DECLARATION

OF

CENTENNIAL PROFESSIONAL OFFICE CONDOMINIUMS

Frisco, Collin County, Texas

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DECLARATION
OF
CENTENNIAL PROFESSIONAL OFFICE CONDOMINIUMS

Centennial Professional Offices, L.P., a Texas limited partnership ("Declarant"), owns the real property described in Appendix A of this Declaration. By recording this Declaration, Declarant submits the Property described in Appendix A to the provisions of the Uniform Condominium Act, Chapter 82 of the Texas Property Code, for the purpose of creating Centennial Professional Office Condominiums.

Declarant DECLARES that the Property described in Appendix A will be held, transferred, sold, conveyed, leased, occupied, used, insured, and encumbered subject to the terms, covenants, conditions, restrictions, and easements of this Declaration, including Declarant's reservations in the attached Appendix D, 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 inure to the benefit of each Owner of the Property.

ARTICLE 1
DEFINITIONS

Definitions. Unless defined otherwise in this Declaration, words and phrases defined in Section 82.003 of the Act have the same meaning when used in this Declaration. The following words and phrases, whether or not capitalized, have specified meanings when used in the Documents, unless a different meaning is apparent from the context in which the word or phrase is used.

1.1 "Act" means Chapter 82 of the Texas Property Code, the Uniform Condominium Act, as it may be amended from time to time.

1.2 "Areas of Common Responsibility" means those portions of Units that are designated from time to time by the Association to be maintained, repaired, and replaced by the Association, as a common expense, as if the portions were Common Elements.

1.3 "Assessment" means any charge levied against a Unit or Owner by the Association, pursuant to the Documents and the Act, including but not limited to Annual Assessments, Special Assessments, Individual Assessments, and Deficiency Assessments, as defined in ARTICLE 5 of this Declaration.

1.4 "Association" shall mean and refer to the nonprofit corporation described in Section 2.2, its successors and assigns which corporation shall administer the operation and management of the Condominium Regime.

1.5 "Board" or "Board of Directors" shall mean and refer to the governing body of the Association.

1.6 "Building" means the building of a Unit and all appurtenant improvements.

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1.7 "Bylaws" means the bylaws of the Association, as they may be amended from time to time.

1.8 "Common Elements" means and includes all the Property described on Appendix A, and all improvements located thereon, except the Units as described in ARTICLE 3. All Common Elements are "general common elements" except for any "limited common elements" allocated by this Declaration for the exclusive use of one (1) or more but less than all of the Units.

1.9 "Condominium Regime" means the system of control, rule, and administration by Centennial Professional Office Condominiums Owners' Association, Inc., over the Property encumbered by this Declaration.

1.10 "Declarant" means Centennial Professional Offices, L.P., a Texas limited partnership, or its successor, which is developing the Property.

1.11 "Declarant Control Period" means that period of time beginning the date this Declaration is recorded, during which Declarant controls the operation and management of the Association, pursuant to Appendix D of this Declaration.

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

1.13 "Development Rights" means the rights reserved by Declarant under Appendix D of this Declaration to, among other things, create Units, general common elements, and limited common elements within the Property.

1.14 "Director" means a member of the Association's Board of Directors.

1.15 "Documents" means, singularly or collectively as the case may be, this Declaration, the Plat and Plans recorded pursuant to the Act, the Bylaws, the Association's Certificate of Formation, and the Rules, as any of these may be amended from time to time. An appendix, exhibit, schedule, or certification accompanying a Document is part of that Document.

1.16 "Majority" means more than half.

1.17 "Member" means a member of the Association, each member being an Owner of a Unit, unless the context indicates that member means a member of the Board or a member of a committee of the Association.

1.18 "Mortgagee" means a holder, insurer, or guarantor of a recorded deed of trust lien against a Unit.

1.19 "Occupant" means a business-related occupant of a Unit, regardless of whether the person owns the Unit.

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1.20 "Officer" means an officer of the Association.

1.21 "Owner" means a holder of recorded fee simple title to a Unit. Declarant is the initial Owner of all Units. Mortgagees and purchasers from Mortgagees who acquire title to a Unit through a deed in lieu of foreclosure or through judicial or non-judicial foreclosure are Owners. Persons or entities having ownership interests merely as security for the performance of an obligation are not Owners. Every Owner is a member of the Association.

1.22 "Property" means all the land subject to this Declaration and all improvements, easements, rights, and appurtenances to the land as more particularly described in Appendix A attached hereto.

1.23 "Rules" means rules and regulations adopted by the Board in accordance with the Documents or the Act.

1.24 "Unit" means each part of the Condominium Regime which is subject to distinct and exclusive ownership and is more particularly described in Section 3.1 of this Declaration. Each Unit shall be separately identified and delineated on the Plat and Plans.

ARTICLE 2
NAME, LOCATION, AND DESCRIPTION

2.1 Condominium Name. The name of the Condominium Regime is Centennial Professional Office Condominiums.

2.2 Association Name and Type. The name of the Association is Centennial Professional Office Condominiums Owners' Association, Inc. The Association was chartered as a Texas nonprofit corporation. Declarant, during the Declarant Control Period, and thereafter the Association, reserve the right to change the name of the Association.

2.3 Property Location. The Property is located entirely in the City of Frisco, Collin County, Texas.

2.4 Property Description. The Property is located on land described in Appendix A to this Declaration, and includes every Unit and all Common Elements thereon.

2.5 Subject to Documents. The Property is held, transferred, sold, conveyed, leased, occupied, used, insured and encumbered subject to the terms, covenants, conditions, restrictions, and easements of this Declaration and of the other Documents, which run with the Property, bind all parties having or acquiring any right, title, or interest in the Property, their heirs, successors, and assigns, and inure to the benefit of each Owner.

2.6 Merger. Merger or consolidation of the Association with another association must be evidenced by an amendment to this Declaration. The amendment must be approved by (i) Owners representing at least one hundred percent (100%) of the total allocated votes and (ii) during the Declarant Control Period, the Declarant. Upon merger or consolidation of the

Unofficial

Association with another association, the Property, rights, and obligations of another association may, by operation of law, be added to the properties, rights, and obligations of the Association as a surviving corporation pursuant to the merger. The surviving or consolidated association may administer the provisions of the Documents within the Property, together with the covenants and restrictions established upon any other Property under its jurisdiction. No merger or consolidation, however, will affect a revocation, change, or addition to the covenants established by this Declaration within the Property.

ARTICLE 3
UNITS AND LIMITED COMMON ELEMENTS

3.1 Unit Boundaries. The boundaries and identifying number of each Unit are shown on the Plat and Plans attached within Appendix C and identified thereon by a separate numerical designation. The boundaries are further described as follows:

3.1.1 Upper and Lower Horizontal Boundary. The upper and lower horizontal boundaries of each Unit shall be the following boundaries extended to their planar intersections with the perimetrical boundaries:

(a) Upper Horizontal Boundaries. The horizontal plane of the lowermost unfinished surface of the material comprising the ceiling of the Unit as originally constructed by the Declarant or shown on the Plat and Plans.

(b) Lower Horizontal Boundaries. The horizontal plane of the unfinished uppermost surface of the floor of the Unit.

3.1.2 Vertical Perimetrical Boundaries. The perimetrical boundaries of the Units shall be:

(a) Finished Vertical Walls. In the case of constructed or otherwise existing walls, the perimetrical boundaries of the Units are the vertical planes of the unfinished interior surfaces of the walls and/or the innermost interior surface of the glass bounding the Unit, as depicted on the Plat and Plans, extended to their planar intersections with each other and with the upper and lower horizontal boundaries of the Unit.

(b) Unfinished Vertical Walls. In the case of any partition, demising, or other wall or glass or physical perimetrical boundary of a Unit, which is not actually constructed or existing within a Unit or the Condominium Regime, but which is depicted on the Plat and Plans as a perimetrical boundary of the Unit, then the perimetrical boundary of the Unit shall be the vertical plane created along the boundary line of the Unit as depicted on the Plat and Plans extended to its planar intersections with the boundary lines of other non-existing walls of the Unit, as shown on the Plat and Plans, and/or with other existing perimetrical boundary walls and/or glass and the upper and lower boundaries of the Unit (such non-existing boundary wall planes for a Unit are hereafter referred to as the

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"Planar Boundary" or "Planar Boundaries"). The Planar Boundaries, as shown on the Plat and Plans, shall be the boundary line of a Unit until such time as a partition, demising or other wall or glass improvement is actually constructed along such the Planar Boundary. At the time a partition, demising or other wall or glass improvement is actually constructed along a Planar Boundary, then the boundary line for the Unit along such improved boundary shall be as set forth in subsection (a) above.

3.1.3 Additional Information to Interpret Unit Boundaries. The boundaries of the Unit shall not include all of those spaces and improvements lying behind or beneath the undecorated and/or unfinished inner surfaces of the perimeter walls and floors, and those surfaces above the undecorated and/or inner surfaces of the ceilings of each Unit and, further, shall not include those spaces and improvements lying beneath the undecorated and/or unfinished inner surfaces of all interior bearing walls and/or bearing partitions or non-bearing interior walls or partitions which establish the boundaries of the Unit. If any chutes, flutes, ducts, conduits, wires, pipes or other apparatus or fixture lies within and partially outside of the designated boundaries of the Unit, any portion thereof which serves only that Unit or multiple Units but not all Units shall be deemed a limited common element, while any portions thereof which serve all Units or any portion of the general common elements shall be deemed to be a part of the general common elements. No part of the interior non-boundary walls within a Unit shall be considered a boundary of the Unit. Entry door assembly (including the door casings, sliders, weather stripping, thresholds, door frames, immediately adjacent windows and hardware for any sliding or fixed glass doors) serving the Unit shall be included within the boundaries of the Unit. Included within the boundaries of each Unit shall be any drywall, sheetrock or gypsum board, studs, paint, coating, covering, finish, millwork or other item attached to or suspended from the ceiling of such Unit; any carpeting, tile, slate, wood, parquet, marble, flooring, paint, coating, covering, finish, millwork or other item of flooring of such Unit; and any paint, tile, wallpaper, finishes, coatings, coverings, millwork, or other item attached to or suspended from the perimeter walls or surfaces of such Unit. Heating and air conditioning systems and all duct work for heating and air conditioning systems (including any part of any such system located outside the boundaries of the Unit) (collectively, an "HVAC") exclusively serving a single Unit and portions of the Common Elements, if any, shall be deemed a part of the Unit and shall be the mechanical and financial responsibility of the Owner of such Unit. Appliances and plumbing fixtures within a Unit shall also be deemed a part of the Unit.

3.1.4 What the Unit Includes. To the extent the following items exist for the use of a Unit exclusively, such items shall be considered to be a part of the Unit, regardless of whether or not such item in whole or in part exists within the physical boundaries described above:

(a) All bathroom and plumbing fixtures, including, but not necessarily limited to, sinks, tubs, showers, toilets, vanities, exhaust fans and medicine or other related storage cabinets.

(b) All electrical and lighting fixtures, including, but not necessarily limited to, electrical outlets and switches, lamps, bulbs, switch and control boxes, telephone outlets, circuit breakers, cable television or other communications jacks or outlets, circuit breakers and circuit breaker panels.

(c) All water heaters, HVACs which exclusively serve a single Unit and a portion of the Common Elements, if any.

(d) All facilities, utility meters and sub-meters of any kind, nature or type which service only the Unit.

(e) All exterior windows and glass surfaces of the Buildings serving a single Unit; provided, however, all such windows and glass surfaces must meet the architectural standards set forth in this Declaration.

3.1.5 Exclusions. For purposes of clarity and confirmation to the Owners of the Units, any utility lines which are located within a Unit and which provide service to more than one Unit shall be considered to be general common elements or limited common elements appurtenant to the Units so served, as applicable, notwithstanding their physical location being within the boundaries of a Unit. A Unit shall not be deemed to include the following:

(a) any structural components of the Buildings, including, without limitation, the foundation, footers, pilings, girders, beams, supports, exterior walls, all weight bearing walls, slabs, pillars, columns, shear walls, elevator shafts, exterior finishes or facades attached or affixed to any of the foregoing, floor slabs, and post tension cables, tendons, couplings or rods, roofs, roof trusses, roof support elements and roofing materials and insulation;

(b) essential and permanent installations and equipment for power, lights, and exhaust fans which are utilized for, serve, or pass through more than one Unit or the Common Elements;

(c) exterior windows and glass surfaces of the Buildings serving the Common Elements exclusively; or

(d) pipes, conduits, ducts, vents and other service and utility lines which serve more than one Unit or the Common Elements.

3.1.6 Inconsistency with Plat and Plans. In the case of any conflict between the boundaries of the Unit as above described and the dimensions of the Unit shown on the Plat and Plans, the above provisions describing the boundary of a Unit shall control, it being the intention of this Declaration that the as-built and soon-to-be built boundaries of the Units as above described shall control over any erroneous dimensions contained in Plat and Plans attached hereto, and in the event it shall appear that any dimension shown on Plat and Plans attached hereto is erroneous, the Declarant or the President of the

Unofficial

Association shall have the right to unilaterally amend the Declaration to correct such discrepancy on the Plat and Plans and in this Declaration, and any such amendment shall not require the joinder of any Owner or Mortgagee so long as the purpose of the amendment is merely to correct an error and correctly describe the boundaries of a Unit.

3.1.7 **Size of Unit. Appendix B contains stated sizes in square feet of each Unit within each Building on the Property. These calculations shall be deemed final for all purposes and shall not be subject to challenge regardless of subsequent re-measurement or claim of error in calculation. It is expressly stipulated, and each and every Owner or perspective Owner of a Unit hereby agrees that the square footage, size and dimensions of each Unit, as set out and shown in this Declaration (or on the Plat and Plans attached to Appendix C) are approximate and are shown for descriptive purposes only, and that the Declarant does not warrant, represent, or guarantee that any Unit actually contains the area, square footage, or dimensions as set forth in this Declaration or as shown by the Plat and Plans. Such agreement by every Owner and perspective Owner shall be binding on its and their heirs, executors, administrators, successors, and assigns. Each Owner and perspective Owner of a Unit, or interest therein, has had full opportunity, and is under a duty, to inspect and examine the Unit purchased by such purchaser and Owner of a Unit prior to the purchase thereof, and agrees that the Unit is purchased as actually and physically existing. Each Owner and perspective Owner of a Unit hereby expressly waives any claim or demand that such Owner or perspective Owner may have against the Declarant or any other seller of such Unit on account of any difference, shortage, or discrepancy between the Unit as actually and physically existing and as set forth in this Declaration.**

3.2 Initial Designations of Limited Common Elements. The following portions of the Common Elements are limited common elements assigned to the Units as stated:

3.2.1 Shown on Plat and Plans. Portions of the Common Elements may be allocated as limited common elements on the Plat and Plans, attached hereto as Appendix C, by use of "LCE" and the identifying number of the Unit to which the limited common element is appurtenant, or by use of a comparable method of designation.

3.2.2 Appurtenant Areas. Only to the extent they are not part of the Unit, the front porches (if any), patios (if any), and decks (if any) which are obviously intended for the sale and exclusive use of the Unit to which the area is appurtenant are deemed limited common elements, whether or not the area is so designated on the Plat and Plans. If the boundaries of any porches, patio or deck change - with the Board's approval - the altered boundaries of the porch, patio or deck are the boundaries of the limited common element.

3.2.3 Parking Spaces. Except as set forth below, none of the parking spaces are specifically reserved for, or allocated to, any particular Unit. Parking spaces depicted on the Plat and Plans are general common elements, even though a space may be located on a driveway that appears to serve only 1 or 2 Units. Notwithstanding the foregoing, the parking spaces designated on the Plat and Plans as "LCE" shall be deemed limited

common elements designated for the exclusive use of the owners, occupants, guests and invitees of the Unit to which such reserved parking spaces are assigned.

