIRECTION OF JOHNSON ROAD, ALONG THE NORTH LINE OF SAID TRACT I, THE NORTHERNMOST SOUTH LINE OF SAID HILLWOOD/McCUTCHIN, LTD TRACT II, AND THE SOUTH LINE OF A TRACT OF LAND CONVEYED BY DEED TO ALBERT R. HUGHES, RECORDED IN VOLUME 3129, PAGE 752, DEED RECORDS, DENTON COUNTY, TEXAS, A DISTANCE OF 3083.72 FEET TO A 1/2" IRON ROD FOUND AT THE NORTHEAST CORNER OF SAID TRACT I, AND THE NORTHWEST CORNER OF A TRACT OF LAND CONVEYED BY DEED TO L. Z. BROWN, RECORDED IN VOLUME 290, PAGE 382, DEED RECORDS, DENTON COUNTY, TEXAS;

THENCE SOUTH 00 DEGREES 28 MINUTES 34 SECONDS WEST, ALONG THE EAST LINE OF SAID TRACT I AND THE WEST LINE OF SAID BROWN TRACT, A DISTANCE OF 2769.75 FEET TO A 5/8" IRON ROD FOUND AT THE SOUTHWEST CORNER OF SAID BROWN TRACT AND THE NORTHEASTERLY INTERIOR ELL CORNER OF SAID TRACT I;

THENCE SOUTH 88 DEGREES 19 MINUTES 00 SECONDS EAST, ALONG THE COMMON LINE OF SAID TRACT I AND THE SOUTH LINE OF SAID BROWN TRACT, A DISTANCE OF 2347.45 FEET TO A 1/2" IRON ROD FOUND FOR THE NORTHEAST CORNER OF SAID TRACT I AND THE SOUTHEAST CORNER OF SAID BROWN TRACT, SAID POINT LYING ON THE WEST LINE OF A TRACT OF LAND CONVEYED BY DEED TO WILLIAM T. SMITH AND WIFE, NONA SMITH, RECORDED IN VOLUME 284, PAGE 187, DEED RECORDS, DENTON COUNTY, TEXAS;

THENCE SOUTH 00 DEGREES 32 MINUTES 58 SECONDS WEST, ALONG THE COMMON LINE OF SAID TRACT I AND SAID SMITH TRACT, A DISTANCE OF 148.29 FEET TO A 2" IRON PIPE FOUND IN THE NORTHWEST RIGHT-OF-WAY OF LINE OF AFORESAID TEXAS AND PACIFIC RAILROAD (A 100 FOOT RIGHT-OF-WAY);

THENCE SOUTH 27 DEGREES 34 MINUTES 34 SECONDS WEST (BEARING BASIS), ALONG SAID NORTHWEST RIGHT-OF-WAY, A DISTANCE OF 1746.79 FEET TO A POINT FOR CORNER, SAID POINT LYING ON THE NORTH LINE OF CITY LIMITS FOR THE CITY OF ARGYLE AS DESCRIBED IN VOLUME 794, PAGE 388, DEED RECORDS, DENTON COUNTY, TEXAS;

THENCE NORTH 89 DEGREES 48 MINUTES 30 SECONDS WEST, OVER AND ACROSS SAID TRACT I AND ALONG SAID NORTH LINE OF THE CITY OF ARGYLE, PASSING AT A DISTANCE OF 4584.09 FEET THE NORTHERLY NORTHWEST CORNER OF SAID CITY OF ARGYLE AND CONTINUING IN ALL A TOTAL DISTANCE OF 4609.09 TO A POINT FOR CORNER IN WEST LINE OF AFORESAID JOHN PAINE ROAD AND BEING 25 FEET EAST OF THE WEST LINE OF THE CITY OF LIMITS OF THE CITY OF ARGYLE AS DESCRIBED IN SAID INSTRUMENT;

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May 28, 1999

THENCE SOUTH 00 DEGREES 08 MINUTES 54 SECONDS EAST, WITH SAID WEST LINE OF JOHN PAINE ROAD AND 25 FEET WEST OF AND PARALLEL TO THE SAID WEST LINE OF THE CITY LIMITS OF THE CITY OF ARGYLE, A DISTANCE OF 767.10 FEET TO A POINT FOR CORNER, SAID POINT LYING 25 FEET NORTH OF THE NORTH LINE OF THE SAID CITY LIMITS OF THE CITY OF ARGYLE AS DESCRIBED IN SAID INSTRUMENT;

THENCE SOUTH 89 DEGREES 57 MINUTES 52 SECONDS WEST, WITH THE NORTHERLY LINE OF CRAWFORD ROAD (A VARIABLE WIDTH PRESCRIPTIVE RIGHT-OF-WAY) AND 25 FEET NORTH OF AND PARALLEL TO THE NORTH LINE OF THE SAID CITY LIMITS OF THE CITY OF ARGYLE AS DESCRIBED IN SAID INSTRUMENT, A DISTANCE OF 2350.87 TO A POINT FOR CORNER IN THE EAST LINE OF A TRACT OF LAND CONVEYED BY DEED TO JOE T. SIMPSON AND SPOUSE, BARBARA J. SIMPSON, RECORDED IN VOLUME 3097, PAGE 570, DEED RECORDS, DENTON COUNTY, TEXAS;

THENCE NORTH 00 DEGREES 06 MINUTES 15 SECONDS EAST, ALONG THE WEST LINE OF SAID TRACT I AND THE EAST LINE OF SAID SIMPSON TRACT, A DISTANCE OF 372.84 FEET TO A 5/8" IRON ROD FOUND AT THE NORTHEAST CORNER OF SAID SIMPSON TRACT;

THENCE NORTH 89 DEGREES 47 MINUTES 03 SECONDS WEST, ALONG THE SAID WEST LINE AND THE NORTH LINE OF SAID SIMPSON TRACT, A DISTANCE OF 199.88 FEET TO A 1" IRON PIPE FOUND AT THE NORTHWEST CORNER OF SAID SIMPSON TRACT IN THE EAST LINE OF A TRACT OF LAND CONVEYED BY DEED TO JED ARTHUR COOPER AND WIFE, CAROL JOY COOPER, RECORDED IN VOLUME 3097, PAGE 459, DEED RECORDS, DENTON COUNTY, TEXAS;

THENCE NORTH 00 DEGREES 12 MINUTES 13 SECONDS EAST, ALONG SAID WEST AND EAST LINES, A DISTANCE OF 428.63 FEET TO A 1/2" IRON ROD FOUND AT THE NORTHEAST CORNER OF SAID COOPER TRACT;

THENCE SOUTH 89 DEGREES 43 MINUTES 30 SECONDS WEST, ALONG SAID WEST LINE, THE NORTH LINE OF SAID COOPER TRACT, AND THE NORTH LINE OF A TRACT OF LAND CONVEYED BY DEED TO DOUGLAS TURNER AND WIFE, JEANETTE, RECORDED IN VOLUME 643, PAGE 443, DEED RECORDS, DENTON COUNTY, TEXAS, A DISTANCE OF 437.36 FEET TO A 2" IRON PIPE FOUND IN THE EAST LINE OF TRACT IV CONVEYED BY DEED TO HILLWOOD/McCUTCHIN, LTD., RECORDED IN VOLUME 2470, PAGE 678, DEED RECORDS, DENTON COUNTY, TEXAS;

THENCE NORTH 00 DEGREES 28 MINUTES 31 SECONDS WEST, ALONG SAID WEST

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May 28, 1999

LINE AND THE EAST LINE OF SAID TRACT IV, A DISTANCE OF 499.36 FEET TO A 1" IRON ROD FOUND IN THE AFORESAID SOUTHEAST RIGHT-OF-WAY LINE OF INTERSTATE HIGHWAY 35-W (A VARIABLE WIDTH RIGHT-OF-WAY);

THENCE ALONG SAID WEST LINE AND SAID SOUTHEAST RIGHT-OF-WAY, THE FOLLOWING THREE COURSES AND DISTANCES:

NORTH 29 DEGREES 23 MINUTES 45 SECONDS EAST, A DISTANCE OF 692.68 FEET TO A CONCRETE MONUMENT FOUND FOR CORNER;

NORTH 23 DEGREES 59 MINUTES 37 SECONDS EAST, A DISTANCE OF 201.38 FEET TO A CONCRETE MONUMENT FOUND FOR CORNER;

NORTH 29 DEGREES 23 MINUTES 41 SECONDS EAST, A DISTANCE OF 50.58 FEET TO THE POINT OF BEGINNING AND CONTAINING 502.880 ACRES OF LAND, MORE OR LESS;

SURVEYORS CERTIFICATE

I, MICHAEL J. BAITUP, REGISTERED PROFESSIONAL LAND SURVEYOR IN THE STATE OF TEXAS, DO HEREBY CERTIFY THAT THE HEREON LEGAL DESCRIPTION ACCURATELY REPRESENTS THE DESCRIBED PROPERTY AS DETERMINED BY A SURVEY, MADE ON THE GROUND UNDER MY DIRECTION AND SUPERVISION AND 5/8" IRON RODS CAPPED "CARTER & BURGESS" HAVE BEEN SET AT ALL BOUNDARY CORNERS, UNLESS OTHERWISE NOTED. THE MONUMENTS OR MARKS SET, OR FOUND, ARE SUFFICIENT TO ENABLE RETRACEMENT.