3.3 Subsequent Allocation of Limited Common Elements. A Common Element not allocated by this Declaration as a limited common element may be so allocated only pursuant to the provisions of this ARTICLE 3. Declarant reserves the right, under Section D.3.1 of Appendix D of this Declaration, to create limited common elements within the Property.

3.4 Reallocation of Limited Common Elements. A limited common element may not be reallocated except by amendment of this Declaration. Subject to Declarant's right to exercise certain Development Rights and the amendment procedures provided thereof in this Declaration, a reallocating amendment requires the approval of all Owners and Mortgagees of Units whose interests are to be allocated or reallocated. The parties executing the amendment will provide an executed copy of the amendment to the Association, which will record it, provided that the amendment complies with the provisions of this Declaration and the Act. The amendment must be recorded and indexed in the names of the parties and the Property. The amendment will specify which Units are subject to the reallocation. The parties executing the amendment are responsible for the preparation of the amendment and will reimburse the Association for its reasonable attorneys' fees in connection with review and recording of the amendment.

ARTICLE 4
ALLOCATED INTERESTS

4.1 Allocation of Interests. The table attached as Appendix B shows the identifying number and allocated interests of each Unit, including those Units owned by the Declarant. The interests have been allocated in accordance with the formulas set out in this ARTICLE 4. The same formulas are to be used in reallocating interests if Units are subdivided, subtracted or added to the Property. The date on which any amendment changing the number of Units in the Condominium Regime is recorded in the county's real property records is the effective date for assigning allocated interests to those Units. The interests allocated to each Unit are calculated by the following formulas specified in this ARTICLE 4.

4.2 Common Element Interests. The amount of air conditioned square footage within each Building in the Property shall be fixed at the number shown in Appendix B. The share of undivided interest in the Common Elements allocated to each Unit shall be calculated as follows:

4.2.1 If the Unit is an entire Building, the allocated interests shall be the percentage found by dividing the air conditioned square footage (or net square footage) of such Building by the total air conditioned square footage of all the Buildings.

4.2.2 If the Unit comprises only part of a Building, the allocated interests shall be the percentage found by dividing the air conditioned square footage of such Unit by the air conditioned square footage of all Buildings.

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The amount of air conditioned square footage shall mean and refer to the area within the Unit boundaries as described in Section 3.1 above and shall be calculated by an architect selected by the Association.

4.3 Common Expense Liabilities. Subject to Section 5.11 below, the share of liability for common expenses allocated to each Unit shall be identical to that determined pursuant to Section 4.2.

4.4 Votes. The total number of votes on matters coming before the Association equals one hundred (100). Each Unit shall have appurtenant to it the number of votes equal to the allocated interests of the Common Elements assigned to such Unit multiplied by one hundred (100).

ARTICLE 5
COVENANT FOR ASSESSMENTS

5.1 Purpose of Assessments. The Association will use Assessments for the general purpose of preserving and enhancing the Property, and promoting the exclusive use of the Condominium Regime as set forth in Section 13.3, the business climate, common benefit, and enjoyment of Owners and occupants, 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.

5.2 Personal Obligation. Subject to Section 5.11, an Owner is obligated to pay Assessments levied by the Board against the Owner or such Owner's Unit. Payments are made to the Association at its principal office or at any other place the Board directs. Payments must be made in full regardless of whether an Owner has a dispute with the Association, another Owner, or any other person or entity regarding any matter to which the Declaration pertains. No Owner may exempt themselves from their Assessment liability by waiver of the use or enjoyment of the Common Elements or by abandonment of such Owner's Unit. An Owner's obligation is not subject to offset by the Owner. Payment of Assessments is both a continuing affirmative covenant personal to the Owner and a continuing covenant running with the Unit.

5.3 Types of Assessments. There are four (4) types of Assessments: Regular, Special, Individual, and Deficiency.

5.4 Regular Assessments.

5.4.1 Purpose of Regular Assessments. 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 Elements, and improvements, equipment, signage, and property owned by the Association.

(b) Maintenance, repair, and replacement, as necessary, of the Areas of Common Responsibility.

(c) Any utilities that service the Association or the Property and are billed to the Association.

(d) Services billed to the Association and serving all Units.

(e) Taxes on property owned by the Association.

(f) Management, legal, accounting, auditing, and professional fees for services to the Association.

(g) Costs of operating the Association, such as telephone, postage, office supplies, printing, meeting expenses, and educational opportunities of benefit to the Association.

(h) Insurance premiums and deductibles.

(i) Contributions to the reserve funds.

(j) Any other expense which the Association is required by law or the Documents to pay, or which in the opinion of the Board is necessary or proper for maintenance of the Property, operation of the Association, or enforcement of the Documents.

5.4.2 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 generated and common expenses incurred by the Association for the year, contributions to reserve funds, and a projection for uncollected receivables. The Board will make the budget or its summary available to an Owner of each Unit, although failure to receive a budget or summary does not affect an Owner's liability for Assessments. The Board will provide copies of the detailed budget to Owners who make written request and pay a reasonable copy charge.

5.4.3 Basis and Regularity of Regular Assessments. Regular Assessments will be based on the annual budget, minus estimated income from sources other than Regular Assessments. Subject to Section 5.11, each Unit will be liable for its share of the annual budget based on each Unit's allocated interests. 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 Assessment as last determined. Regular Assessments shall be payable by Owners regularly on a monthly, quarterly, or annual basis as determined by the Board. However, the due dates for payment of such Regular Assessments shall be set on the first day of each calendar month, calendar quarter, or calendar year, as determined by the Board. If the date on which any Owner first becomes

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liable for Regular Assessments is a date other than the first day of the calendar period so determined by the Board, then the first payment of Regular Assessments due from such Owner shall include Regular Assessments for the fractional calendar period on a per diem basis (calculated on the basis of the number of days in that particular calendar period).

5.4.4 Supplemental Increases. If during the course of a year the Board determines that Regular Assessments are insufficient to cover the estimated common expenses for the remainder of the year, the Board may increase Regular Assessments for the remainder of the fiscal year in an amount that covers the estimated deficiency.

5.5 Special Assessments. In addition to Regular Assessments, the Board may levy one or more Special Assessments against all Units for the purpose of defraying, in whole or in part, common expenses not anticipated by the annual budget or reserve funds. For any of the following purposes, a Special Assessment must be approved by at least a Majority of the votes in the Association:

5.5.1 Acquisition of real property.

5.5.2 Construction of additional capital improvements to the Property not repair or replacement of existing improvements.

5.5.3 Any expenditure that may reasonably be expected to significantly increase the Association's responsibility and financial obligation for operations, insurance, maintenance, repairs, or replacement.

5.6 Individual Assessments. In addition to Regular and Special Assessments, the Board may levy an Individual Assessment against a Unit and its Owner. Individual Assessments may include, but are not limited to, interest, late charges, and collection costs on delinquent Assessments; reimbursement for costs incurred in bringing an Owner or such Owner's Unit into compliance with the Documents; fines for violations of the Documents; insurance deductibles related to losses attributable to the willful or negligent acts of an Owner or occupants; sub-metered utilities serving the Unit; reimbursement for damage or waste caused by willful or negligent acts; common expenses that benefit fewer than all of the Units, which may be assessed according to benefit received; and "pass through" expenses for items not described in Sections 5.4.1 or 5.5 above which result from services to Units provided through the Association and which are equitably paid by each Unit according to benefit received.

5.7 Deficiency Assessments. The Board may levy a Deficiency Assessment against all Units for the purpose of defraying, in whole or in part, the cost of repair or restoration of one or more Units if insurance proceeds or condemnation awards prove insufficient.

5.8 Control for Assessment Increases. At least thirty (30) days prior to the effective date of a Special Assessment or increase in Regular Assessments, the Board will notify an Owner of each Unit of the amount of, the budgetary basis for, and the effective date of the Special or increased Regular Assessment. The Special Assessment or increase will automatically become effective unless Owners representing at least a Majority of the votes in the

Unofficial

Association disapprove the Special Assessment or increase by petition or at a meeting of the Association. In that event, the last-approved budget will continue in effect until a revised budget is approved. Notwithstanding the foregoing, any increase in Regular Assessments that does not exceed one hundred ten percent (110%) of the Regular Assessments collected over the preceding twelve (12) month period shall be deemed automatically accepted by the Owners, and shall not be subject to protest as set forth above.

5.9 Reserve Funds. The Association will establish, maintain, and accumulate reserves for operations and for replacement and repair. The Association will budget for reserves and use commercially reasonable efforts to fund reserves out of Regular Assessments.

5.9.1 Operations Reserves. The Association will maintain operations reserves at a level sufficient to cover the cost of operational or maintenance emergencies or contingencies, including the full amount of deductibles on insurance policies maintained by the Association.

5.9.2 Replacement and Repair Reserves. The Association will maintain replacement and repair reserves at a level that anticipates the scheduled replacement or major repair of components of the Common Elements and Areas of Common Responsibility.

5.10 Association's Right to Borrower Money. The Association is granted the right to borrow money, subject to the consent of Owners representing at least a Majority of votes in the Association 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 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.

5.11 Declarant's Liability for Assessments. Until termination of the Declarant Control Period or three years from Declarant's first conveyance of a Unit to an Owner other than Declarant, whichever is earlier, Declarant shall periodically pay to the Association either (i) Assessments on Units it owns in the same manner as any other Owner, or (ii) an amount equal to all operational expenses of the Association less the operational expense portion of the Assessments paid by Owners other than Declarant. The Declarant may annually elect whether to satisfy its obligations as provided in clause (i) or clause (ii).

ARTICLE 6
ASSESSMENT LIEN

6.1 Assessment Lien. Each Owner by accepting an interest in or title to a Unit, 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 Unit and is secured by a continuing lien on the Unit. Each Owner, and each prospective Owner, is placed on notice that such Owner's title may be subject to the continuing lien for Assessments attributable to a period prior to the date the Owner purchased the Unit.

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6.2 Superiority of Assessment Lien. The Assessment lien is superior to all other liens and encumbrances on a Unit, except only for (a) real property taxes and Assessments levied by governmental and taxing authorities, and (b) a purchase money vendor's lien or first lien deed of trust in favor of a Mortgagee recorded before the date on which the delinquent Assessment became due. The Assessment lien is superior to an assignment of the right to insurance proceeds on the Unit.

6.3 Effect of Mortgagee's Foreclosure. A Mortgagee's foreclosure of its purchase money vendor's lien or first lien deed of trust extinguishes the Association's claim against the Unit for unpaid Assessments that became due before the sale (except for Assessments which became due prior to the recordation of such mortgage) but does not extinguish the Association's claim against the Owner. The purchaser at the Mortgagee's foreclosure sale is liable for Assessments coming due from and after the date of the sale. In addition, to the extent not collected from the former Owner, the unpaid Assessments shall be deemed to be a common expense collectible from all of the Units including the Unit acquired by or from the Mortgagee.

6.4 Notice and Release of Notice. To evidence the Assessment lien, the Board may, but is not required to, cause a written notice of the lien to be recorded in the county's real property records. After the debt for which the notice was recorded has been cured, the Association may record a release of the notice or a "notice of payment" that any delinquent obligation has been paid or satisfied. The Association may require reimbursement of its costs of preparing and recording the notices before granting the release of notice of payment.

6.5 Power of Sale. By accepting an interest in or title to a Unit, each Owner grants to the Association a private power of non-judicial sale in connection with the Association's Assessment lien. The Board may appoint, from time to time, an officer, agent, trustee, substitute trustee, or attorney to exercise the power of sale on behalf of the Association. The appointment must be in writing and may be in the form of a resolution recorded in the minutes of a Board meeting.

6.6 Foreclosure of Lien. The Assessment lien may be enforced by judicial or non-judicial foreclosure or by deed-in-lieu of foreclosure. A non-judicial 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 Unit at foreclosure sale and to acquire, hold, lease, mortgage, and convey same.

ARTICLE 7
EFFECT OF NONPAYMENT OF ASSESSMENTS

7.1 Delinquent Assessments. An Assessment is delinquent if the Association does not receive payment in full by the Assessment's due date. The 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 or 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 under this Declaration or at law.

7.2 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 eighteen percent (18%) or the maximum permitted by law. If the Board fails to establish a rate, the rate is ten percent (10%) per annum so long as permitted by law. Interest is an Individual Assessment.

7.3 Late Fees. Delinquent Assessments are subject to reasonable late fees, at a rate to be determined by the Board from time to time. Late fees are an Individual Assessment.

7.4 Collection Expenses. The Owner of a Unit 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 attorneys' fees and processing fees charged by any third party manager. Collection costs are an Individual Assessment.

7.5 Acceleration. If an Owner defaults in paying an Assessment that is payable in installments, the Board may accelerate the remaining installments on ten (10) days' written notice to the defaulting Owner; provided, however, that for each installment of Regular Assessments that an Owner has defaulted in paying, the Board may only accelerate remaining installments of Regular Assessments due in the calendar year of the Board's determination to accelerate. The entire unpaid balance, of the Assessment becomes due on the date stated in the notice.

7.6 Suspension of Use and Vote. If an Owner's account has been delinquent for at least 30 days, the Board may suspend the right of such Owner and occupants of such Owner's Unit to use Common Elements and common services during the period of delinquency. Common services include master-metered or submetered utilities serving the Unit. The Board may not suspend an Owner or occupant's right of access to the Unit. The Board may suspend the right to vote appurtenant to the Unit. Suspension does not constitute a waiver or discharge of the Owner's obligation to pay Assessments.

7.7 Money Judgment. The Association may file suit seeking a money judgment against an Owner delinquent in the payment of Assessments, without foreclosing or waiving the Association lien for Assessments.

7.8 Notice to Mortgagee. The Board may notify and communicate with any Mortgagee regarding the Owner's default in payment of Assessments.

7.9 Application of Payments. The Board may refuse to accept partial payment, i.e., less than the full amount due and payable. The Board 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 endorsement and deposit of a payment does not constitute acceptance. Instead, acceptance by the Association occurs when the Association posts the

payment to the Unit account. If the Association does not accept the payment at that time, it will promptly refund the payment to the payer.

ARTICLE 8
MAINTENANCE AND REPAIR OBLIGATIONS

8.1 Association Maintains. The Association's maintenance obligations will be discharged when and how the Board deems appropriate. The Association shall maintain in good working order, repair, and condition, and repair and replace, as a common expense, the portions of the Property listed below, regardless of whether the portions are Units or Common Elements, in a manner consistent with similar class buildings in Frisco, Texas:

8.1.1 All general common elements, including, but not limited to, driveways, walls, sidewalks, landscaping, mailboxes, outdoor trash containers, parking spaces, building identification signs, monument signage, handicap signage and screening fences.

8.1.2 Any exterior light fixtures served by the Association's electrical meter.

8.2 Areas of Common Responsibility. The Association has the right, but not the duty, to designate Areas of Common Responsibility to be maintained, repaired, and replaced by the Association as a common expense. Additions, deletions, or changes in designation must be approved by Owners representing at least a Majority of the votes in the Association, published and distributed to an Owner of each Unit and reflected in the Association's annual budget and reserve funds. Any designation applies to every Unit having the designated feature. Unless Owners representing a Majority of the votes in the Association decide otherwise, the cost of maintaining the Areas of Common Responsibility will be added to the annual budget and assessed against all Units as a Regular Assessment. The Association will maintain at all times a dated list of the Areas of Common Responsibility for the distribution to Owners and prospective purchasers. The initial designation of the Areas of Common Responsibility is attached hereto as Appendix E.

8.3 Owner Responsibility. Every Owner has the following responsibilities and obligations for the maintenance, repair, and replacement of the Property:

8.3.1 To maintain, repair, and replace the Unit, including any limited common elements assigned to such Unit, except any components designated as Areas of Common Responsibility. Any portion of the Unit which is visible from the exterior of the Building shall be kept in a neat, clean, orderly and attractive condition.

8.3.2 To keep the limited common elements appurtenant to the Unit in a neat, clean, odorless, orderly, and attractive condition.

8.3.3 To maintain, repair and replace all portions of the Property for which such Owner is responsible under this Declaration or by agreement with the Association.