DATED: 5/28/99

Michael J. Baitup

MICHAEL J. BAITUP
REGISTERED PROFESSIONAL LAND SURVEYOR
TEXAS REGISTRATION NO. 4574

STATE OF TEXAS
REGISTERED
MICHAEL J. BAITUP
4574
PROFESSIONAL
SURVEYOR

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May 28, 1999

EXHIBIT B

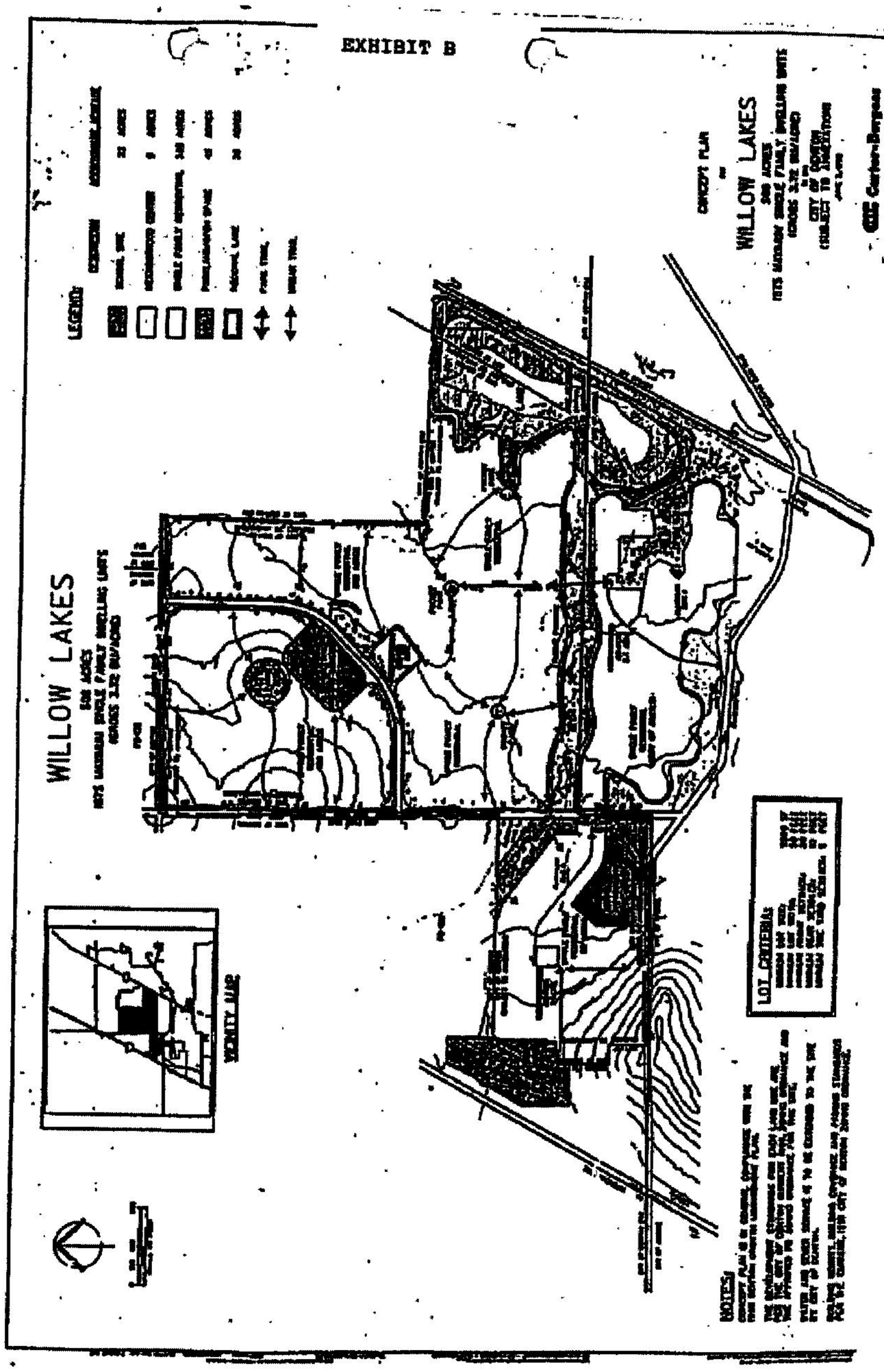
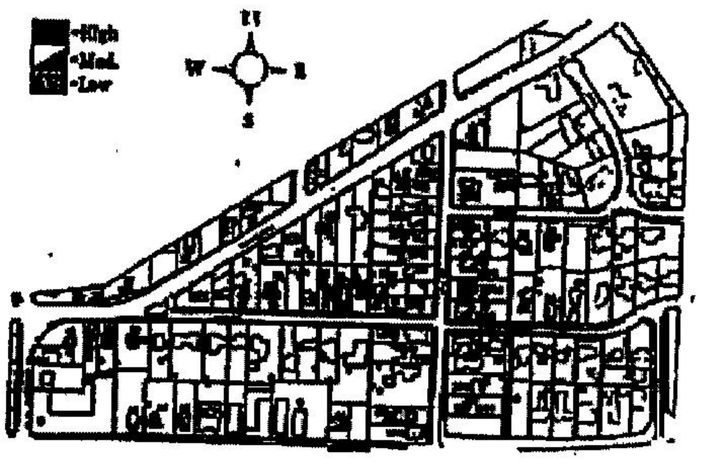


Figure 15.3
Proposed Austin-Locust Street
Conservation District



Figure 15.4
Proposed Bell Avenue
Conservation District



C. HISTORIC SITES

1. Goal

Protect individual sites or aspects of areas identified as being of historical significance.

2. Strategies

The city will encourage voluntary landmark designation as a vehicle to protect sites with historical significance.

In those cases where structures located in the downtown area do not qualify for historic designation, encourage use of Property Appearance Guidelines when renovating, to maintain a consistent and aesthetic atmosphere.

When improving infrastructure within historic districts, efforts will be made to identify and preserve historically significant features. Infrastructure construction will be reviewed by participating departments prior to performing work.

D. ARCHEOLOGICAL RESOURCES

1. Goal

Protect remaining archeological resources.

2. Strategy

Steps should be taken to ensure that important remains and artifacts are not disturbed whenever possible. In some instances, mitigation may be achieved simply through documentation rather than complete preservation. The presence of archaeological remains and artifacts may not necessarily prevent development of a site.

Section 15 The Street

The "Street" can be defined as the most important, enduring public space that determines our urban environment. The "Street" should be comfortable and enjoyable, as well as provide efficient movement of people and goods.

- The "Street" is the single largest public space in the City and should be acknowledged on that level.
- The street should complement the distinctive character of the neighborhood or district while providing connections to adjoining neighborhoods.
- Formation of the Street will include prescriptive standards, which specify exactly how a facility is to be built and performance standards that describe the objectives a facility will meet. Our "Streets" need to be aesthetically and environmentally pleasing and sensitive to local situations and needs.

- Costs should be based on consideration of life cycle costs, level of service, and level of risk and impact of facility failure.

- The "Street" has a major impact on creating development that is sustainable, facilitating a walkable community, and creating a pleasant and nurturing environment for our citizens.

- By better distributing the cost per household through increased densities, the cost benefits of these new street requirements outweigh the initial costs and in fact the per dwelling unit cost is lower than conventional development. Public benefits include reducing the burden of the infrastructure and the tax base as well as increasing in infrastructure sustainability.

- The large lot street section is basicly the same as currently used in residential developments of all densities.

- Reductions in residential speed limits are included benefits along with reductions in street pavement widths, strengthened pedestrianism, traffic calming useage and safety factors.

In recent history, Denton has developed exclusively on the back of the single occupant vehicle. Suburban sprawl has impacted our highways and City roadways as people find their way through Denton on regional trips or into Denton from outlying areas. The largest single issue we face is reducing the need to continually expand the Transportation Roadway System. The best available solution is to embrace dense, more compact development such as the Urban Village concept where trips are satisfied internally using Multi-Modal Transportation Modes.

I. Street Development

Streets are generally classified into Freeways, Major Arterials, Secondary Arterials, Collectors and Local/Residential Streets. Each of these Roadway Classifications has unique street sections, amenities and associated infrastructure. The development of these sections need to provide the basis for sustainable development.