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8.3.4 To not do any work or to fail to do any work or allow any condition which, in the reasonable opinion of the Board, would materially jeopardize the soundness and safety of the Property, reduce the value thereof, or impair any easement or hereditament thereto.

8.3.5 To be responsible for Owner's own willful or negligent acts and those of the Owner's or the occupant's guests, agents, employees, business invitees, licensees, or contractors when those acts necessitate maintenance, repair, or replacement to the Common Elements, the Areas of Common Responsibility, or the property of another Owner.

8.3.6 To be responsible for all janitorial services not provided by the Association, including, without limitation, the removal of all hazardous wastes and substances in accordance with all applicable laws.

8.4 Owner's Default in Maintenance. If the Board determines that an Owner has failed to properly discharge such Owner's obligations to maintain, repair, and replace 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 cure such failure and complete the work. The Board shall strive to be consistent in the periods of time it gives to Owners to complete similar types of maintenance 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 such Owner's Unit. In case of an emergency, however, the Board's responsibility to give the Owner written notice may be waived and the Board may take any action it deems necessary to protect persons or property, the cost of the action being the Owner's expense.

8.5 Disclaimer. NOTWITHSTANDING ANYTHING CONTAINED HEREIN OR IN THE CERTIFICATE OF FORMATION, BYLAWS, THE RULES, OR ANY OTHER DOCUMENT GOVERNING OR BINDING THE ASSOCIATION, NEITHER THE ASSOCIATION NOR THE DECLARANT SHALL BE LIABLE OR RESPONSIBLE FOR, OR IN ANY MANNER BE A GUARANTOR OR INSURER OF, THE HEALTH, SAFETY OR WELFARE OF ANY OWNER, OCCUPANT OR USER OF ANY PORTION OF THE PROPERTY OR THE CONDOMINIUM REGIME, INCLUDING, WITHOUT LIMITATION, OWNERS AND THEIR LESSEES, GUESTS, INVITEES, AGENTS, EMPLOYEES, SERVANTS, CONTRACTORS OR SUBCONTRACTORS OR FOR ANY PROPERTY OF ANY SUCH PERSONS. WITHOUT LIMITING THE GENERALITY OF THE FOREGOING:

8.5.1 IT IS THE EXPRESS INTENT OF THE DOCUMENTS THAT THE VARIOUS PROVISIONS THEREOF WHICH ARE ENFORCEABLE BY THE ASSOCIATION AND WHICH GOVERN OR REGULATE THE USES OF THE PROPERTY AND THE CONDOMINIUM REGIME HAVE BEEN WRITTEN, AND ARE TO BE INTERPRETED AND ENFORCED, FOR THE SOLE PURPOSE OF ENHANCING AND MAINTAINING THE ENJOYMENT OF THE PROPERTY AND THE CONDOMINIUM REGIME AND THE VALUE THEREOF;

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8.5.2 THE ASSOCIATION OR DECLARANT MAY, BUT SHALL NOT BE REQUIRED TO, FROM TIME TO TIME, PROVIDE MEASURES OR TAKE ACTIONS WHICH DIRECTLY OR INDIRECTLY IMPROVE SECURITY ON THE PROPERTY OR CONDOMINIUM REGIME; HOWEVER, EACH OWNER, FOR ITSELF AND ITS LESSEES, GUESTS, INVITEES, AGENTS, OCCUPANTS, EMPLOYEES, SERVANTS, CONTRACTORS OR SUBCONTRACTORS ACKNOWLEDGES AND AGREES THAT NEITHER THE ASSOCIATION NOR DECLARANT IS A PROVIDER OF SECURITY AND NEITHER PARTY SHALL HAVE A DUTY TO PROVIDE SECURITY ON THE CONDOMINIUM. FURTHERMORE, THE ASSOCIATION DOES NOT GUARANTEE THAT NON-UNIT OWNERS AND NON-OCCUPANTS WILL NOT GAIN ACCESS TO THE PROPERTY OR THE CONDOMINIUM REGIME AND COMMIT CRIMINAL ACTS ON THE PROPERTY NOR DOES THE ASSOCIATION GUARANTEE THAT CRIMINAL ACTS ON THE PROPERTY WILL NOT BE COMMITTED BY OTHER UNIT OWNERS OR OCCUPANTS. IT SHALL BE THE RESPONSIBILITY OF EACH OWNER TO PROTECT HIS OR HER PERSON AND PROPERTY AND ALL RESPONSIBILITY TO PROVIDE SUCH SECURITY SHALL LIE SOLELY WITH EACH UNIT OWNER. NEITHER DECLARANT NOR THE ASSOCIATION SHALL BE HELD LIABLE FOR ANY LOSS OR DAMAGE BY REASON OF FAILURE TO PROVIDE ADEQUATE SECURITY OR INEFFECTIVENESS OF MEASURES UNDERTAKEN;

8.5.3 THE ASSOCIATION IS NOT EMPOWERED, AND HAS NOT BEEN CREATED, TO ACT AS AN ENTITY WHICH ENFORCES OR ENSURES THE COMPLIANCE WITH THE LAWS OF THE UNITED STATES, STATE OF TEXAS, CITY OF FRISCO, COLLIN COUNTY AND/OR ANY OTHER JURISDICTION OR THE PREVENTION OF TORTIOUS ACTIVITIES;

8.5.4 ANY PROVISIONS OF THE DOCUMENTS SETTING FORTH THE USES OF ASSESSMENTS WHICH RELATE TO HEALTH, SAFETY AND/OR WELFARE SHALL BE INTERPRETED AND APPLIED ONLY AS LIMITATIONS ON THE USES OF ASSESSMENT FUNDS AND NOT AS CREATING A DUTY OF THE ASSOCIATION TO PROTECT OR FURTHER THE HEALTH, SAFETY OR WELFARE OF ANY PERSON(S), EVEN IF ASSESSMENT FUNDS ARE CHOSEN TO BE USED FOR ANY SUCH REASON;

8.5.5 EACH UNIT OWNER (BY VIRTUE OF HIS ACCEPTANCE OF TITLE TO HIS UNIT) AND EACH OTHER PERSON HAVING AN INTEREST IN OR LIEN UPON, OR MAKING ANY USE OF, ANY PORTION OF THE PROPERTY AND THE CONDOMINIUM REGIME (BY VIRTUE OF ACCEPTING SUCH INTEREST OR LIEN OR MAKING SUCH USES) SHALL BE BOUND BY THIS PROVISION AND SHALL BE DEEMED TO HAVE AUTOMATICALLY WAIVED ANY AND ALL RIGHTS, CLAIMS, DEMANDS AND CAUSES OF ACTION AGAINST THE ASSOCIATION OR THE DECLARANT ARISING FROM OR CONNECTED WITH

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ANY MATTER FOR WHICH THE LIABILITY OF THE ASSOCIATION HAS BEEN DISCLAIMED IN THIS PROVISION;

8.5.6 EACH UNIT OWNER (BY VIRTUE OF HIS ACCEPTANCE OF TITLE TO HIS UNIT) AND EACH OTHER PERSON HAVING AN INTEREST IN OR LIEN UPON, OR MAKING ANY USE OF, ANY PORTION OF THE PROPERTY AND THE CONDOMINIUM REGIME (BY VIRTUE OF ACCEPTING SUCH INTEREST OR LIEN OR MAKING SUCH USES) SHALL BE BOUND BY THE FINDINGS OF AND SHALL BE DEEMED TO HAVE AUTOMATICALLY TAKEN POSSESSION OF ANY PORTION OF THE PROPERTY SUBJECT TO THE GEOTECHNICAL ENGINEERING REPORTOF THE PROPERTY ATTACHED HERETO AS APPENDIX F, WHICH THE FINDINGS OF EACH DOCUMENT ARE INCORPORATED HEREIN FOR ALL PURPOSES; AND

8.5.7 AS USED IN THIS SECTION 8.5, "ASSOCIATION" SHALL INCLUDE WITHIN ITS MEANING ALL OF THE ASSOCIATION'S DIRECTORS, OFFICERS, COMMITTEE AND BOARD MEMBERS, EMPLOYEES, AGENTS, CONTRACTORS (INCLUDING MANAGEMENT FIRMS), SUBCONTRACTORS, SUCCESSORS AND ASSIGNS. THE PROVISIONS OF THIS SECTION 8.5 SHALL ALSO INURE TO THE BENEFIT OF THE DECLARANT AND ITS AFFILIATES, AS WELL AS TO THE ASSOCIATION'S EMPLOYEES, AGENTS, CONTRACTORS (INCLUDING MANAGEMENT COMPANIES) AND SUBCONTRACTORS, WHICH SHALL BE FULLY PROTECTED HEREBY.

ARTICLE 9
UTILITIES AND TAXES

9.1 Owner's Rights and Duties as to Utilities. Each Owner shall pay for such Owner's own utilities that are separately metered and billed to each Unit by the respective utility companies or sub-metered and billed to each Unit by the Association. Any such utility expenses billed to each Unit by the Association shall be deemed to be Individual Assessments. Utility expenses which are not metered or sub-metered and separately billed shall be part of the common expenses, and each Owner shall pay such Owner's share thereof based on each Owner's allocated interests as in the case of other common expenses.

9.2 Owner's Rights and Duties as to Property Taxes. Each Owner shall pay the ad valorem taxes and Assessments related to such Owner's Unit and limited common elements, so long as the Association is able to obtain separate tax billings for each such Unit. If the Association is unable to obtain separate tax billings for each such Unit, then the Association shall pay such ad valorem taxes, or Assessments and the costs therefore shall be deemed to be Individual Assessments. However, for so long as there are any portions of the Property that are labeled on the Plat and Plans as "subject to Declarant's Development Rights" and that have not been developed by Declarant into Units, parking areas, drives, walkways, landscaping, or other facilities, Declarant shall pay the ad valorem taxes and Assessments related to such portions of the Property until the termination of the Development Period. Upon termination of the Development Period, the Declarant shall no longer be responsible to pay such ad valorem taxes.

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The Owners, the Declarant, and the Association agree to assist and cooperate with one another in the event that either the Association, the Declarant, or an Owner deems it appropriate to challenge the appraised tax value or tax rate as to any Unit, limited common element, or undeveloped portion of the Property. The Declarant and each Owner shall provide the Board with a copy of the receipt noting all taxes for which such Owner or the Declarant is responsible to pay have been paid by March 1 of each calendar year. Should any Owner fail to pay the ad valorem taxes on such Owner's Unit or limited common elements by March 1 of any calendar year, the Association shall have the right to pay such taxes and the cost thereof shall be deemed to be an Individual Assessment. Should the Declarant fail to pay the ad valorem taxes for which the Declarant is responsible by March 1 of any calendar year, the Association or any one or more of the Owners shall have the right to pay such taxes and seek reimbursement from Declarant.

ARTICLE 10
PROPERTY EASEMENTS AND RIGHTS

10.1 General. In addition to other easements and rights established by the Documents, the Property is subject to the easements and rights contained in this ARTICLE 10.

10.2 Recorded Easements and Licenses. The attached Appendix C contains a depiction of and recording data for recorded easements and licenses appurtenant to or included in the Property or to which any portion of the Property is or may become subject by reservation in this Declaration.

10.3 Owner's Easement of Enjoyment. Every Owner is granted a right and easement of enjoyment over the general common elements and to use of all improvements thereon subject to other rights and easements contained in the Documents. An Owner may delegate this right of enjoyment to the occupants of such Owner's Unit.

10.4 Owner's Maintenance Easement. Every Owner is granted an easement over adjoining Units (adjoined by common walls) and over Common Elements for the maintenance or reconstruction of such Owner's Unit, subject to the consent of the Owner of the adjoining Unit, or the Association in the case of Common Elements, and provided the easement does not damage or materially interfere with the use of the adjoining Unit or Common Elements. Requests for entry to an adjoining Unit or Common Element will be made a reasonable time in advance and approval may not be unreasonably withheld or delayed. If an Owner damages an adjoining Unit or Common Element in exercising this easement, the Owner is obligated to restore the damaged property to its original condition, at such Owner's expense, within a reasonable period of time.

10.5 Owner's Ingress/Egress Easement. Every Owner is granted a perpetual easement over the Property, as maybe reasonably required but subject to the other provisions within this Declaration, for unrestricted ingress to and egress from such Owner's Unit and the appurtenant limited common elements.

10.6 Owner's Encroachment Easement. Every Owner is granted an easement for the existence and continuance of any encroachment by such Owner's Unit on any adjoining Unit or Common Element now existing or which may come into existence, as a result of construction,

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repair, shifting, settlement, or movement of any portion of a Building, or as a result of condemnation or eminent domain proceedings, so that the encroachment may remain undisturbed so long as the improvement stands.

10.7 Association's Access Easement. The Association is granted an easement of access and entry into every Unit and Common Element to perform maintenance, to enforce architectural and use restrictions, to respond to emergencies, and to perform any other duties required by the Documents; provided, however, that, except in the case of an emergency, the Association will give an Owner notice of such access or entry at least two (2) business days in advance of the Association's access or entry into such Owner's Unit.

10.8 Utility Easement. The Association may grant permits, licenses, and easements over the Common Elements 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 necessary to properly maintain and furnish utility service to the Property; provided, however, this easement may not be exercised without prior notice to the Board. Utilities may include, but are not limited to, water, sewer, trash removal, electricity, gas, telephone, master or cable television, and security.

ARTICLE 11
ARCHITECTURAL COVENANTS AND CONTROL; OWNER SUBDIVISIONS

11.1 Purpose. Because the Units are part of a single, unified Condominium Regime, the Association has the right and responsibility to regulate the design, use, and appearance of the Units and Common Elements in order to preserve and enhance the Property's value and architectural harmony.

11.2 Prohibition of Alteration and Improvement. A person may not make any addition, alteration, or improvement to the Property, or do anything that affects the appearance, use, or structural integrity of the Property, without the prior written consent of the Board. Prohibited acts include, but are not limited to, the following:

11.2.1 Installation of an exterior antenna, microwave or satellite dish, receiving or transmitting tower, ornamental iron or burglar bars, storm window or door, exterior lighting, storage shed, free standing mailbox, trash can enclosure, exterior signage, patio cover or enclosure, chimney, skylight, or exterior holiday decorations.

11.2.2 Installation of equipment that may create a noise annoyance, such as noise-producing security devices and exterior pumps.

11.2.3 Installation of walls, screens, fences, gates, or carports.

11.2.4 Installation of impermeable docking or other improvement that may interfere with established drainage patterns.

11.2.5 Window treatments (e.g. blinds, draperies, sheers, shutters, etc.) which are reasonably visible as a portion of the overall exterior appearance.

11.3 Board Approval. An Owner may not start or maintain construction, alteration, addition, installation, modification, redecoration, or reconstruction of any component of the Property without the Board's prior approval. To request Board approval, an Owner must make written application, including plans and specifications showing the nature, kind, shape, color, size, materials, and locations of the work to be performed and the names and addresses of all contractors and subcontractors that will be performing work on the Property. The Board will retain the application, including plans and specifications for the Association's files.

11.4 Deemed Approval. If an Owner has not received the Board's written approval or denial within thirty (30) days after delivering the application to the Board, the Owner may presume that such Owner's request has been approved by the Board. The Owner may then proceed with the improvement, provided the Owner adheres to the plans and specifications which accompanied the Owner's application, uses the contractors and subcontractors listed therein (unless disapproved by the Board), and provided the Owner initiates and completes the improvement in a timely manner.

11.5 Prior Approval. Notwithstanding the foregoing, no permission or approval is required for work that strictly complies with guidelines, plans, specifications, or policies previously developed and approved for all Units by the Board and still in effect at the time work is initiated, but approval is required of the contractors and subcontractors performing the work. Written approval for specified improvements or alterations on certain Units or limited common elements does not constitute approval for all Units and limited common elements.

11.6 No Approval Required. No approval is required to rebuild a Unit in accordance with originally approved plans and specifications. Nor is approval required for an Owner to remodel or repaint the interior of a Unit, provided the work does not impair the structural soundness of the Building or affect any Building systems.

11.7 Owner Subdivision. An Owner may subdivide such Owner's Unit in accordance with Section 82.063 of the Act, subject to approval by the Association and all Mortgagees of such Unit and the payment by such Owner of all related expenses.

11.7.1 Demising Wall Requirements Prior to Sale or Lease. Upon an Owner's subdivision of a Unit as provided in Section 11.7 above, and if prior to the sale or lease thereof such Unit or Units lack actual physical improvements along any of its or their Planar Boundaries, the Owner of the Unit or Units shall erect, at such Owner's sole cost and expense, such appropriate demising wall improvements, as may be required under the circumstances, in order to define and separate the space containing the Unit or Units to be sold or leased from each other and all other Units, which are not to be owned or leased by the same person or entity. Demising walls shall not contain any glass or other translucent material and shall provide adequate sound proofing between the Unit or Units to be sold or leased and the surrounding Units so that the activities conducted within the Unit or

Units to be sold or leased shall not unreasonably disturb the surrounding Units. If the construction of demising walls denies a Unit access to the Common Element corridor for ingress and egress, then such Unit Owner shall, prior to the intended sale or lease, install doorways to the Common Element corridor to provide access to the Unit requiring same. Notwithstanding anything to the contrary in the foregoing, a Unit Owner shall not be required to erect demising walls between Units which are to be leased or sold, provided (i) such Units are adjacent to one another; (ii) the Planar Boundaries of each Unit along which demising walls are not to be built are adjacent to one another; (iii) the Units, which are the subject of the contemplated sale or lease transaction, are to be leased or purchased by the same person or entity; and (iv) the purchaser or lessee does not desire demising walls to separate the Units.

ARTICLE 12
LIMITATIONS ON UNIT LEASING

12.1 Leasing. Subject to all the provisions below, leasing of the Units is permitted. Prior to leasing any Unit, the Owner shall submit the proposed lease to the Association for approval, which approval shall not be unreasonably withheld or delayed. If an Owner has not received the Board's written approval or denial within fifteen (15) days after delivery of the proposed lease to the Board, such lease shall be deemed approved; subject, however, to the other limitations of this ARTICLE 12.

12.2 Conditions of Lease. Notwithstanding the prior Section's permission to lease, (a) no Unit may be rented for a use inconsistent with ARTICLE 13 below; (b) no Unit may be subdivided for rent purposes, and not less than an entire Unit may be leased; (c) all leases must be in writing and must be made subject to the Documents; (d) an Owner is responsible for providing the tenant with copies of the Documents and notifying the tenant of changes thereto; and (e) each tenant is subject to and must comply with all provisions of the Documents, federal and state laws, and local ordinances.

12.3 Eviction of Tenants. Every lease agreement on a Unit, regardless of composition or terms and conditions, is subject to and is deemed to include the following provisions:

12.3.1 Violation Constitutes Default. Failure by any tenant or tenant's invitees to comply with the Documents, federal or state law, or local ordinance is deemed to be a default under the lease. When the Association notifies an Owner of a tenant's violation, the Owner will promptly obtain the tenant's compliance or exercise Owner's rights as a landlord for tenant's breach of lease. If the tenant's violation continues or is repeated, and if the Owner is unable, unwilling, or unavailable to obtain the tenant's compliance, then the Association has the power and right to pursue the remedies of a landlord under the lease or state law for the default, including eviction of the tenant, subject to terms of this Section.

12.3.2 Association as Attorney-in-Fact. Notwithstanding the absence of an express provision in the lease agreement for enforcement of the Documents by the Association, each Owner appoints the Association as such Owner's attorney in fact, with

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full authority to act in such Owner's place in all respects, solely for the purpose of enforcing the Documents against such Owner's tenants, including but not limited to the authority to institute forcible detainer proceedings against such Owner's tenant on Owner's behalf, provided the Association gives the Owner at least ten (10) days' notice, by certified mail, of its intent to so enforce the Documents.

12.3.3 Association Not Liable for Damages. The Owner of a leased Unit is liable to the Association for any expenses incurred by the Association in connection with enforcement of the Documents against the tenant. The Association is not liable to the Owner for any damages, including lost rents, suffered by the Owner in relation to the Association's enforcement of Documents against the Owner's tenant.

12.4 Mortgagees and Declarant Exempt. A Mortgagee acquiring possession of or title to a Unit by exercise of its rights under a deed of trust is exempt from the effect of this ARTICLE 12. This exemption does not pass to the Mortgagee's successors and assigns. During the Declarant Control Period, Declarant is exempt from the effect of this ARTICLE 12.

ARTICLE 13
USE RESTRICTIONS

13.1 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.

13.2 Rules and Regulations. In addition to the restrictions contained in this ARTICLE 13, each Unit is owned and occupied subject to the right of the Board to establish Rules, and penalties for infractions thereof, governing:

13.2.1 The types, sizes, numbers, conditions, uses, and locations of motorized vehicles on the Property.

13.2.2 The use of the private street(s) and driveways within the Property, including speed limits and parking restrictions.

13.2.3 The disposal of trash, including types and locations of containers.

13.2.4 Hazardous, illegal or annoying materials or activities in and upon the Property.

13.2.5 The use and maintenance of a private security system for the Property.

13.2.6 The occupancy and leasing of Units, including, without limitation, the maximum number of persons that may occupy a Unit on a regular basis.

13.2.7 The wasteful consumption of utilities billed to the Association.

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13.2.8 The use, maintenance, and appearance of windows, porches, patios and yards visible from the street or other Units.

13.2.9 Anything that interferes with maintenance of the Property, operation of the Association, administration of the Documents, or the quality of life for occupants.

13.3 Use Restrictions. The use of a Unit is limited exclusively to general commercial office and any incidental use permitted by this Declaration. For purposes of clarity, this designation includes, by way of example and not as a limitation, the following: (a) professional and administrative offices where only services are provided and no chattels or goods are offered for sale on the premises, such as attorneys, architects, engineers, urban planners, insurance agencies, real estate brokerage firms, banks and similar offices; (b) business support services; (c) communications services; (d) financial services; (e) personal improvement services; and (f) development and construction firms. Prior to an Owner's use or occupancy of a Unit, such Owner must obtain the Board's prior written approval with respect to his or her chosen use of that Unit. Any Owner that either occupies a Unit without receiving the Board's written approval of use of the Unit or deviates in use of the Unit from a previously approved use without receiving approval for such new use will not be in compliance with the Documents and will be subject to the Association's enforcement rights set forth in Section 20.7 below. No more than two (2) Buildings will be constructed on the Property unless Declarant annexes into this Declaration the Additional Land, if any, pursuant to Appendix D.

13.4 Occupancy of Units. A person may not occupy a Unit if the person constitutes a direct threat to the health or safety of other persons, or if the person's occupancy would result in substantial physical damage to the property of others.

13.5 Annoyance. No Unit or limited common element may be used in any way that (a) may reasonably be considered annoying to neighbors; (b) may be calculated to reduce the desirability of the Property as a commercial or general business and professional office condominium; (c) may endanger the health or safety of occupants; (d) may result in the cancellation or increase in cost of insurance on the Buildings; or (e) will violate any law. The Board has the final authority to determine what constitutes an annoyance. Without limiting the generality of any of the foregoing provisions, no exterior speakers, horns, whistles, bells or other sound devices (other than security devices used exclusively for security purposes), noisy or smoky vehicles, large power equipment or large power tools, unlicensed off-road motor vehicles or other items which may unreasonably interfere with any Owner, will be located, used or placed on any portion of the Property or exposed to the view of other Owners without the prior written approval of the Board.

13.6 Animal Restrictions. No animal, bird, fish (excluding small aquarium fish), reptile, or insect of any kind may be kept, maintained, raised or bred anywhere on the Property.

13.7 Appearance Restrictions. Both the exterior and interior of the Units must be maintained in a manner so as not to be unsightly when viewed from the street or neighboring Units. The Board will be the arbitrator of acceptable appearance standards.

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13.8 Window Restrictions. All window treatments within the Unit, that are visible from the street or another Unit, must be white in color unless otherwise authorized in writing by the Board.

13.9 Sign Restrictions. No signs advertising the Units for sale or lease, other advertising signs, or unsightly objects may be erected, placed, or permitted to remain on the Property or to be visible from windows in the Units without written authorization of the Board. The Board's authorization may specify the location, nature, dimensions, number and time period of any advertising sign.

13.10 Vehicle Restrictions. All vehicles on the Property, whether owned or operated by the occupants or their employees, agents, invitees, licensees, contractors or guests, are subject to the following restrictions:

13.10.1 Types. No large commercial-type vehicle, mobile home, motor home, bus, trailer, boat, aircraft, inoperable vehicle, or other similar vehicle or any vehicular equipment, mobile or otherwise, which the Board deems to be a nuisance, unsightly, or inappropriate may be kept, parked, or stored anywhere on the Property.

13.10.2 Repairs. Repairs or restorations of vehicles are prohibited anywhere on the Property.

13.10.3 Obstruction. No vehicle may obstruct the flow of traffic, constitute a nuisance, or otherwise create a safety hazard.

13.10.4 Removal. The Association may affect the removal of any vehicle in violation of this Section or Rules regulating vehicles.

13.11 Landscaping Restrictions. No person may perform landscaping, planting, or gardening anywhere upon the Property, without the Board's prior written authorization.

13.12 Drainage Restrictions. No person may interfere with the established drainage pattern over any part of the Property unless an adequate alternative provision for proper drainage has been approved by the Board.

13.13 Structural Integrity. No person may directly or indirectly impair the structural soundness or integrity of a Building or another Unit, nor do any work that will impair an easement or hereditament.

13.14 Specific Uses. Except for ingress and egress, sidewalks and driveways on the Property may not be used for any purpose that has not been authorized in writing by the Board.

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ARTICLE 14
MORTGAGEE PROTECTION

14.1 Introduction. This ARTICLE 14 is supplemental to, not a substitution for, any other provision of the Documents. In case of conflict, this ARTICLE 14 controls. Some sections of this Article apply to "Mortgagees," as defined in ARTICLE 1. Other sections apply to "Eligible Mortgagees," as defined below.

14.2 Known Mortgagees. An Owner who mortgages such Owner's Unit will notify the Association, giving the complete name and address of the Mortgagee and the loan number. The Association's obligations to Mortgagees under the Documents extend only to those Mortgagees known to the Association. All actions and approvals required by Mortgagees will be conclusively satisfied by the Mortgagees known to the Association, without regard to other holders of Mortgages on Units. The Association may rely on the information provided by Owners and Mortgagees.

14.3 Eligible Mortgagees. "Eligible Mortgagee" means the holder, insurer, or guarantor of a first purchase money mortgage secured by a recorded deed of trust lien against a Unit who has submitted to the Association a written notice containing its name and address, the loan number, and the identifying number and street address of the mortgaged Unit. A single notice per Unit will be valid so long as the Eligible Mortgagee holds a mortgage on the Unit. The Board will maintain this information. The Association will treat the notice as the Eligible Mortgagee's request to be notified of any proposed action requiring the consent of Eligible Mortgagees. A provision of the Documents requiring the approval of a specified percentage of Eligible Mortgagees will be based on the number of Units subject to mortgages held by Eligible Mortgagees. For example, "Fifty-one percent (51%) of Eligible Mortgagees" means Eligible Mortgagees of fifty one percent (51%) of the Units that are subject to mortgages held by Eligible Mortgagees.

14.4 Notice of Actions. The Association will use commercially reasonable efforts to send timely written notice to Eligible Mortgagees of the following actions:

14.4.1 Any condemnation or casualty loss that affects a material portion of the Property or mortgaged Unit.

14.4.2 Any sixty (60)-day delinquency in the payment of Assessments or charges owed by the Owner of the mortgaged Unit.

14.4.3 A lapse, cancellation, or material modification of any insurance policy maintained by the Association.

14.4.4 Any proposed action that requires the consent of a specified percentage of Eligible Mortgagees.

14.4.5 Any proposed amendment of a material nature defined in Section 14.5 below.

14.4.6 Any proposed termination of the condominium status of the Property.

14.5 Amendments of Material Nature. A Document amendment of a material nature must be approved by at least fifty-one percent (51%) of Eligible Mortgagees. This approval requirement does not apply to amendments effected by the exercise of a Development Right. A change to any of the provisions governing the following would be considered material:

14.5.1 Voting rights, except that when a Unit is being subdivided, then only those Owners and the Eligible Mortgages holding mortgages against the Unit or Units need approve the action.

14.5.2 Extraordinary reductions in reserves for maintenance, repair, and replacement of Common Elements.

14.5.3 Material changes in responsibility for maintenance and repairs that affects the Property as a whole.

14.5.4 Reallocation of interests in the general or limited common elements, or rights to their use; except that when limited common elements are reallocated by agreement between Owners, only those Owners and only the Eligible Mortgagees holding mortgages against those Units need approve this action.

14.5.5 Redefinitions of boundaries of Units, except that when boundaries of only adjoining Units are involved, or a Unit is being subdivided, then only those Owners and the Eligible Mortgagees holding mortgages against the Unit or Units need approve this action.

14.5.6 Convertibility of Units into Common Elements or Common Elements into Units, except as provided in Appendix D.

14.5.7 Expansion or contraction of the Property, or the addition, annexation, or withdrawal of Property to or from the Property.

14.5.8 Hazard or fidelity insurance requirements.

14.5.9 Imposition of any significantly material restrictions on the leasing of Units.

14.5.10 Imposition of any significantly material restrictions on Owners' right to sell or transfer their Units.

14.5.11 A decision by the Association to establish self-management when professional management had been required previously by the Documents or an Eligible Mortgagee.

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14.5.12 Restoration or repair of the Property, in a manner other than that specified in the Documents, after hazard damage or partial condemnation.

14.5.13 Any provision that expressly benefits mortgage holders, insurers, or guarantors.

14.6 Termination. An action to terminate the legal status of the Property after substantial destruction or condemnation must be approved by at least fifty-one percent (51%) of Eligible Mortgagees. An action to terminate the legal status for reasons other than substantial destruction or condemnation must be approved by at least sixty-seven percent (67%) of Eligible Mortgagees.

14.7 Implied Approval. The approval of an Eligible Mortgagee is implied when the Eligible Mortgagee fails to respond within thirty (30) days after receiving the Association's written request for approval of a proposed amendment, provided the Association's request was delivered by certified or registered mail, return receipt requested.

14.8 Inspection of Books. The Association will maintain current copies of the Documents and the Association's books, records, and financial statements. Mortgagees may inspect the Documents and records, by appointment, during normal business hours.

14.9 Financial Statements. If a Mortgagee submits a written request and a self-addressed stamped envelope, the Association will give the Mortgagee a financial statement for the preceding fiscal year within one hundred twenty (120) days after the Association's fiscal year-end. A Mortgagee may have an audited statement prepared at its own expense.

14.10 Attendance at Meetings. A representative of an Eligible Mortgagee may attend and address any meeting which an Owner may attend.

14.11 Insurance Policies. Insurance policies maintained by the Association should require the insurer to notify in writing each Mortgagee named in the mortgage clause at least ten (10) days before the insurer cancels or substantially changes the Association's coverage. Additionally, the Association will use commercially reasonable efforts to send timely written notice to Eligible Mortgagees of a lapse, cancellation, or material modification of any insurance policy maintained by the Association.

ARTICLE 15
AMENDMENTS

15.1 Consents Required. As permitted by the Act or by this Declaration, certain amendments of this Declaration may be executed by Declarant alone, or by certain Owners alone, or by the Board alone. Otherwise, amendments to this Declaration must be approved by Owners representing at least sixty-seven (67%) of the votes in the Association.

15.2 Method of Amendment. This Declaration may be amended by any method selected by the Board from time to time, pursuant to the Bylaws, provided the method gives an

Owner of each Unit the substance if not exact wording of the proposed amendment, a description in layperson's terms of the effect of the proposed amendment, and an opportunity to vote for or against the proposed amendment. For amendments requiring the consent of Eligible Mortgagees, the Association will send each Eligible Mortgagee a detailed description, if not exact wording, of any proposed amendment.