A. NEIGHBORHOOD STREETS AND ALLEY

Neighborhood streets should be designed in an interconnected or grid system with smaller blocks and more dense development (Figure 16.1). The interconnected system provides multiple routes that diffuse automobile traffic, and also shorten walking distances. The pattern keeps local traffic off regional roads

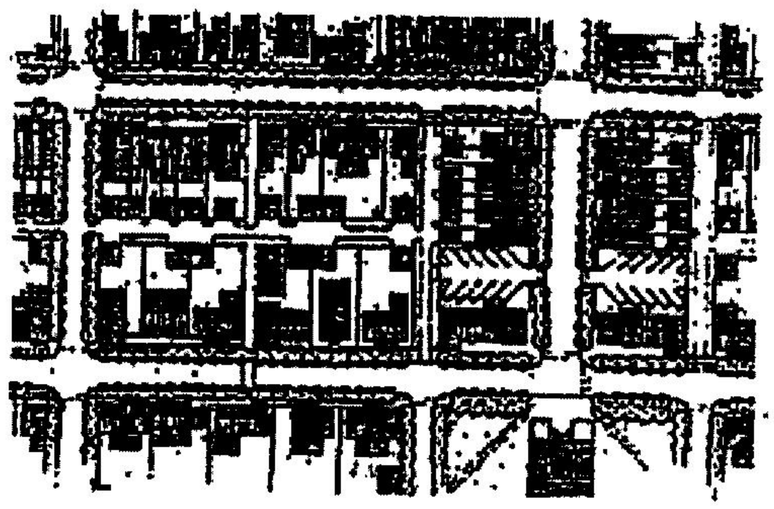


Figure 16.1 Grid Pattern Development

and regional traffic off local streets. The streets in a neighborhood need to be designed to provide equitably for pedestrian comfort and automobile movement. Slowing the automobile and increasing pedestrian activity encourages the casual meetings that form the bonds of a community. Traffic calming as referenced in the Traffic Calming Policy should be designed into new subdivisions. Additonally, cul-de-sacs are not allowed.

This proposal addresses the separation caused by the conventional "ranch home" or "estate lot" concept by moving the home toward the street using build-to lines from the right-of-way. Build-to lines require structures to be set at a specific line parallel to the street. The existing setback criteria are not compatible with the creation of interaction because of the separation of the home from the street.

Special residential lot conditions at block ends may not require street frontages where the front yard faces onto a green or community space and there is alley access to the property. Supplemental parking is required in this instance within the block.

1. **Residential Alley**
New neighborhoods and districts with lots less than 10,000 square feet will use public alleys for primary access (Figure 16.2). The alley will be dedicated to the public. Solid Waste service will work to serve from the alley. The alley also serves as fire protection access.

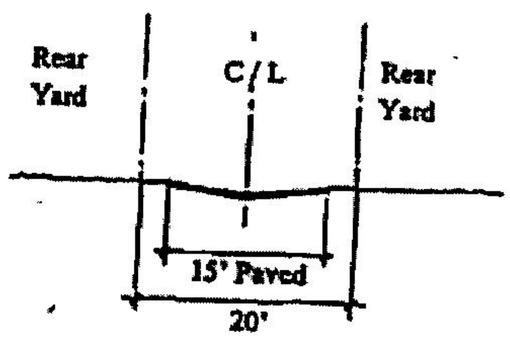


Figure 16.2 Residential Alley

2. **Residential Lane**
This street is designed to reduce the impermeable area from current standards while providing for basic access needs (Figure 16.3). This street section or the Residential Street may be used at the discretion of the designer.

- Alleys required
- Use with lots less than 10,000 SF
- Ingress & egress from rear lot lines
- No on-street parking allowed
- Supplemental parking insets required within the block or block ends

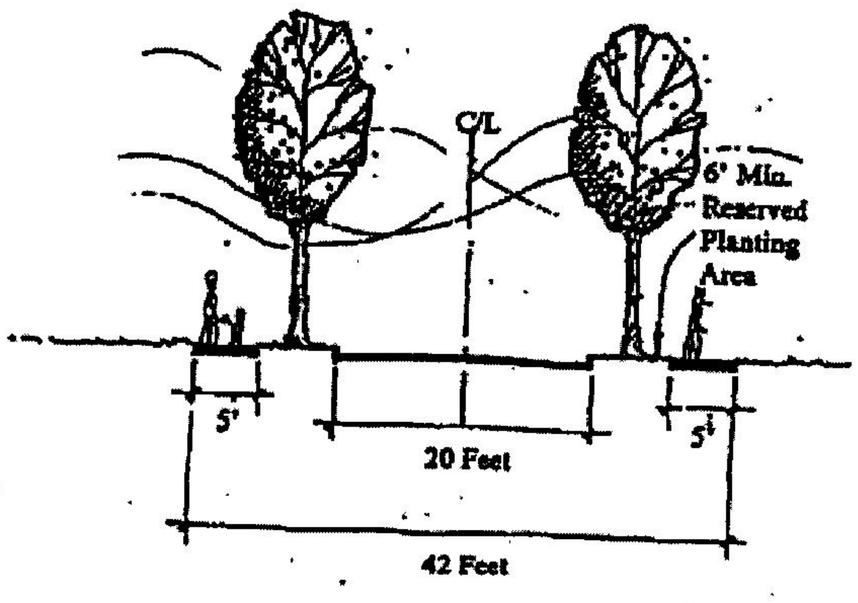


Figure 16.3 Residential Lane

3. Residential Street

This street is designed to reduce the impermeable area from current standards while providing for basic access needs (Figure 16.4). This street section or the Residential Lane may be used at the discretion of the designer.

- Alleys required
- Use with lots less than 10,000 SF
- Ingress & egress from rear lot lines
- Parking allowed one side

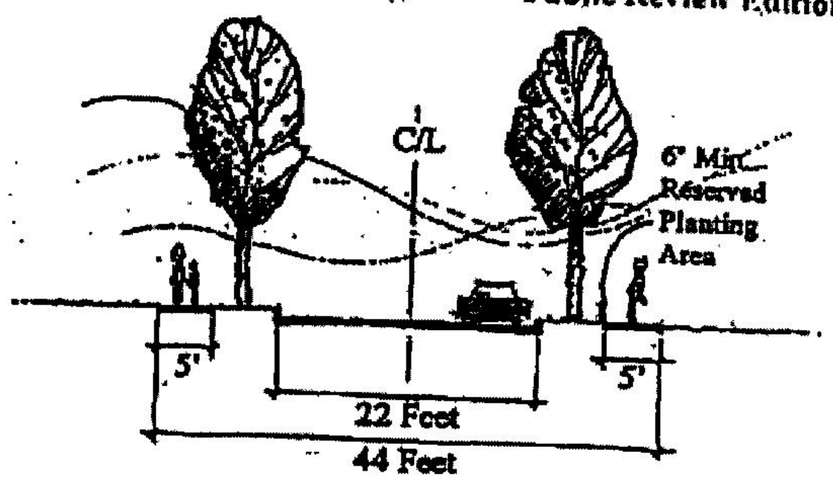


Figure 16.4 Residential Street

4. Large Lot Street

The large lot (10,000 SF or more) street allows on-street parking on both sides with the travel lane in the middle (Figure 16.5). Use of pervious materials for private car storage and shared driveways is favorable.

- Similar to current residential street section
- No alleys
- Ingress & egress from shared driveways
- Parking allowed both sides of the street

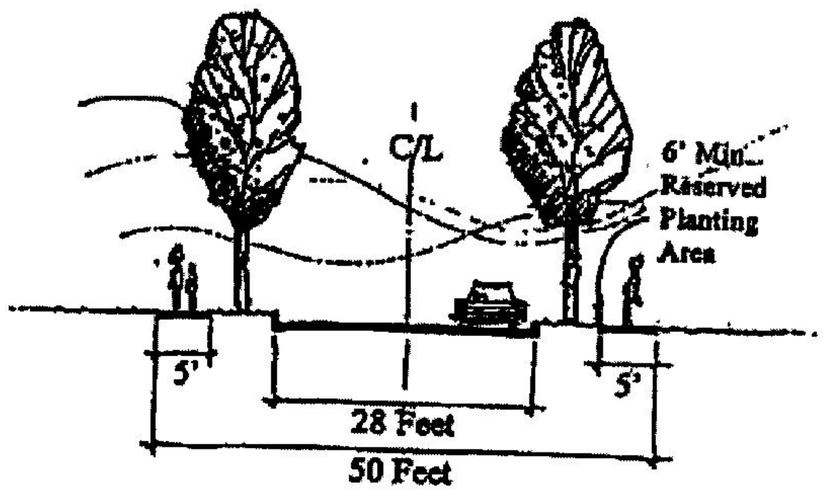


Figure 16.5 Residential Large Lot Street

5. Rural/Suburban Street

On the outskirts of the City's urbanizing area, this street section will be utilized for properties subdivided into one acre or more. This section will remain the same with 24 feet of pavement and borrow ditches along either side of the pavement.

6. Courtyard Street

The courtyard street is designed for use with either small or large lot development (Figure 16.6). The Courtyard Street block length is no more than 150 feet to facilitate fire service. No lots will have frontage at the ends of the courtyard so that clear pedestrain passage and view corridors can be used to connect to these systems.