15.3 Effective. To be effective, an amendment must be in the form of a written instrument (i) referencing the name of the Association and the recording data of this Declaration and any amendments hereto; (ii) signed and acknowledged by an officer of the Association, certifying the requisite approval of Owners and, if required, Eligible Mortgagees; and (iii) recorded in the Real Property records of Collin County, Texas.

15.4 Declarant Provisions. No amendment may affect Declarant's rights under this Declaration or the Act without Declarant's written and acknowledged consent, which must be part of the recorded amendment instrument. Although Declarant certifies that, to Declarant's knowledge, Appendix D contains all the information required by the Act, Declarant nonetheless reserves the right to amend Appendix D, in whole or in part, to correct any technical errors or deficiencies. The automatic expiration and subsequent deletion of Appendix D does not constitute an amendment of this Declaration. During the Declarant Control Period, no amendment to the Declaration will be valid without the inclusion of Declarant's signature in such amendment.

ARTICLE 16
INSURANCE

16.1 General Provisions. All insurance affecting the Property is governed by the provisions of this ARTICLE 16, with which the Board will make every reasonable effort to comply, including the following:

16.1.1 Common Expense. The cost of insurance coverages and bonds maintained by the Association is a common expense.

16.1.2 Insurer. Insurance policies and bonds obtained and maintained by the Association must be issued by responsible insurance companies authorized to do business in the State of Texas.

16.1.3 Insured. The Association must be the named insured on all policies obtained by the Association. The loss payee clause should show the Association as trustee for each Owner and Mortgagee whose name has been provided to the Association.

16.1.4 Subrogation. Policies of casualty and general liability insurance maintained by the Association must provide that the insurer waives its rights to subrogation under the policy against an Owner.

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16.1.5 Association as Trustee. Each Owner irrevocably appoints the Association acting through its Board, as their trustee to negotiate, receive administer, and distribute the proceeds of any claim against an insurance policy maintained by the Association.

16.1.6 Notice of Cancellation or Modification. Each insurance policy maintained by the Association should contain a provision requiring the insurer to give prior written notice, as provided by the Act, to the Board before the policy may be canceled, terminated, materially modified, or allowed to expire, by either the insurer or the insured.

16.1.7 Deductibles. 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 occupant or their invitees, the Owner must reimburse the Association for the amount of the deductible that is attributable to the act or omission.

16.1.8 Mortgage Clause. The Association's policies should contain the standard mortgage clause naming either the Mortgagee or its servicer followed by "its successors and assigns."

16.1.9 Prejudice. The insurance will not be prejudiced by the act or omission of any Owner or occupant who is not under the Association's control.

16.2 Casualty or Hazzard Insurance. The Association will obtain blanket Cause of Loss-Special insurance, if reasonably available, for all improvements insurable by the Association. If blanket Cause of Loss-Special insurance is not reasonably available, then at a minimum, the Association will obtain an insurance policy providing Cause of Loss-Broad coverage. This insurance must be in an amount sufficient to cover one hundred percent (100%) of the replacement cost of any repair or reconstruction in event of damage or destruction from any insured hazard.

16.2.1 Common Property Insured. The Association will insure (a) general common elements; (b) limited common elements; and (c) Property owned by the Association including, if any, records, furniture, fixtures, equipment, and supplies.

16.2.2 Units Insured by Association. In addition to insuring the Common Elements against casualty loss, the Association shall maintain casualty insurance on the Units, including betterments and improvements installed by Owners. In insuring Units, the Association may be guided by types of policies customarily available for similar types of properties.

16.3 Liability Insurance. The Association will maintain a commercial general liability insurance policy over the Common Elements - expressly excluding the liability of each Owner and occupant within such Owner's Unit - for bodily injury and property damage resulting from the operation, maintenance, or use of the Common Elements. 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.

16.4 Worker's Compensation. The Association may maintain worker's compensation insurance if and to the extent necessary to meet the requirements of state law or if the Board so chooses.

16.5 Fidelity Coverage. To the extent reasonably available, the Association will maintain blanket fidelity coverage for any person who handles or is responsible for funds held or administered by the Association, whether or not the person is paid for his services. The policy should be for an amount that exceeds the greater of (a) the estimated maximum funds, including reserve funds that will be in the Association's custody at any time the policy is in force; or (b) an amount equal to three (3) months of Regular Assessments on all Units. A management agent that handles Association funds should be covered for its own fidelity insurance policy with the same coverages.

16.6 Directors' and Officers' Liability. The Association may 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 an act or omission in carrying out their duties in those capacities.

16.7 Mortgagee Required Policies. Unless coverage is not available or has been waived in writing, the Association may maintain (to the extent reasonably possible) any insurance and bond required by an Eligible Mortgagee.

16.8 Other Policies. The Association may maintain any insurance policies and bonds deemed by the Board to be necessary or desirable for the benefit of the Association.

16.9 Owner's Responsibility for Insurance.

16.9.1 Insurance by Owners. Notwithstanding the foregoing, the Board may establish minimum insurance requirements, including types and minimum amounts of coverage, to be individually obtained and maintained by Owners if the insurance is deemed necessary or desirable by the Board to reduce potential risks to the Association or other Owners. If an Owner fails to maintain required insurance, the Board may obtain it on behalf of the Owner who will be obligated for the cost as an Individual Assessment.

16.9.2 Owners' Responsibilities. The Owner; if requested, will give the Board written notification of structural changes, additions, betterments or improvements to his Unit, and any other information the Board may require to maintain adequate levels of insurance coverage. Each Owner will comply with reasonable requests by the Board for periodic inspection of the Unit for purposes of insurance appraisal.

16.9.3 Association Does Not Insure. The Association does not insure an Owner or occupant's personal property or provide liability insurance for events occurring within Units. Each Owner and occupant is solely responsible for insurance their personal property in their Unit and on the Property, including furnishings, vehicles and stored

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items and for providing liability insurance for events occurring within his Unit. **The Association strongly recommends that each Owner and occupant purchase and maintain insurance on their personal belongings and liability insurance for their Unit**.

ARTICLE 17
RECONSTRUCTION OR REPAIR AFTER LOSS

17.1 Subject to Act. Subject to ARTICLE 19 regarding termination, the Association's response to damage or destruction of the Property will be governed by Section 82.111(i) of the Act. The following provisions apply to the extent the Act is silent or there is any inconsistency with the act.

17.2 Restoration Funds. For purposes of this ARTICLE 17, Restoration Funds include insurance proceeds, Deficiency Assessments, Individual Assessments, and other funds received on account of or arising out of injury or damage to the Property. All funds paid to the Association for purposes of repair or restoration will be deposited in a financial institution in which accounts are insured by a federal agency. Withdrawal of Restoration Funds requires the signature of at least two (2) directors or that of an agent duly authorized by the Board.

17.2.1 Sufficient Proceeds. If Restoration Funds obtained from insurance proceeds are sufficient to repair or restore the damaged or destroyed Property, the Association as trustee for the Owners, will promptly apply the funds to the repair or restoration.

17.2.2 Insufficient Proceeds. If Restoration Funds are not sufficient to pay the estimated or actual costs of restoration as determined by the Board, the Board may levy a Deficiency Assessment against the Owners to fund the difference.

17.2.3 Surplus Funds. If the Association has a surplus of Restoration Funds after payment of all costs of repair and restoration, the surplus will be applied as described in the next two (2) sentences. If a Deficiency Assessments were a source of Restoration Funds, the surplus will be paid to Owners in proportion to their contributions resulting from the Deficiency Assessment levied against them; provided that no Owner may receive a sum greater than that actually contributed by such Owner, and further provided that any delinquent Assessments owed by the Owner to the Association will first be deducted from the surplus. Any surplus remaining after the disbursement described in the foregoing Section will be common funds of the Association to be used as directed by the Board.

17.3 Costs and Plans.

17.3.1 Cost Estimates. Promptly after the loss, the Board will obtain reliable and detailed estimates of the cost of restoring the damaged property. Costs may include premiums for bonds and fees for the services of professionals, as the Board deems necessary, to assist in estimating and supervising the repair.

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17.3.2 Plans and Specifications. Common Elements will be repaired and restored substantially as they existed immediately prior to the damage or destruction. Units will be repaired and restored substantially in accordance with original construction plans and specifications, unless the Association insures betterments and improvements made by Owners, in which case the Units will be repaired and restored substantially as they existed immediately prior to the damage or destruction, Alternate plans and specifications for repair and restoration of either Common Elements or Units must be approved by Owners representing at least sixty-seven percent (67%) of the votes in the Association and by certain Mortgagees if so required by the Mortgagee Protection article of this Declaration.

17.4 Owner's Duty to Repair.

17.4.1 Uninsured Loss. Within sixty (60) days after the date of damage, or as soon thereafter as is practical, the Owner will begin repair or reconstruction of any portion of his Unit not covered by the Association's blanket insurance policy, subject to the right of the Association to supervise, approve, or disapprove repair or restoration work.

17.4.2 Insured Loss. If the loss to a Unit is covered by the Association's insurance policy, the Owner will begin or facilitate repair or restoration of damage when funds are available to the Association, subject to the right of the Association to perform, supervise, approve, or disapprove the repair or restoration work.

17.4.3 Failure to Repair. If an Owner fails to repair or restore damage as required by this Section, the Association may affect the necessary repairs and levy an Individual Assessment against the Owner and Unit for the cost thereof, after giving the Owner reasonable notice of the Association's intent to do so.

17.5 Owner's Liability for Insurance Deductible. If repair or restoration of Common Elements or Units is required as a result of an insured loss, the Board may levy an Individual Assessment, in the amount of the insurance deductible, against the Owner or Owners who would be responsible for the cost of the repair or reconstruction in the absence of insurance.

ARTICLE 18
CONDEMNATION

18.1 Association as Trustee. Each Owner hereby irrevocably appoints the Association, acting through its Board, as trustee to deal with the Property in the event of condemnation of the Property. As trustee, the Association will have full and complete authority, right, and power to do all things reasonable and necessary to effect the provisions of this Declaration and the Act, including, without limitation, the right to receive, administer, and distribute awards to effect the sale of the Property as permitted by this Declaration or the Act; and to make, execute, and deliver any contract, deed, or other instrument with respect to the interest of an Owner; provided, however, that no Owner waives Section 82.007 of the Act.

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18.2 Condemnation. The Association's response to condemnation of any part of the Property will be governed by Section 82.007 of the Act. On behalf of the Owners, but without their consent, the Board may execute an amendment of this Declaration to reallocate allocated interests following condemnation and to describe the altered parameters of the Property, if the Association replaces or restores Common Elements taken by condemnation by obtaining other land or constructing additional improvements, the Board may, to the extent permitted by law, execute an amendment without the prior consent of the Owners to describe the altered parameters of the Property and any corresponding change of facilities or improvements.

ARTICLE 19
TERMINATION

19.1 Termination. Termination of the terms of this Declaration and the condominium status of the Property will be governed by Section 82.068 of the Act, subject to the following provisions:

19.1.1 Substantial Taking. In the event of substantially total damage, destruction, or condemnation of the Property, an amendment to terminate must be approved by Owners representing at least sixty-seven percent (67%) of the votes in the Association and by certain Mortgagees pursuant to the Mortgagee Protection article of this Declaration.

19.1.2 Total Taking. In the event of condemnation of the entire Property, an amendment to terminate may be executed by the Board without a vote of Owners or Mortgagees.

19.1.3 Other Circumstances. In all other circumstances, an amendment to terminate must be approved by Owners representing at least eighty percent (80%) of the votes in the Association and by certain Mortgagees pursuant to the Mortgagee Protection article of this Declaration.

ARTICLE 20
ASSOCIATION OPERATIONS

20.1 Association Powers. Subject to the rights of the Declarant contained herein, the Property shall be managed and supervised by the Association. Unless otherwise specifically provided in this Declaration, the Association shall possess all of the powers provided in Section 82.102 of the Act.

20.2 Membership. Any person, upon becoming the Owner of a Unit, shall automatically be a Member of the Association, and shall remain a Member thereof in accordance with the Articles and the Bylaws until such time as such Owner's ownership of said Unit ceases for any reason, at which time such Owner's membership in the Association shall automatically cease.

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20.3 Transferred Membership. Membership in the Association shall not be transferred, pledged, or alienated in any way, except upon the transfer of ownership of the Unit to which it is appurtenant, and then only to the new Owner. Any attempt to make a prohibited transfer is void. In the event the Owner of any Unit should fail or refuse to transfer the membership registered in such Owner's name to the purchaser of the Unit, the Association shall have the right to record the transfer upon its books.

20.4 Voting Rights. The Owner or Owners of each Unit shall be entitled to the number of votes shown on Appendix B.

20.5 Board of Directors. The affairs of the Association shall be managed by a Board of Directors which has been established and which shall conduct regular and special meetings according to the provisions of the Bylaws.

20.6 Indemnification. The Association indemnifies every officer, director and committee member (for purposes of this Section 20.6, "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 Lender is a party by reason of being or have been a Leader. A Leader shall not liable for a mistake of judgment, negligent or otherwise, so long as such Leader acted in good faith. A Leader is liable for their willful misfeasance, malfeasance, misconduct, or bad faith. This right to indemnification does not exclude any other rights to which present or former Leaders may be entitled. As a common expense, the Association will maintain adequate general liability and directors' and officers' liability insurance to fund this obligation, if it is reasonably available.

20.7 Association's Right to Enforce Documents. The remedies provided in this Section for breach of the Documents are cumulative and not exclusive. In addition to other rights and remedies provided by the Documents and by law, the Association has the following right to enforce the Documents:

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

20.7.2 Fine. The Association may levy reasonable charges, as an Individual Assessment, against an Owner and their Unit if the Owner or occupant, or the Owner or occupant's guests, employees, agents, or contractors violate a provision of the 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 the Documents.

20.7.3 Suspension. The Association may suspend the right of Owners and occupants to use Common Elements (except rights of ingress and egress) for any period during which the Owner or occupant, or the Owner or occupant's guests, employees, agents, or contractors violate the Documents. A suspension does not constitute a waiver or discharge of the Owner's obligations under the Documents.

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20.7.4 Self-Help. The Association has the right to enter a Common Element or to abate or remove, using force as may reasonably be necessary, any erection, thing, animal, person, vehicle, or condition that violates the 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 Unit 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 fifteen (15) days' notice of its intent to exercise self-help. Notwithstanding the foregoing, the Association may not alter or demolish an item of construction in a Unit without judicial proceedings.

20.7.5 No Waiver. The Association and every Owner has the right to enforce all restrictions, conditions, covenants, liens, and charges now or hereafter imposed by the Documents. Failure by the Association or any Owner to enforce a provision of the documents is not a waiver of the right to do so thereafter.

20.8 Notice and Hearing. Before levying a fine for violation of the Documents 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, to the extent required by the Act. The Association's written notice must contain a description of the violation or property damage; the amount of the proposed fine or damage charge; a statement that not later than the thirtieth (30th) day after the date of the notice, the Owner may request a hearing before the Board to contest the fine or charge; and a stated date by which the Owner may cure the violation to avoid the fine - unless the Owner was given notice and a reasonable opportunity to cure a similar violation within the preceding twelve (12) months. The Association may also give a copy of the notice to the occupant. 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 or alternative procedures and requirements for notices and hearing, provided they are consistent with the Act's requirements.

ARTICLE 21
GENERAL PROVISIONS

21.1 Compliance. The Owners hereby covenant and agree that the administration of the Association will be in accordance with the provisions of the Documents and all 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.

21.2 Notice. All demands or other notices required to be sent to an Owner or occupant by the terms of this Declaration will 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 Unit, and the Owner is deemed to have been given notice whether or not the Owner actually receives it.

21.3 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.

21.4 Captions. The captions of articles and sections are inserted only for the convenience and are in no way to be construed as defining or modifying the text to which they refer.

21.5 Interpretation. Whenever used in the 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.

21.6 Duration. Unless terminated or amended by Owners 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.

21.7 Preparer. This Declaration was prepared by legal counsel to the Declarant.

21.8 Appendices. The following appendices are attached to this Declaration and are incorporated herein by reference:

A - Legal Description of Property
B - Schedule of Allocated Interests
C - Plat and Plans
D - Declarant Reservations
E - Initial Designation of Areas of Common Responsibility
F - Geotechnical Engineering Report of Property

21.9 **Waiver of Subchapter D. Each Purchaser of a Unit, by acceptance of the deed to such Unit, waives the provisions of Subchapter D of the Act.**

UNIT "AS IS". EXCEPT AS SPECIFICALLY PROVIDED IN ANY PURCHASE DOCUMENT BETWEEN DECLARANT AND AN OWNER EXECUTED IN CONNECTION WITH THE SALE OF A UNIT BY THE DECLARANT TO SUCH OWNER, EACH UNIT CONVEYED BY DECLARANT IS BEING CONVEYED IN ITS "AS IS" AND "WHERE IS" CONDITION, WITH ALL EXISTING DEFECTS (PATENT AND LATENT), AND WITHOUT WARRANTY (INCLUDING, WITHOUT LIMITATION, WARRANTIES OF HABITABILITY, MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE) OR REPRESENTATION MADE BY DECLARANT OR ANY AGENT, EMPLOYEE, MEMBER, OFFICER, PARTNER OR PRINCIPAL OF DECLARANT OR ANY OTHER PARTY AS TO (A) THE PHYSICAL CONDITION (INCLUDING, WITHOUT LIMITATION, ENVIRONMENTAL) OF THE PROPERTY AND UNITS, INCLUDING WITHOUT LIMITATION ANY IMPROVEMENTS TO ANY UNIT OR THE COMMON ELEMENTS OR THE CONDITION OF ANY APPLIANCES, WINDOWS, EXTERIOR OR INTERIOR

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WALLS, FLOORS, ROOF, ELEVATOR SYSTEMS, PUMPS, FIRE AND OTHER BUILDING EMERGENCY SYSTEMS, ELECTRICAL LINES AND SYSTEMS, WATER LINES; HOT WATER HEATERS AND OTHER FIVAC AND PLUMBING SYSTEMS, (B) THE PHYSICAL CONDITION (INCLUDING, WITHOUT LIMITATION, ENVIRONMENTAL) OF THE AREAS SURROUNDING OR ADJACENT TO THE PROPERTY, OR (C) ANY OTHER MATTER WHATSOEVER, INCLUDING, WITHOUT LIMITATION, THE COMPLIANCE OF THE CONDOMINIUM REGIME WITH FEDERAL, STATE OR LOCAL LAWS, OR AS TO ANY OTHER MATTER IN CONNECTION THEREWITH, TO THE GREATEST EXTENT PERMITTED BY APPLICABLE LAW, EACH OWNER BY ITS ACCEPTANCE OF A DEED OR OCCUPANCY OF A UNIT AGREES THAT IN NO EVENT WILL DECLARANT OR ANY AGENT, EMPLOYEE, MEMBER, OFFICER OR PRINCIPAL OF DECLARANT BE RESPONSIBLE OR LIABLE UNDER CONTRACT, TORT (INCLUDING NEGLIGENCE), STRICT LIABILITY, OR OTHER THEORY OF LAW OR EQUITY, FOR ANY INCIDENTAL, SPECIAL, PUNITIVE, EXEMPLARY, INDIRECT OR CONSEQUENTIAL LOSS OR DAMAGE OF ANY NATURE ARISING FROM THE CREATION OF THE CONDOMINIUM REGIME OR THE SALE OF A UNIT, AND EACH OWNER BY ITS ACCEPTANCE OF A DEED TO OR OCCUPANCY OF A UNIT EXPRESSLY WAIVES THE RIGHT TO CLAIM, SEEK OR COLLECT ANY SUCH DAMAGES TO THE GREATEST EXTENT PERMITTED BY APPLICABLE LAW.

ARTICLE 22
DISPUTE RESOLUTION

22.1 Dispute Resolution. No dispute between any of the following entities or individuals shall be commenced until the parties have submitted to non-binding mediation: Declarant, Owners, Members, the Board of Directors, Officers, or the Association. Disputes between Owners that are not regulated by the Declaration shall not be subject to the dispute resolution process.

22.2 Outside Mediator. In a dispute between any of the above entities or individuals, the parties must voluntarily submit to the following mediation procedures before commencing any judicial or administrative proceeding. Each party will represent themselves individually or through an agent or representative, or may be represented by counsel. The dispute will be brought before a mutually selected mediator. Such mediator will be an attorney-mediator skilled in community association law. In order to be eligible to mediate a dispute under this provision, a mediator may not office in the Condominium Regime, work for any of the parties, represent any of the parties, nor have any conflict of interest with any of the parties. Costs for such mediator shall be shared equally by the parties.

22.3 Mediation is Not a Waiver. By agreeing to use this dispute resolution process, the parties in no way waive their rights to extraordinary relief including, but not limited to, temporary restraining orders or temporary injunctions, if such relief is necessary to protect or preserve a party's legal rights before a mediation may be scheduled.

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22.4 Assessment Collection. The provisions of this ARTICLE 22 dealing with dispute resolution shall not apply to the collection of Assessments by the Association as set out in the Declaration.

[Signature and Acknowledgment Pages Follow]

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SIGNED AND ACKNOWLEDGED

SIGNED and EFFECTIVE on the date of acknowledgement provided below.

Centennial Professional Offices, L.P.,
a Texas limited partnership

By: Centennial Professional Offices GP, LLC,
a Texas limited liability company, its
general partner

By: _____
Samuel H. Wilson, Sole Manager

STATE OF TEXAS §
§
COUNTY OF COLLIN §

This instrument was acknowledged before me on this 15th day of June, 2020, by Samuel H. Wilson, Sole Manager of Centennial Professional Offices GP, LLC, a Texas limited liability company, on behalf of said limited liability company, in its capacity as the General Partner of Centennial Professional Offices, L.P., a Texas limited partnership, on behalf of said limited partnership.

DEANNA DEAN
Notary Public
State of Texas
ID # 4536130
Comm. Expires 03/21/2022

_____
Notary Public, State of Texas

[End of Signature Pages]

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Appendix A

Legal Description of Property to

Declaration of Centennial Professional Office Condominiums

Being Lot 1, Block A of the Centennial Professional Offices Addition, an Addition to the City of Frisco, Collin County, Texas, according to the Plat thereof recorded under Clerk's File No. 2020-226, Map Records, Collin County, Texas.

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Appendix B

Schedule of Allocated Interests to

Declaration of Centennial Professional Office Condominiums

Unit	Air Conditioned Square Footage	Gross Square Footage	Building	Common Element Ownership	Liability for Common Expenses	Votes
12500 Suite A	2960 Sq. Ft.	3177 Sq. Ft.	1	12.495%	12.495%	12.495
12500 Suite B	1244 Sq. Ft.	1322 Sq. Ft.	1	5.251%	5.251%	5.251
12500 Suite C	2515 Sq. Ft.	2649 Sq. Ft.	1	10.616%	10.616%	10.616
12500 Suite D	1526 Sq. Ft.	1667 Sq. Ft.	1	6.442%	6.442%	6.442
12530 Suite A	4819 Sq. Ft.	5031 Sq. Ft.	2	20.342%	20.342%	20.342
12530 Suite B	2586 Sq. Ft.	2693 Sq. Ft.	2	10.916%	10.916%	10.916
12530 Suite C	2251 Sq. Ft.	2405 Sq. Ft.	2	9.502%	9.502%	9.502
12530 Suite D	1350 Sq. Ft.	1462 Sq. Ft.	2	5.698%	5.698%	5.698

Unofficial

12530 Suite E	2024 Sq. Ft.	2125 Sq. Ft.	2	8.544%	8.544%	8.544
12530 Suite F	2415 Sq. Ft.	2570 Sq. Ft.	2	10.194%	10.194%	10.194
2 of possible 10 Units	23,690 Sq. Ft.	25,101 Sq. Ft.	2 Bldgs.	100%	100%	100

Total Gross Square Footage

Building 1: 8,815 Sq. Ft.
Building 2: 16,286 Sq. Ft.

Unofficial

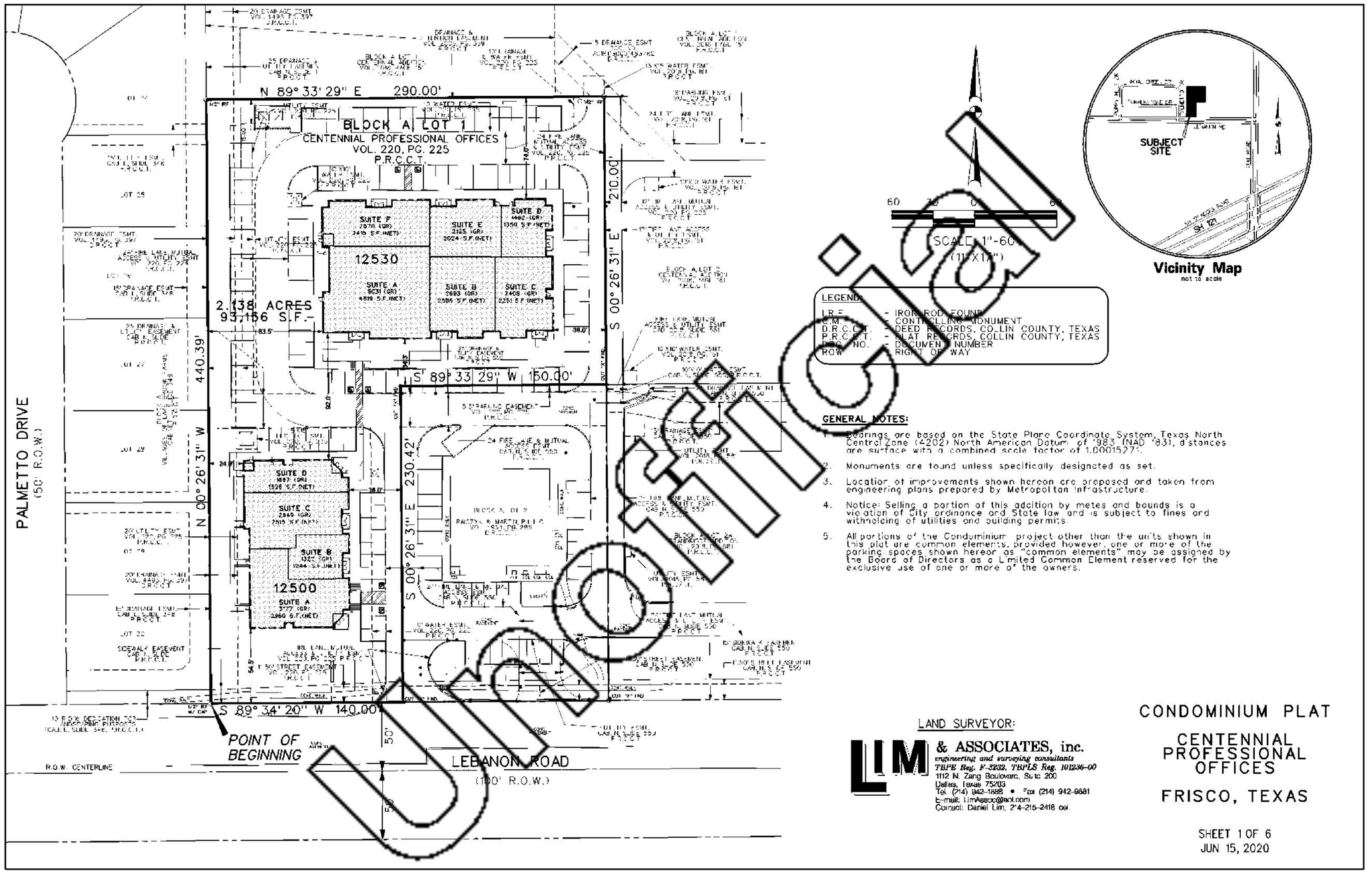
Appendix C

Plat and Plans to

Declaration of Centennial Professional Office Condominiums

[SEE ATTACHED]

Unofficial



LEGEND

I.R.F.	- IRON ROD FOUND
C.M.	- CONTROLLING MONUMENT
D.R.C.C.T.	- DEED RECORDS, COLLIN COUNTY, TEXAS
P.R.C.C.T.	- PLAT RECORDS, COLLIN COUNTY, TEXAS
DOC. NO.	- DOCUMENT NUMBER
ROW	- RIGHT OF WAY

GENERAL NOTES:

1. Bearings are based on the State Plane Coordinate System, Texas North Central Zone (4202) North American Datum of 1983 (NAD '83), distances are surface with a combined scale factor of 1.00015277.
2. Monuments are found unless specifically designated as set.
3. Location of improvements shown hereon are proposed and taken from engineering plans prepared by Metropolitan Infrastructure.
4. Notice: Selling a portion of this addition by metes and bounds is a violation of City ordinance and State law and is subject to fines and withholding of utilities and building permits.
5. All portions of the Condominium project other than the units shown in this plat are common elements, provided however, one or more of the parking spaces shown hereon as "common elements" may be assigned by the Board of Directors as a Limited Common Element reserved for the exclusive use of one or more of the owners.

Unofficial

LAND SURVEYOR:
LIM & ASSOCIATES, inc.
engineering and surveying consultants
TBPE Reg. # 3233, TBPLS Reg. 101236-00
1112 N. Zang Boulevard, Suite 200
Dallas, Texas 75203
Tel. (214) 942-1888 • Fax (214) 942-9881
E-mail: limassoc@aol.com
Contact: Daniel Lim, 214-215-2418 cell

CONDOMINIUM PLAT

CENTENNIAL PROFESSIONAL OFFICES

FRISCO, TEXAS

SHEET 1 OF 6
JUN 15, 2020

PROPERTY DESCRIPTION

BEING all of Lot 1, Block A, Centennial Professional Offices, an addition to the City of Frisco, Collin County, Texas, according to the plat recorded thereof in Volume 220, Page 225, P.R.C.C.T., and being more particularly described by metes and bounds as follows:

BEGINNING at a 1/2 inch iron rod with cap found in the northerly right-of-way line of Lebanon Road (100-foot right-of-way), said point being the southwesterly corner of said Lot 1, said point also being the southeasterly corner of Block A, Villages of Lake Brook Farms Addition, an addition to the City of Frisco, Collin County, Texas, according to the plat recorded thereof in Cabinet _, Slide 348, P.R.C.C.T.;

THENCE North 00 degrees 26 minutes 31 seconds West, along the common line of said Lot 1 and said Block A, Villages of Lake Brook Farms, a distance of 440.59 feet to a 1/2-inch iron rod found at the northwesterly corner of said Lot 1 and the southwesterly corner of Lot 1, Block A, Centennial Addition, an addition to the City of Frisco, Collin County, Texas, according to the plat recorded thereof in Volume 2018, Page 161, P.R.C.C.T.;

THENCE North 89 degrees 33 minutes 29 seconds East, along the common line of said Centennial Professional Offices and Centennial Addition, a distance of 290.00 feet to a 1/2-inch iron rod found for corner;

THENCE South 00 degrees 26 minutes 31 seconds East, continuing along the common line of said Centennial Professional Offices and Centenial Addition, at a distance of 47.19 feet, passing the common corner of Lot 1 and Lot 2, Block A of said Centennial Addition, for a total distance of 210.00 feet to a cut "X" found at the northeastery corner of Lot 2, Block A of said Centennial Professional Offices;

THENCE South 89 degrees 33 minutes 29 seconds West, along the common line of said Lots 1 & 2, Block A of said Centennial Professional Offices, a distance of 150.00 feet to a cut "X" found at the northwesterly corner of Lot 2, Block A of said Centennial Professional Offices;

THENCE South 00 degrees 26 minutes 31 seconds East, continuing along the common line of said Lots 1 & 2, Block A of said Centennial Professional Offices, a distance of 230.42 feet to a cut "X" found in the northery right of way line of said Lebanon Road;

THENCE South 89 degrees 34 minutes 20 seconds West, along the northerly right-of-way line of said Lebanon Road, the same being the southerly line of said Lot 1, Block A, Centennial Professional Offices, a distance of 140.00 feet to the POINT OF BEGINNING and containing 92,156 square feet or 2.138 acres of land, more or less.