- One-way street section
- Alley used for small lots
- Ingress & egress from shared driveways at large lots
- Supplemental parking required
- Access to path system required at courtyard end
- No private lot frontage at end of courtyard

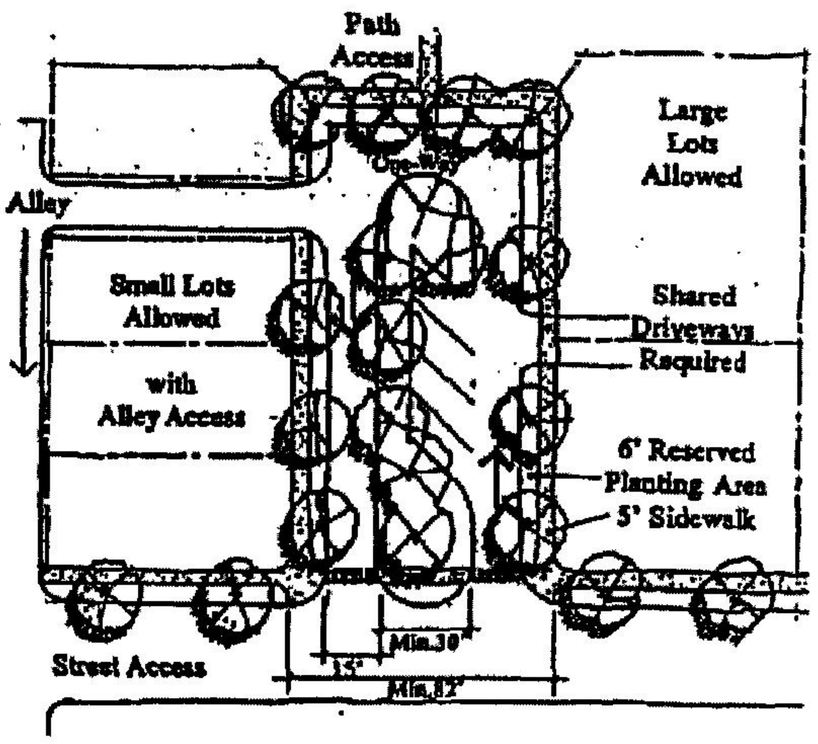


Figure 16.6 Courtyard Street

7. Neighborhood Sidewalks, Landscaping and Visibility

The sidewalk section for all residential cross sections will be 5' to allow two persons to walk together (Figure 16.7). Sidewalks and crosswalks will include alternative paving materials such as concrete and pervious paver materials to promote aesthetics that blend into the neighborhood concept versus the starkness of concrete. The sidewalk section will be placed at the right-of-way line to separate pedestrians from vehicles and to aid in connecting the residential structures. The residential sidewalks are expected to connect to other sidewalk systems and trails.

All of the proposed residential sections will provide a minimum 6' landscaped area between the sidewalks and the curb. Street trees will be placed in this area along with other neighborhood specific landscaping to establish the character or theme of that district.

Corner clips for residential streets will be 15'.

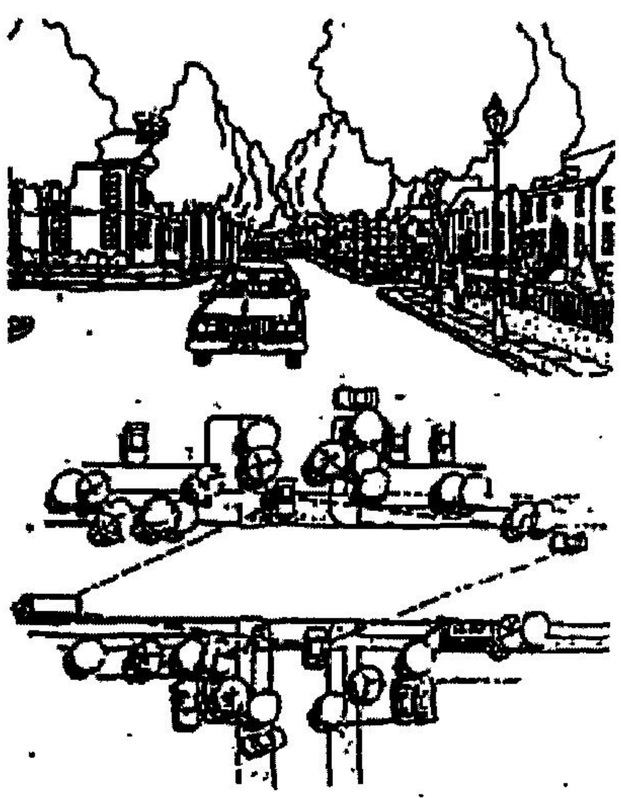


Figure 16.7 Sidewalks, Landscaping and Visibility

B. COLLECTOR STREETS

Collector streets will have multiple functions, all of which are different than residential streets. Collectors have to play a major part in establishing the multi-modal system. The collector has to provide equal or better aesthetic features to maintain the character established in the residential areas. Larger corner clips of 25' to 50' will be provided at intersections to encourage lines of sight, landscaping, and adequate room for utility transitions. The Residential Collector collects the traffic from residential streets and takes it to minor destinations or to arterial streets. The lane width will be at the minimum allowed to promote slower speeds. The collector streets complete the overall system connections of the grid patterns (Figure 15.1) defined in the residential streets. The shorter block lengths and features such as traffic circles (Figure 16.8) will reduce speeds to encourage the feeling of safe interactions between the modes of transportation.

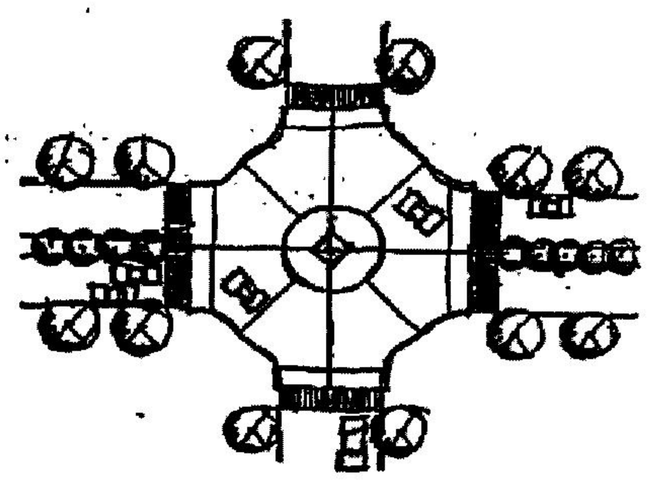


Figure 16.8 Traffic Circle
■ Slow traffic, add interest and set a corner intersection by giving it a sense of place

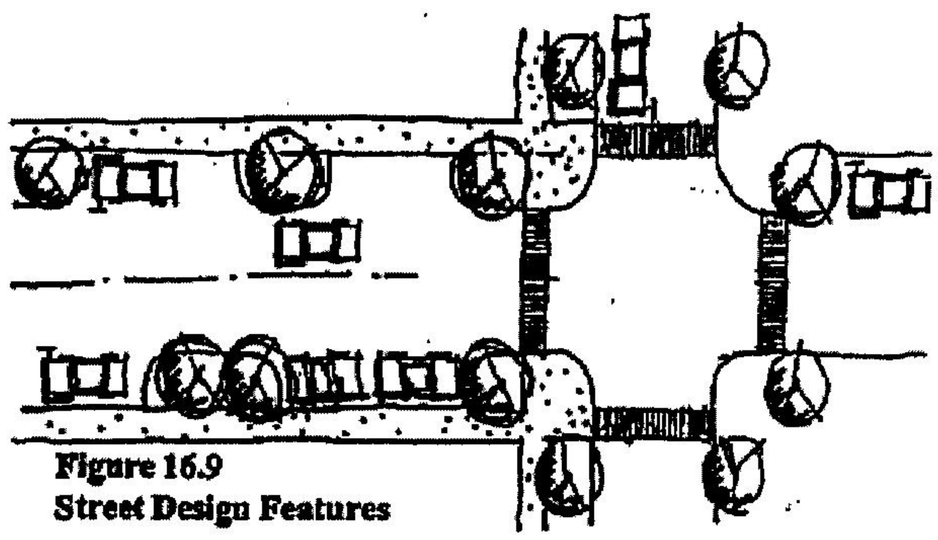


Figure 16.9
Street Design Features

Traffic calming design techniques will be used on the residential collectors. Access management requirements apply utilizing techniques like shared access, driveway separation, and corner clearances to again maximize capacity while improving the aesthetic characteristics.

Right-of-way for the residential collectors will provide adequate lines of sight and promote vertical sight clearance levels for landscaping. Special right-of-way flares are encouraged to create special design features (Figure 16.9) such as seating areas, landscaping features, or public art along the linear sections.

Separations caused by the conventional retail and commercial will now be realized as mixed uses with vertical integration of offices, retail, and residential. The urban village concept moves these types of structures to a determined line offset from the street right-of-way edge which becomes the build-to line requirement (Figure 16.10).

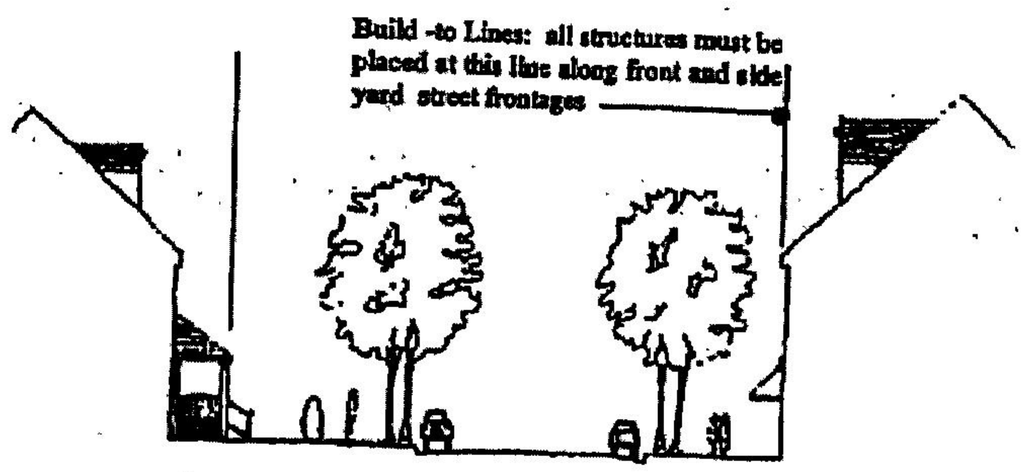


Figure 16.10 Build-To Lines

1. Commercial Alley

The Commercial Alley section (Figure 16.11) will be used to promote better view lines, servicing, parking access and to separate the truck traffic from the mixed use customers. The alley also serves as additional fire access around the commercial structures.

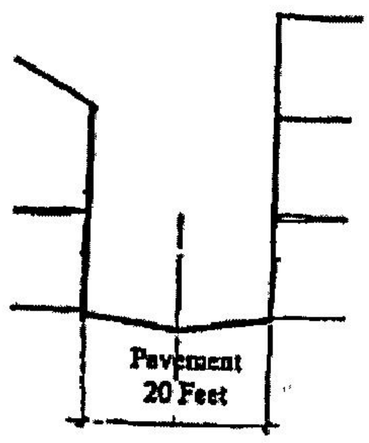


Figure 16.11
Commercial Alley

2. Residential Avenue

The Residential Avenue will provide for an outside lane on each side for parking use and two travel lanes in the middle (Figure 16.12). No single family front or rear yard frontages will occur along this collector street. Driveway access will be to the rear along the Residential Alley where attached housing or other uses occur along this street.

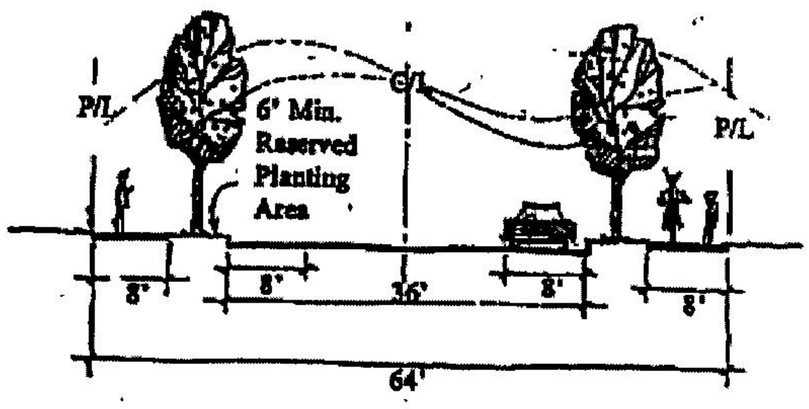


Figure 16.12 Residential Avenue

- Parking both sides of the street
- No single family front or rear yard frontages
- Ingress and egress from the rear at the alley

3. Main Street / Mixed Use Collector

The Main Street/Mixed Use Collector will have standard lane widths to promote the flow of traffic and blend the neighborhood commercial/mixed use center traffic that includes service trucks (Figure 16.13). Access management regulations will apply to improve capacity and sight lines.

- Parking on both sides
- Single family residential lots front and rear yard frontages not allowed
- Ingress and egress from the rear at the alley

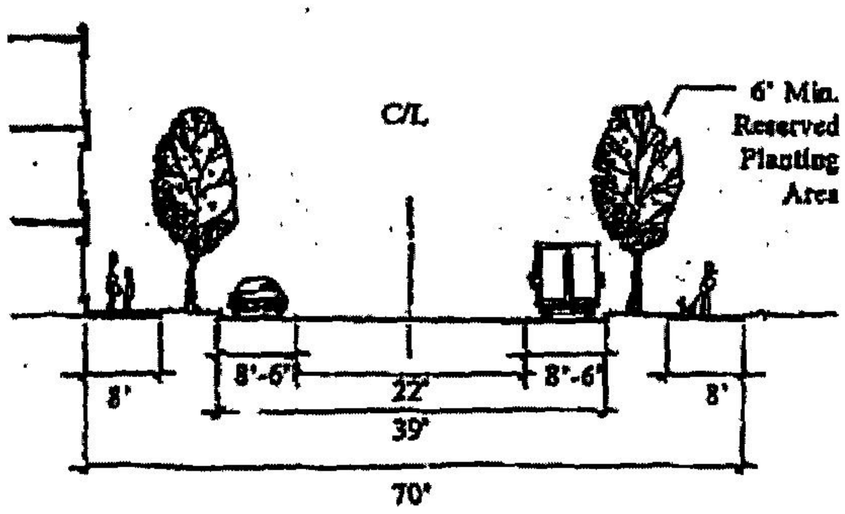


Figure 15.13 Main Street / Mixed Use Collector

4. Commercial/ Mixed Use Center Collector

Commercial/Mixed Use Center Collectors (Figure 16.14) will be provided in commercial/mixed use centers areas to address the need for increased capacity, trucks, and the interaction of the multi-modal transportation system. These roadways will provide for four standard size lanes with no parking allowed . At intersections with arterials, the right-of-way should be expanded to provide adequate space for right turn lanes on and off the arterial. Alleys will be utilized for servicing, parking access, and to seperate truck traffic from the typical user.

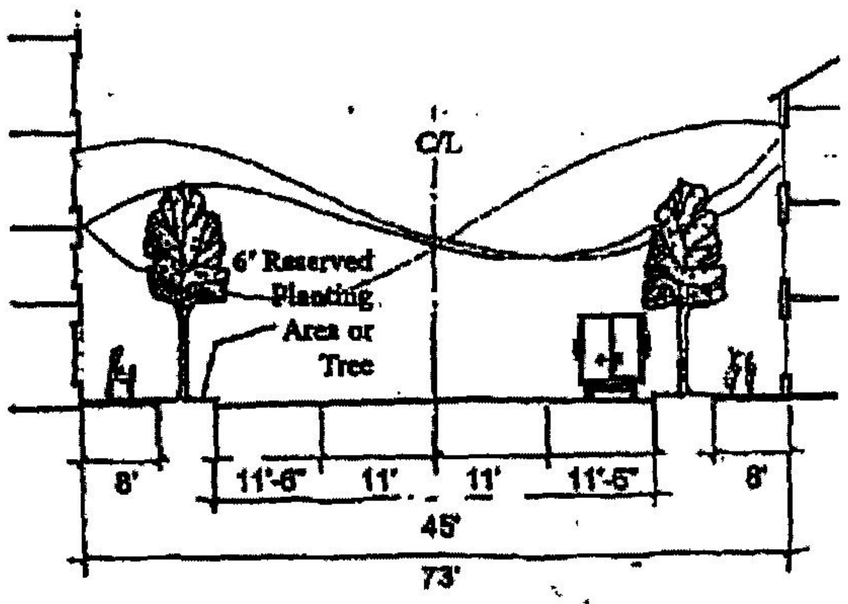


Figure 16.14 Commercial Center Collector

- 2 travel lanes with parking or 4 lanes with no parking allowed
- Single family residential lots front and rear yard frontages not allowed
- Ingress and egress from the rear at the alley

5. Miscellaneous Collector Issues

Sidewalks will be 8' wide placed on both sides to create Class Two Paths that would blend pedestrians and bicycle traffic (Figure 16.15). Since one of the functions of the Class II Paths is to carry bicycle traffic, the main surface of the walk should be concrete. Concrete pavers or other like surface materials may be used when commercial/mixed use structures abut the right-of-way line in neighborhood or commercial mixed use centers.