Basis of Bearing is the south line of Lot 1, Block A, Centennial Professional Offices, an Addition to the City of Frisco, Collin County, Texas, according to the plat recorded thereof in Volume 2020, Page 225, P.R.C.C.T. being South 89 degrees 34 minutes 20 seconds West.

TITLE COMMITMENT NOTES

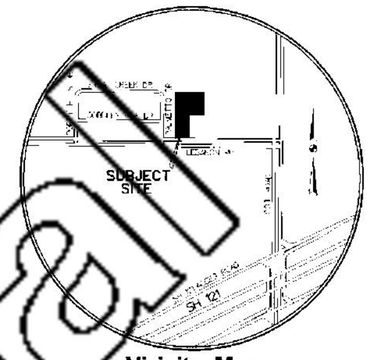
This survey was prepared without the benefit of a commitment for title insurance. Therefore, easements, agreements, or other documents, either recorded, or unrecorded may exist that affect the subject property that are not shown on this survey.

SURVEYOR'S CERTIFICATE

This is to certify that I, Siang W. Lim, a Registered Professional Land Surveyor of the State of Texas, have prepared this boundary map from an actual survey on the ground, and that this map correctly represents that survey (as it pertains to the boundary) made by me or under my direction and supervision. Location of improvements shown hereon was taken from engineering plans prepared by Metropolitan Infrastructure, and does not reflect the results of an on the ground survey.
Date of Plat/Map: June 15, 2020

Siang W. (Daniel) Lim, RPLS#5322

STATE OF TEXAS
REGISTERED
SIANG W. LIM
5322
PROFESSIONAL
LAND SURVEYOR



Vicinity Map
not to scale

GENERAL NOTES:

1. Bearings are based on the State Plane Coordinate System, Texas North Central Zone (4202) North American Datum of 1983 (NAD '83), Distances are surface with a combined scale factor of 1.00015271
2. Monuments are found unless specifically designated as set
3. Location of improvements shown hereon are proposed and taken from engineering plans prepared by Metropolitan Infrastructure.
4. Notice: Selling a portion of this addition by metes and bounds is a violation of City ordinance and State law and is subject to fines and withholding of Utilities and building permits.
5. All portions of the Condominium project other than the units shown in this plat are common elements, provided however, one or more of the parking spaces shown hereon as "common elements" may be assigned by the Board of Directors as a Limited Common Element reserved for the exclusive use of one or more of the owners.

Unofficial

LAND SURVEYOR:
LIM & ASSOCIATES, inc.
engineering and surveying consultants
TBPE Reg. F-3232, TBPLS Reg. 101236-00
1112 N. Zang Boulevard, Suite 200
Dallas, Texas 75203
Tel. (214) 942-1888 • Fax (214) 942-9881
E-mail: LimAssoc@aol.com
Contact: Daniel Lim, 214 215 2418 cell

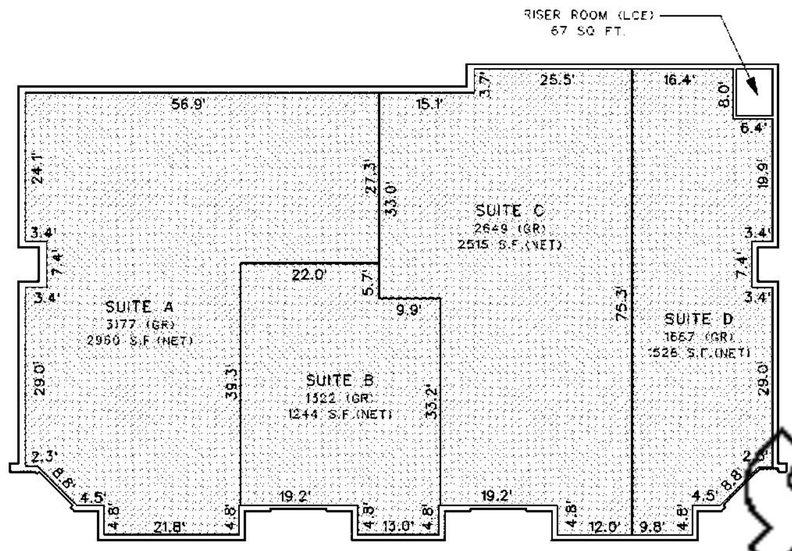
CONDOMINIUM PLAT

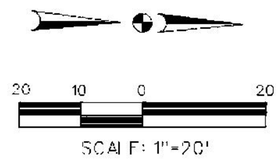
CENTENNIAL PROFESSIONAL OFFICES

FRISCO, TEXAS

SHEET 2 OF 6
JUN 15, 2020

BUILDING DETAIL - SCALE: 1"=20' (11"X17")





12500

12500 EAST (FRONT) ELEVATION

LAND SURVEYOR:

LIM & ASSOCIATES, inc.
engineering and surveying consultants
TBPE Reg. F-3233, TBPLS Reg. 101236-00
1112 N. Zang Boulevard, Suite 200
Dallas, Texas 75203
Tel. (214) 942-1888 • Fax (214) 942-9881
E-mail: TimAssoc@aol.com
Contact: Daniel Lim, 214-215-2116 cel.

CONDOMINIUM PLAT

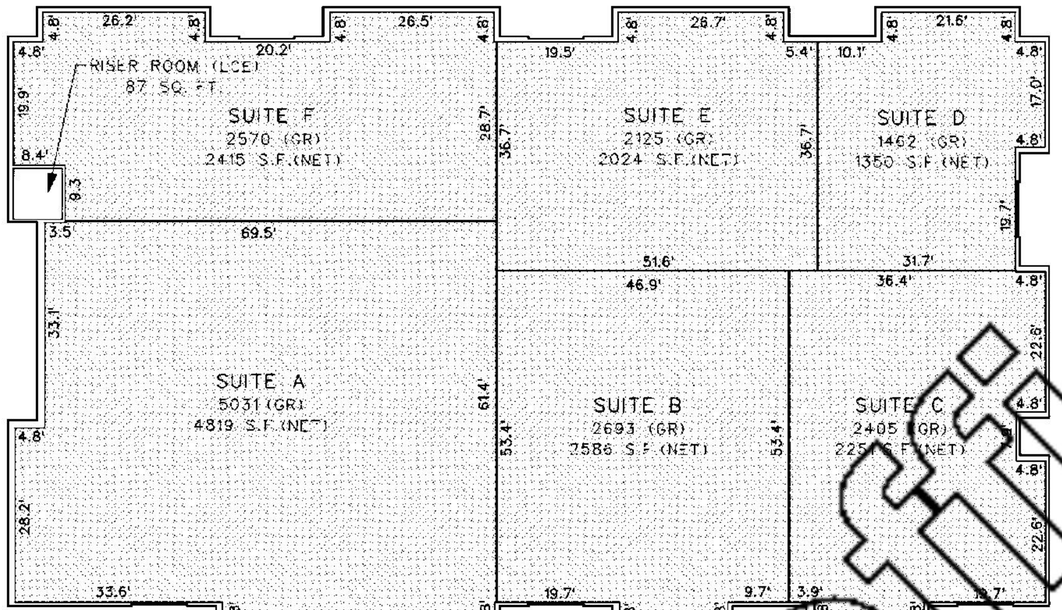
CENTENNIAL PROFESSIONAL OFFICES

FRISCO, TEXAS

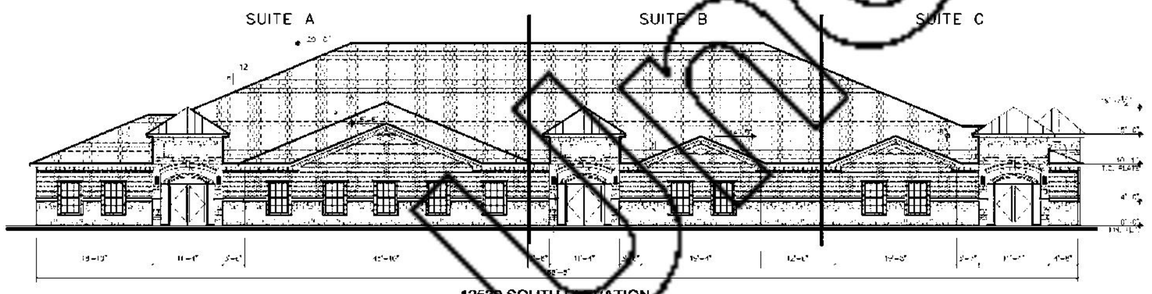
SHEET 3 OF 6
JUN 15, 2020

Unofficial

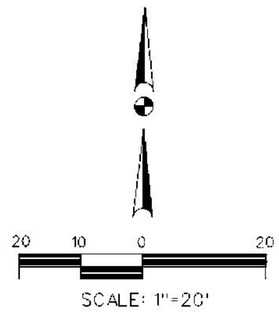
BUILDING DETAIL - SCALE: 1"=20' (11"X17")



12530



12530 SOUTH ELEVATION



LAND SURVEYOR:

LIM & ASSOCIATES, inc.
engineering and surveying consultants
TBPE Reg. F-3233, TBPLS Reg. 101236-00
1112 N. Zang Boulevard, Suite 200
Dallas, Texas 75203
Tel. (214) 942-1888 • Fax (214) 942-9881
E-mail: LimAssoc@aol.com
Contact: Daniel Lim, 214-215-2116 cel.

CONDOMINIUM PLAT

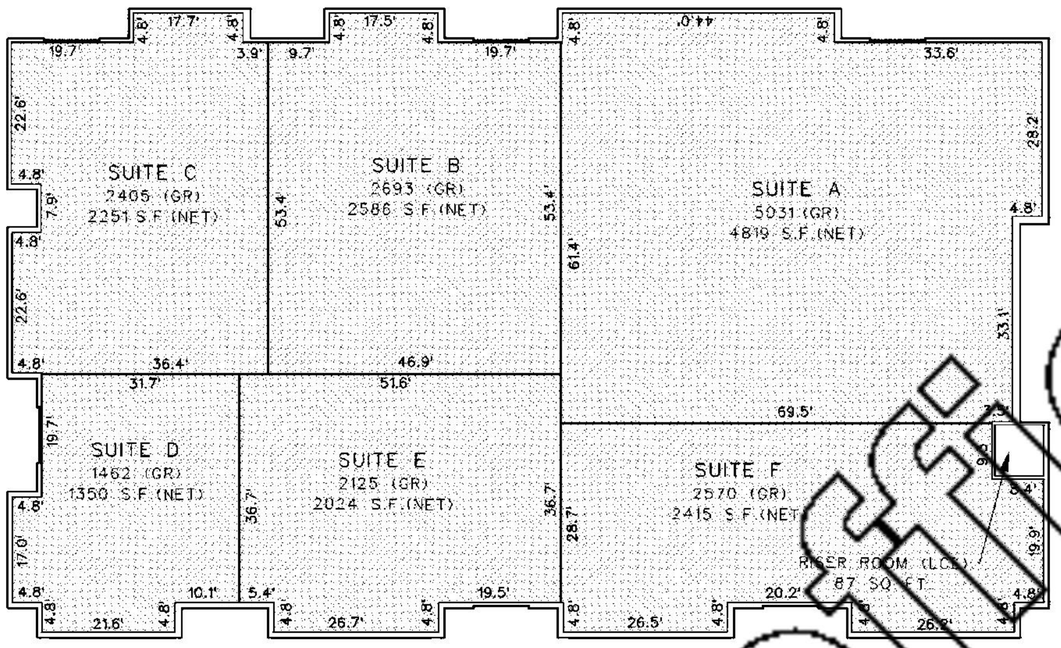
CENTENNIAL PROFESSIONAL OFFICES

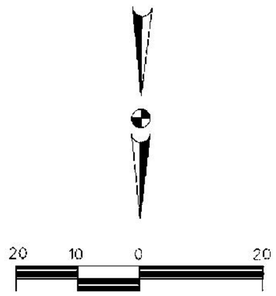
FRISCO, TEXAS

SHEET 4 OF 6
JUN 15, 2020

Official

BUILDING DETAIL - SCALE: 1"=20' (11"X17")





12530

12530 NORTH ELEVATION

LAND SURVEYOR:

LIM & ASSOCIATES, inc.
engineering and surveying consultants
TBPE Reg. F-3232, TBPLS Reg. 101236-00
1112 N. Zang Boulevard, Suite 200
Dallas, Texas 75203
Tel. (214) 942-1888 • Fax (214) 942-988'
E-mail: limAssoc@ao.com
Contact: Daniel Lim, 214-215-2418 cel.

CONDOMINIUM PLAT

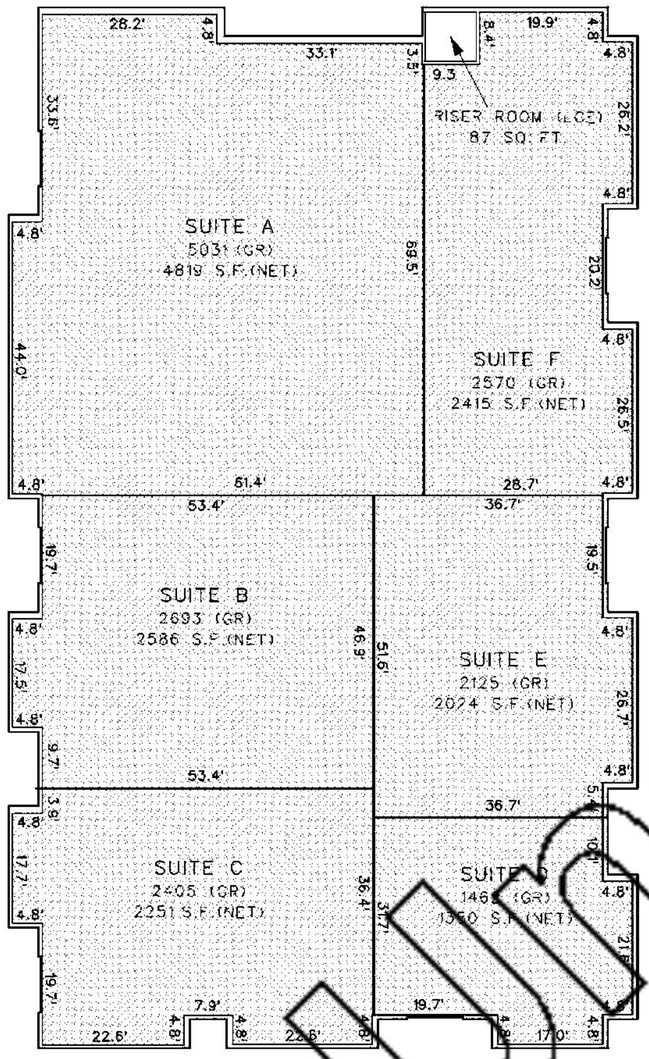
CENTENNIAL PROFESSIONAL OFFICES

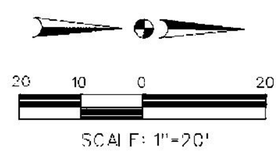
FRISCO, TEXAS

SHEET 5 OF 6
JUN 15, 2020

Unofficial

BUILDING DETAIL - SCALE: 1"=20' (11"X17")





12530 EAST ELEVATION

Unofficial

LAND SURVEYOR:

LIM & ASSOCIATES, inc.
engineering and surveying consultants
TBPE Reg. F-3232, TBPLS Reg. 101236-00
1112 N. Zang Boulevard, Suite 200
Dallas, Texas 75208
Tel. (214) 942-1888 • Fax (214) 942-9881
E-mail: LimAssoc@sbc.com
Contact: Daniel Lim, 214-215-2418 cel.