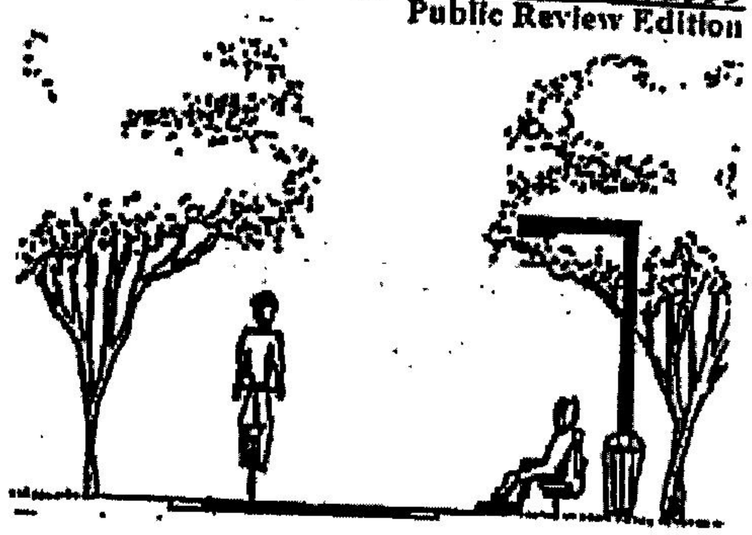


Figure 16.15 Sidewalks

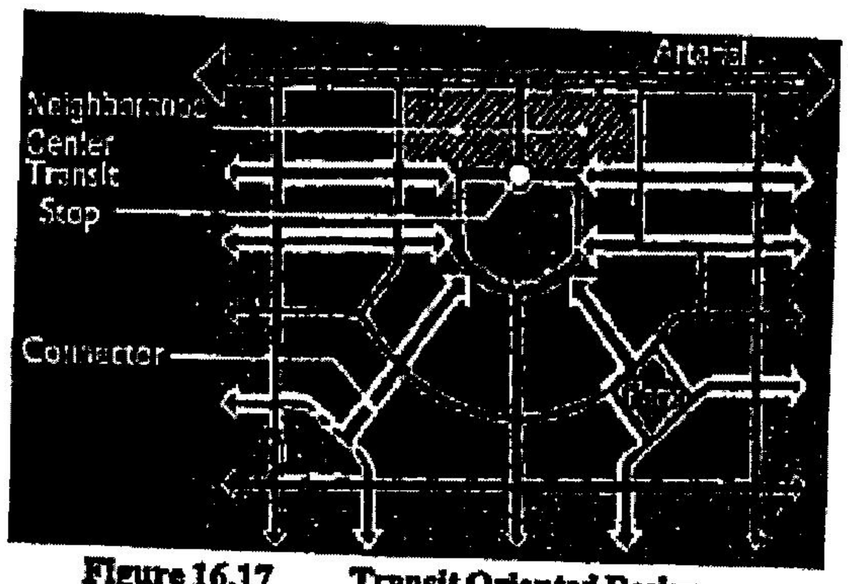


Figure 16.17 Transit Oriented Design

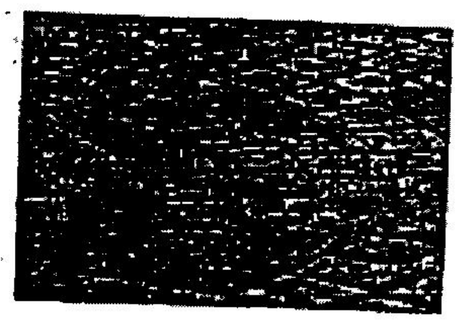


Figure 16.16 Pavers

Pavers, other similar paving materials, and those with rough textures that cause tire vibration will be used to enhance the aesthetic features at intersections, areas of interest, special nodes and corridors, at cross walks, at parks or transit areas, to call attention to the driver that their vehicle is in an intersection, and to alert drivers to slow their vehicles (Figure 16.16).

Provisions will be made to incorporate transit oriented design into the overall design of collectors. Transit oriented design (TOD) features will be considered essential for high density attached housing, mixed use and large retail or employment centers (Figure 16.17).

Collector streets will also integrate a reserved planting area to provide opportunities for landscaping and district themes for greenery.

C. ARTERIALS

Arterials are classified into Primary (Major) and Secondary. Arterials are designed to carry traffic across a district of town (secondary) or to provide major north/south or east/west routes across the city (major). All arterial streets should be divided with a median (Figure 16.18).

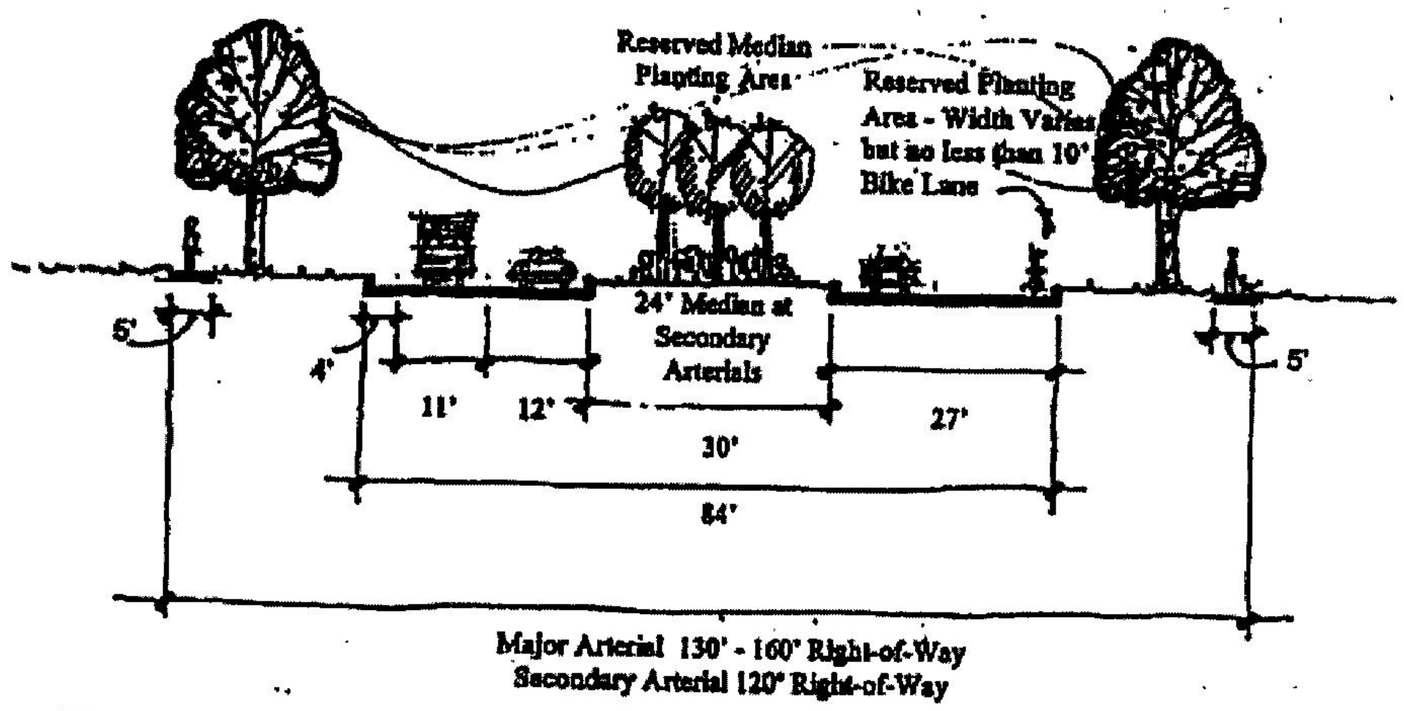


Figure 16.18 Primary and Secondary Arterials

- No parking allowed
- Reserved planting in the median and along both sides of paved lanes
- Limited ingress and egress through shared drives and connecting streets
- Off-street parking to side or rear of structures
- No residential front or rear yards adjacent to arterials
- Bike lanes required
- Transit nodes and bus queue jumpers
- Special features

1. Arterial Lanes & Access Management

Arterials will provide four lanes in the secondary classification and six lanes in the major classification. The lanes shall be standard width except the out lane on each side will provide for an integrated bike lane. The design of the intersection will blend the multi-modal nodes so that the transfers and interactions occur safely and efficiently. Access management tools will direct the traffic at collector connections to the arterials and some minimized shared driveway connections.

2. Bikes Lanes, Furniture & Transit Stops
The arterials will provide bike lanes on the outside edges of the pavement by widening the lane several feet (Figure 16.19). Provisions will be made for transit oriented designs (TOD) including transit stops, park and rides, and other features. Bus Queue jumpers (special bus lanes through intersections) are desired at major intersections along arterial streets (Figure 16.20). Transportation furniture design should promote the use of public transit.



Figure 16.19 Bicycle Lane

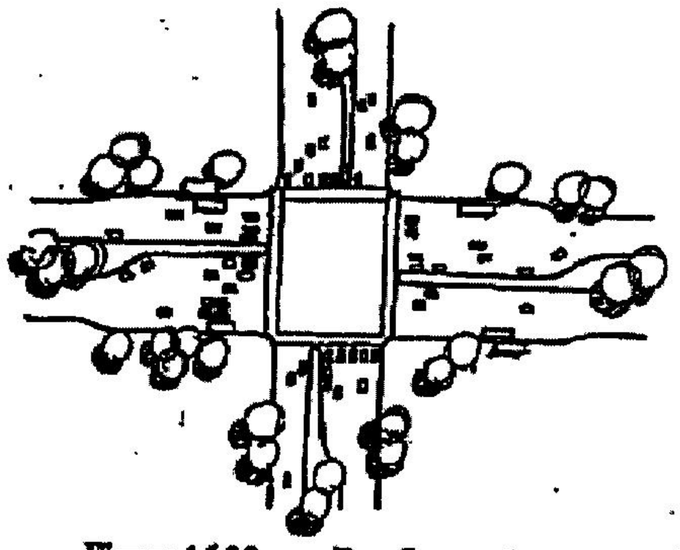


Figure 16.20 Bus Queue Jumpers

3. Utilities, Walkways & Planting Areas
The outer portion of the right-of-way will be used for utilities and pedestrian walkways. Specific space will be provided for major utility lines in addition to the reserve for sidewalks and the planting area. Pedestrians will remain on the sidewalks that reduce back down to 5' from the larger collector standards.

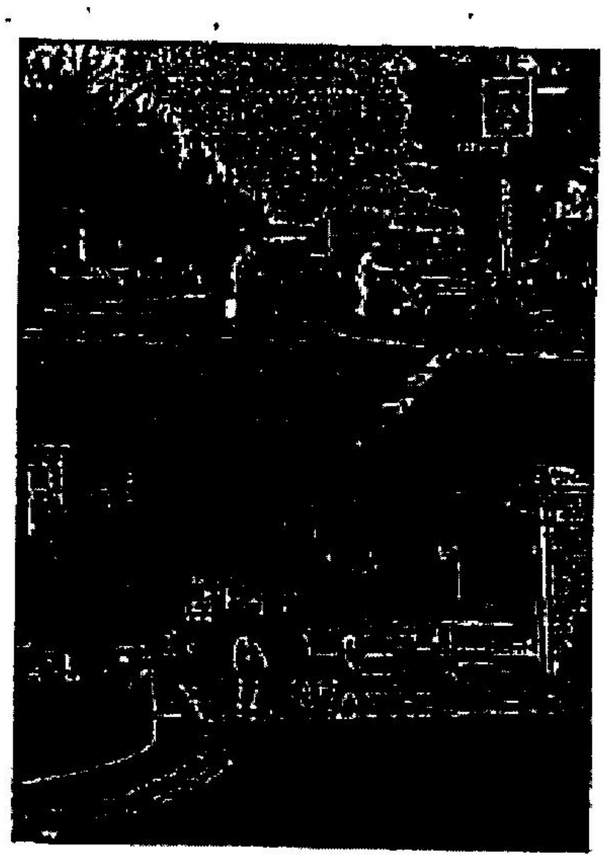


Figure 16.21 Corridors & Nodes

4. Nodes & Corridors
Arterials and arterial intersections will normally be considered transportation corridors and nodes where special landscaping, pavement materials and other building requirements are part of the overall presentation of the City of Denton (Figure 16.21).

5. Freeways, Expressways & Interstates
Note that Freeways, Expressway, and Interstates are totally under the jurisdiction of the Texas Department of Highways. However, special design features along these corridors, nodes and entranceways to the City will require special landscaping, pavement materials and building requirements.

D. RETROFIT AND RECONSTRUCTION

When revitalization, reconstruction and street refurbishment efforts are planned, every effort will be made to reduce these street pavements, utilize traffic calming devices to slow traffic, update sidewalks or build new ones, and furnish landscaping where applicable. Sidewalks and planting areas may be established in the interim taking into account future plans for the area that include placement of these features. Traffic calming devices in the interim may be used to reduce traffic speeds with techniques such as: reduced travel lane stripping or marking, rough pavement texture insets at intersections and along the street, and other methods that are effective in this regard. Use of new street standards is implicit where redevelopment, retrofit of existing neighborhoods, or reconstruction occurs.

II. Utilities in the Street and Alley

All utility systems will be designed with the original subdivision so that they can be constructed prior to placing the paving course on the street or alley.

A. NEIGHBORHOOD STREETS

The neighborhood centers subdivisions will have alleys. Alleys allow the design of "WET" utilities under the street and "DRY" utilities under the alley. Utilities are not to be placed in the reserved landscape or planting area. All utilities, other than transmission and feeder lines, will be underground.

1. Wet Utilities

Sewer lines will be placed at the centerline of the street with water lines on one side and storm sewers on the other side depending on site specific conditions. Utility Department Policy encourages the placement of water on the north and east sides where possible. Gas would be placed under the sidewalk on the north or east side as well.

2. Dry Utilities

Electric, telephone, cable TV, fiber optics, and other similar utilities will be placed in a duct system where some reserves are made for future expansions by new companies or reworks/upgrades by existing companies. Service Connections will be consolidated except in extreme circumstances or where there is an odd number of structures being served. This requires use of joint trenches and placing lines within a set prescribed area instead of the continuous separation across the entire lot. This is particularly critical for small lot, attached housing, clustered and compact developments.

3. Special Lot Conditions

Large lot districts and neighborhoods will have all utilities in the front right-of-way. The WET utilities will be placed like the small lot blocks and neighborhoods. The DRY utilities would be placed in a duct bank (with expansion room) under the sidewalk opposite the gas line. Service lines will be consolidated as much as possible to maximize the area where undisturbed landscaping and aesthetic improvements occur. All utilities, other than transmission and feeder lines, will be underground.

B. COMMERCIAL/MIXED USE CENTER COLLECTOR

Utilities in the Collector Street right-of-way will be placed as described in the large lot district or neighborhood of Residential Streets. Utilities are not to be placed in the landscape or planting area. All utilities, other than transmission and feeder lines, will be underground.

C. ARTERIALS

Many arterials will have to provide adequate room for transmission or feeder lines. A specific location will be provided for these on major and secondary arterials. The right-of-way will contain the landscape reserve and sidewalk reserve on each side and additional landscape reserve within the median. The variable width will be based on the need for turn lanes and for placement of transmission lines for utilities. Utilities are not to be placed in the landscape reserve area. All utilities, other than transmission and feeder lines, will be underground.

D. SHARED DUCT BANKS

Developers will be responsible for working with all utility companies providing service to the neighborhood in order to address technical issues that area has regarding shared duct banks for dry utilities. Specific routings, termination points, and methods must be identified for accommodating the involved utilities.Duct banks will provide a minimum of four reserved ducts for future use such as expansion, upgrades, or replacement and will be provided by the developer.

III.
Street Aesthetics

The "Street" is more than just a place to move people and stow utilities. As the most intensively used public space in the urban landscape, the Street should also be recognized as a social space, a "thread" that can knit together neighborhoods, institutions and business. It's design and appearance should reflect the importance of this space and the desired image of the community. Elements of this aesthetic image include street trees and other plants, colors and textures used on paved surfaces, lighting, signage, public art, and site furniture. These elements can be weaved together to create a comfortable and pleasing space through which people in vehicles, on bicycles, on skates, on foot or in strollers, and the handicapped may travel.

A. MATERIALS

Require the use of alternative paving materials, including the use of different textures, patterns, colors and permeability, to delineate pedestrian and bicycle paths, crosswalks, transit stops, other non-vehicle spaces, and at major intersections (Figure 16.22 & 23).



Figure 16.22 Paving Materials

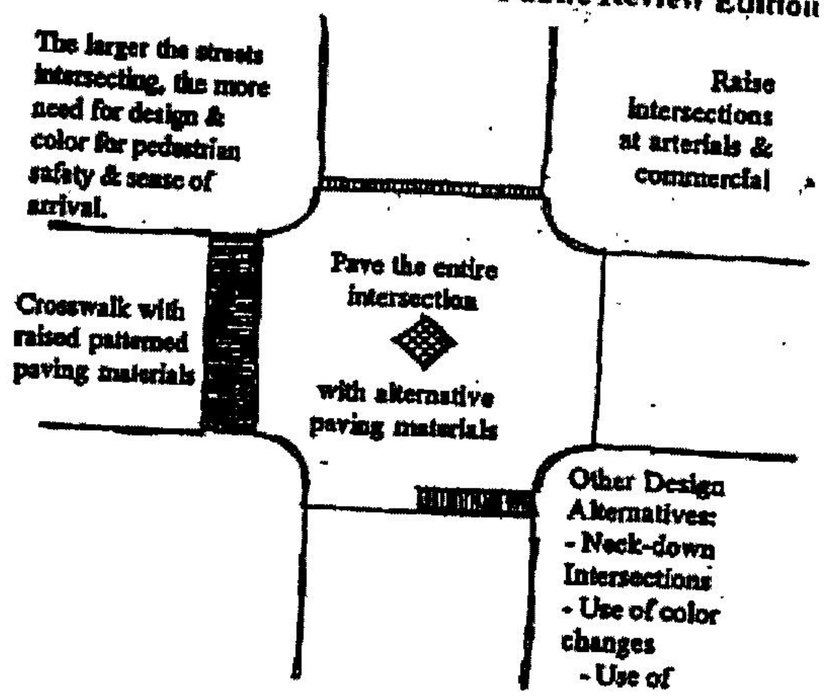


Figure 16.23

B. LIGHTING

Adopt standards for street and security lighting that are consistent with urban design, environmental, public safety and transit objectives (Figure 16.24).

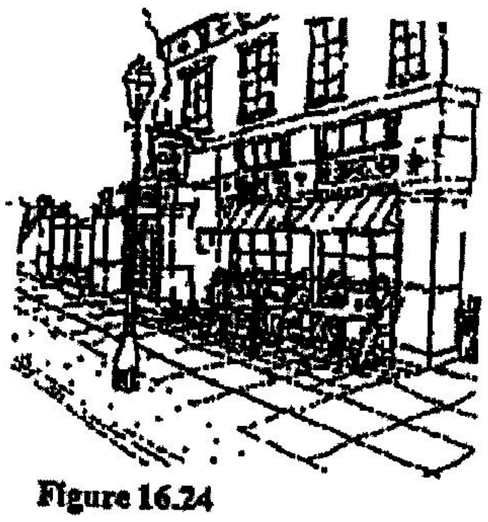


Figure 16.24

C. SIGNAGE

Design and adopt directional and informational signage schemes that are effective, attractive and reinforce a desirable image for the City (Figure 16.25).

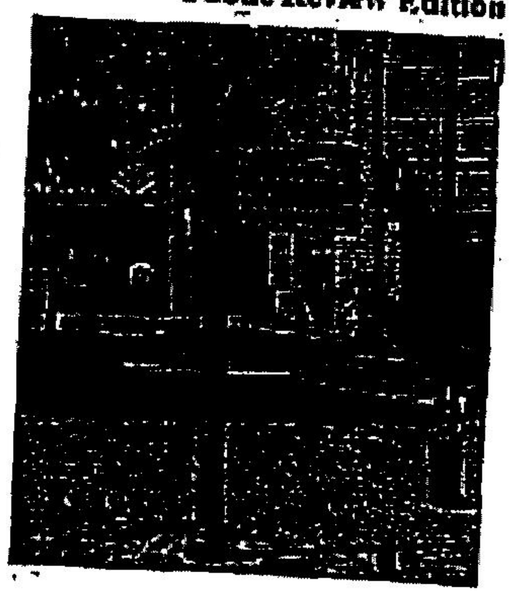


Figure 16.25

D. LANDSCAPE DESIGN

Adopt landscape design standards that achieve urban design objectives, while allowing for variation in style and design along different corridors, nodes and gateways and on adjacent private property (Figure 16.26).



Figure 16.26



E. FURNITURE

Use site furniture (benches, planter seating, trash containers, drinking fountains, and other features) to create gathering places for pedestrians within the street right-of-way (Figures 16.27, 28, 29, & 30).

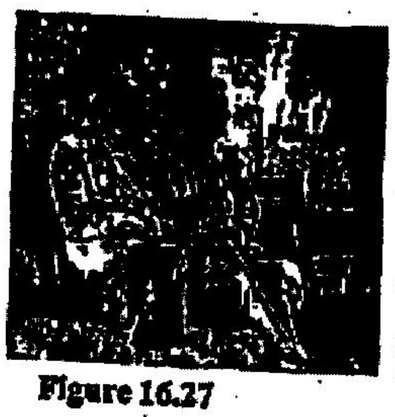


Figure 16.27



Figure 16.28

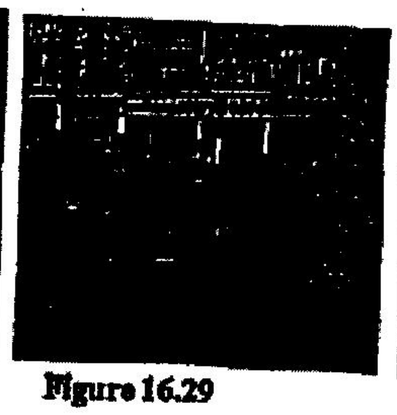


Figure 16.29

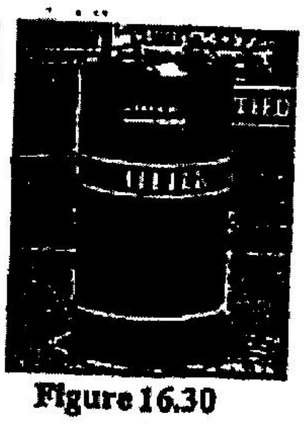


Figure 16.30

F. TRANSIT

Adopt design standards for transit stops and bus shelters that are consistent with urban design objectives (Figure 16.31 & 32).



Figure 16.31

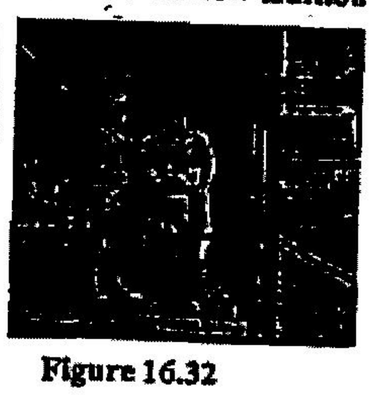


Figure 16.32

G. INFORMATION SYSTEMS

Use information kiosks at strategic focal points and gathering places along the Street to communicate community news and events (Figure 16.33).



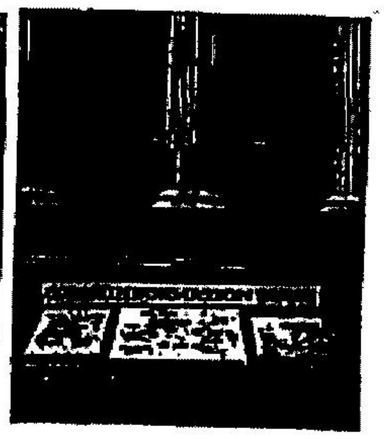


Figure 16.33

H. PUBLIC PARKING

Apply adopted design standards for paving, lighting, signage, and landscaping to public parking spaces.

I. PUBLIC ART

Adopt standards to guide placement of art in public places, such as landmarks, view corridors, pockets, traffic circles and other locations of prominent stature (Figure 16.34).



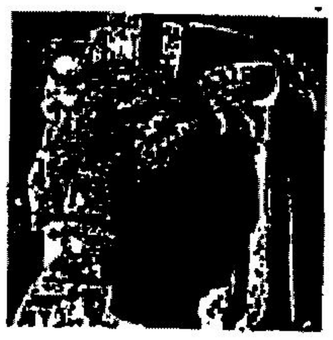


Figure 16.34 Public Art

J. URBAN DESIGN

Use the urban design criteria to create relationships between the street and the structures built adjacent to the right-of-way line that exemplify quality design and sustainability (Figure 16.35).

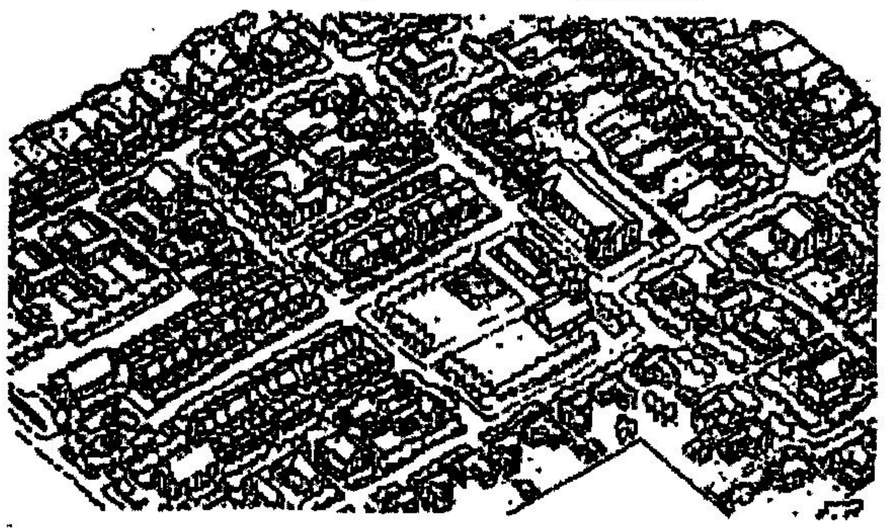


Figure 16.35 Typical Urban Village utilizing urban design criteria

Exhibit E

Preliminary Plat