CONDOMINIUM PLAT

CENTENNIAL PROFESSIONAL OFFICES

FRISCO, TEXAS

SHEET 6 OF 6
JUN 15, 2020

Appendix D

Declarant Reservations to

Declaration of Centennial Professional Office Condominiums

D.1 Declarant's Representations. Declarant makes the following representations regarding certain characteristics of the Property:

1. Phasing. The Declarant reserves the right to develop the Property in multiple phases, however, Declarant's intended development shall consist of one (1) phase and the development of two (2) Buildings. Notwithstanding the foregoing, at Declarant's option pursuant to the Development Rights provided herein, Declarant may choose to develop the Property in multiple phases.

2. Number of Units. The number of Units in the Condominium Regime are set forth on the table on Appendix B attached hereto and by this reference incorporated herein. The number of Units provided on Appendix B is subject to change as provided in this Declaration. In total, the Declarant may create up to ten (10) Units in the Condominium Regime.

3. Withdrawal. The Property described in the initial Appendix A is not subject to a right of withdrawal of real property by Declarant.

D.2 Development Period. Subject to any terms to the contrary provided herein, the Development Rights created by this Appendix D may be exercised at any time, but not more than forty (40) years after the date of recording this Declaration (the "Development Period").

D.3 Development Rights. Declarant reserves the following Development Rights exercisable at Declarant's discretion, for the duration of the Development Period:

1. The right by amendment to create Units, Common Elements, and limited common elements within the Property.

2. The right by amendment to partition or subdivide Units or convert Units into Common Elements with the consent of the Owner of each of the Units involved in such action.

3. The right to physically combine the space within one Unit with the space within one or more adjoining Units, to re-determine the common interest of the Units so combined and to amend the Declaration to include said changes, but only with the consent of the Owner of each of the Units involved in such action.

4. The right to physically combine part or a combination of parts of the space within one Unit with part or parts of space within one or more adjoining Units, to re-determine the common interest of the Units so combined and to amend the Declaration to

Unofficial Document

include said changes, but only with the consent of the Owner of each of the Units involved in such action.

5. The right to construct, modify or remodel one or more Units into larger or smaller Units or any combination thereof with the consent of the Owner of each of the Units involved in such action, including the right to construct, alter, relocate, or remove any walls or do any other work which may be necessary to complete such modification or remodeling, to re-determine the common interest of the Units altered, if any, and to amend the Declaration to include said changes.

D.4. Additional Declarant Rights. Declarant reserves the following easements and rights, exercisable at Declarant's sole discretion, for the duration of the Development Period:

1. The right to amend the Documents without consent of other Owners or any Mortgagee, for the purpose of meeting requirements of a Mortgagee or underwriter.

2. An easement and right to erect, construct, and maintain on and in the Common Elements and Units owned or leased by Declarant whatever Declarant determines to be necessary or advisable in connection with the construction, completion, management, maintenance, and marketing of the Property.

3. The right to sell or lease any Unit owned by Declarant.

4. The right of entry and access to all Units to perform warranty-related work, if any, for the benefit of the Unit being entered, adjoining Units, or Common Elements. Requests for entry must be made in advance for a time reasonably convenient for the Owner who may not unreasonably withhold consent.

D.5 Special Declarant Rights. Declarant reserves the following Special Declarant Rights, to the maximum extent permitted by law, which may be exercised, where applicable, anywhere within the Property:

1. The right to complete or make improvements indicated on the Plat and Plans, including, without limitation, any portion of the Property shown thereon as "Optional" or "Need Not Be Built."

2. The right to exercise any Development Right and amend this Declaration without the consent of any Owner or Declarant as part of the exercise of such Development Right so long as permitted by the Act.

3. The right to use Units owned or leased by Declarant as models, storage areas, and offices for the marketing, management, maintenance, customer service, construction, and leasing of the Property, for as long as the Declarant owns a Unit.

4. For purposes of promoting, identifying, and marketing the Property, Declarant reserves an easement and right to place or install signs, banners, flags, display

lighting, and seasonal landscaping on the Property. Declarant reserves an easement and right to maintain, relocate, replace, or remove the same from time to time within the Property.

5. Declarant has an easement and right of ingress and egress in and through the Common Elements and Units owned or leased by Declarant for purposes of constructing, maintaining, managing, and marketing the Property, and for discharging Declarant's obligations under the Act and this Declaration.

6. The right to appoint or remove any officer or director of the Association during the Declarant Control Period consistent with the Act.

D.6 Declarant Control Period. For the benefit and protection of Owners and Mortgagees, and for the purpose of ensuring a complete and orderly buildout and sellout of the Property, Declarant will retain control of the Association during the Declarant Control Period, subject to the following:

1. Transition of Control. Declarant will comply with Section 82.103 of the Act regarding transition of control from Declarant to Owners by phased elections of directors.

2. Termination. The duration of the Declarant Control Period will be from the date this Declaration is recorded for a maximum period not to exceed the earlier of (a) twenty-five (25) years after the date of recording this Declaration; (b) within one hundred twenty (120) days after the conveyance of seventy-five percent (75%) of the Units that Declarant may create (maximum of ten (10) Units) to Owners other than Declarant; or (c) when, in the sole opinion of Declarant, the Association is viable, self-supporting, and operational.

D.7 Working Capital Fund. Declarant will establish a working capital fund for the Association in an amount that is at least equal to two (2) months of Regular Assessments for all Units. Each Unit's contribution to this fund will be collected when the sale of the Unit closes or on termination of the Declarant Control Period, whichever occurs first. Contributions to the fund are not advance payments of Regular Assessments and are not refundable. Not later than termination of the Declarant Control Period, the fully funded working capital fund will be transferred to the Association for deposit to a segregated fund, Declarant may not use the fund to defray Declarant's expenses, reserve contributions, or construction costs, or to cover the Association's budget deficits during the Declarant Control Period. If Declarant has unsold Units on termination of the Declarant Control Period, Declarant may reimburse itself for a Unit's pre-paid contributions from monies collected at the Unit's closing.

D.8 Expenses of Declarant. Expenses related to the sales and marketing of the Property will be paid by Declarant and are not common expenses of the Association.

D.9 Management Contract. If Declarant enters into a professional management contract on behalf of the Association during the Declarant Control Period, the Association has

Unofficial Document

the right to terminate the contract without cause or penalty at any time after a Board elected by the Owners takes office.

D.10 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 writing, signed, and acknowledged by Declarant and successor Declarant, and Recorded. 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 Declarants.

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Appendix E

Initial Designation of Areas of Common Responsibility to

Declaration of Centennial Professional Office Condominiums

In addition to the Common Elements maintained by the Association, to the extent not already classified as Common Elements within the Declaration, the following components generally associated with (but not necessarily part of) individually-owned Units are designated Areas of Common Responsibility, to be maintained by the Association as a common expense. Appearance on this list does not convert any component from a Common Element to a portion of a Unit, and vice versa.

1. Monument sign (if any);

2. Retaining wall (if any);

3. Handrails located in the Common Elements (if any);

4. Roofs, roofing systems, gutters, and downspouts;

5. Foundations; and

6. Exterior surfaces of perimeter walls, beginning at the point a material is affixed to a wall stud or supporting member. For clarification, this component does not include the wall stud or support, the wall cavity, and anything affixed to the interior side of the wall. This component does include, as applicable to this Condominium Regime:

a. Exterior wood trim and siding, including paint;

b. Awnings, shutters, and decorative features on the public sides of Buildings;

c. Masonry, including, without limitation, brick and stone facades; and

d. Exterior light fixtures and Unit numbers on the public sides of Buildings; and

Although this Initial Designation is attached to the Declaration as Appendix E, it is not part of the Declaration for purposes of amendment. The Designation of Areas of Common Responsibility may be amended, revised, and restated by the terms of Section 8.2 of the Declaration, and need not be recorded.

Unofficial

Appendix F

Geotechnical Engineering Report of Property

[SEE ATTACHED]

Unofficial

Geotechnical Engineering Report

Medical Office Buildings

Frisco, Texas

December 23, 2015

Terracon Project No. 94155341

Prepared for:
Centennial Professional Offices, LP
Fort Lauderdale, Florida

Prepared by:
Terracon Consultants, Inc.
Dallas, Texas

Unofficial

terracon.com

Terracon

Environmental ■ Facilities ■ Geotechnical ■ Materials

Terracon

December 23, 2015

Centennial Professional Offices, L.P
3030 NE 23rd Court
Fort Lauderdale, Florida 33305

Attn: Mr. Sam Wilson
P: (415) 305-9329
E: samuelhwilson@yahoo.com

Re: Geotechnical Engineering Report
Medical Office Buildings
Lebanon Road, West of Coit Road
Frisco, Texas
Terracon Project No. 94155341

Dear Mr. Wilson:

Terracon Consultants, Inc. (Terracon) has completed the geotechnical engineering services for the referenced project. This study was performed in general accordance with our Proposal No. P94151484 dated October 20, 2015 (Revised October 21, 2015). This report presents the findings of the subsurface exploration and provides geotechnical recommendations for the proposed project.

We appreciate the opportunity to be of service to you on this project. If you have any questions concerning this report, or if we may be of further service, please contact us.

Sincerely,
Terracon Consultants, Inc.
Texas Registration #3272

STATE OF TEXAS
BACHAN K. SINHA
110301
LICENSED
PROFESSIONAL ENGINEER

12/23/15

Bachan K. Sinha, P.E.
Project Manager

Ranasinghege (Jay) Jayatilaka, Ph.D., P.E.
Manager, Geotechnical Services

Terracon Consultants, Inc. 8901 Carpenter Freeway, Suite 100 Dallas, Texas 75247 Registration No. F-3272
P [214] 630 1010 F [214] 630 7070 terracon.com

Unofficial

January 11, 2017

Terracon

Centennial Professional Offices, L.P
3030 NE 23rd Court
Fort Lauderdale, Florida 33305

Attn: Mr. Sam Wilson
P: (415) 305-9329
E: samuelhwilson@yahoo.com

Re: Addendum to Geotechnical Engineering Report
Medical Office Buildings
Lebanon Road, West of Coit Road
Frisco, Texas
Terracon Project No. 94155341.1

Dear Mr. Wilson:

Terracon performed a subsurface exploration for the project and issued a geotechnical engineering report (Terracon Project No. 94155341, report dated December 23, 2015). The report provided geotechnical recommendations for foundation, floor slabs and pavements for the proposed project. As requested, the purpose of this addendum letter is to provide recommendations for moisture conditioning of the building pads using water injection.

Water Injection

As an alternative to the excavation and replacement method discussed in Section **4.5.2 Floor Slabs / Flatwork on Modified Subgrade** of the report, moisture conditioning of the building pads can be performed using water or chemical injection process. If water or chemical injection is used for moisture conditioning, the areas to be water injected should first be graded to the bottom of select fill / flexible base cap. Swelling of the active clay soils should be anticipated during the water injection process. Additional grading of the site may be required. The subgrade should be injected to a depth of 10 feet below the bottom of the floor slab or to the top of tan limestone, whichever is shallower.

The effectiveness of water injection should be assessed by drilling soil borings and laboratory tests following a twenty-four hour curing period. One boring should be continuously sampled to the injected depth for every 5,000 sq. ft. of injected surface area. At least two borings should be drilled and sampled if smaller areas are tested. Laboratory tests should be performed on tube samples (not cuttings) to measure the soil moisture content and hand penetrometer resistance at 1-foot intervals. Absorption swell tests should be performed at about 2 to 4 foot intervals within the injected depth.

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The soil should be injected with sufficient number of water injection passes to reduce the average vertical swell to 1 percent or less in each test boring as determined by absorption swell tests under the final overburden pressure.

The surface of the injected area should be sealed or otherwise protected against moisture loss until the select fill / flexible base is placed. The one foot select fill / flexible base cap should be placed as soon as the building pad is tested and accepted.

Initial penetration with the injection rods may be difficult for soils in a dry condition. It is not possible to predict the actual number of injection passes required to properly moisture condition the active clay soils. Multiple injections should be anticipated. Both the cost and time associated with the possibility of multiple injections being required should be included in the project budget and schedule.

The information included in this addendum should be considered supplemental to the information contained in the original report and, as such, should be read in conjunction with the original report. The geotechnical recommendations presented herein are intended to supersede only the corresponding specific recommendations in the original report. All other recommendations provided in the original geotechnical engineering report (Terracon Report No. 94155341, dated December 23, 2015) remain unchanged.

Please contact us if there are any questions.

Sincerely,
Terracon Consultants, Inc.
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TABLE OF CONTENT

		Page
EXECUTIVE SUMMARY		**i**
1.0	**INTRODUCTION**	**1**
2.0	**PROJECT INFORMATION**	**1**
2.1	Project Description	1
2.2	Site Location and Description	1
3.0	**SUBSURFACE CONDITIONS**	**2**
3.1	Geology	2
3.2	Typical Profile	2
3.3	Groundwater	3
4.0	**RECOMMENDATIONS FOR DESIGN AND CONSTRUCTION**	**3**
4.1	Geotechnical Considerations	3
4.2	Earthwork	4
4.2.1	Existing Fill	4
4.2.2	Site Preparation	4
4.2.3	Suitable Fills	5
4.2.4	Compaction Requirements	5
4.2.5	Drainage and Utilities	6
4.3	Foundations	7
4.3.1	Straight Drilled Shafts - Axial Capacity	7
4.3.2	Straight Drilled Shafts - Lateral Capacity	7
4.3.3	Straight Drilled Shafts - Soil Induced Uplift Loads	8
4.3.4	Drilled Shaft Construction Considerations	8
4.3.5	Grade Beams / Pier Caps and Wall Panels	9
4.4	Seismic Considerations	9
4.5	Floor Systems	10
4.5.1	Structural Floor Slabs	10
4.5.2	Floor Slabs / Flatwork on Modified Subgrade	10
4.6	Pavements	12
4.6.1	Pavement Subgrades	12
4.6.2	Design Considerations	12
4.6.3	Pavement Sections	13
4.6.4	Pavement Joints	14
5.0	**GENERAL COMMENTS**	**15**

APPENDIX A - FIELD EXPLORATION

Exhibit A-1	Site Location Map
Exhibit A-2	Exploration Plan
Exhibit A-3	Boring Location Plan
Exhibit A-4	Field Exploration Description
Exhibits A-5 through A-10	Boring Logs

APPENDIX B - LABORATORY TESTING

Exhibit B-1	Laboratory Testing

APPENDIX C - SUPPORTING DOCUMENTS

Exhibit C-1	General Notes
Exhibit C-2	Unified Soil Classification System

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EXECUTIVE SUMMARY

A geotechnical exploration has been performed for new medical office buildings in Frisco, Texas. Six (6) borings were advanced to depths of approximately 5 to 25 feet below the existing ground surface at the site.

Based on the information obtained from our subsurface exploration, the site can be developed for the proposed project. The following geotechnical considerations were identified:

- On-site soils appear suitable for use as general site fill.
- Fill materials are present at this site. The fill materials are composed of fat clay and lean clay soils.
- The proposed buildings can be supported on straight drilled shafts bearing in gray limestone (bedrock). Gray limestone was encountered in the building area borings at depths of about 12½ to 15 feet.
- Grade beams should be supported on foundation elements, and a void space should be provided between the grade beams and the underlying clay soils.
- In conjunction with straight drilled shaft foundations, the floor slab should be structurally supported above the subgrade soils if floor slab movements must be limited to less than one inch. If movements on the order of one inch are acceptable, the floor slabs can be placed on a modified subgrade.
- Based on the 2012 International Building Code and ASCE / SEI 7-10, seismic site classification for this site is C.
- Asphaltic concrete pavement or portland cement concrete pavement can be used at this site. If asphaltic concrete is used, the subgrade should be modified with lime. Portland cement concrete pavements can be placed on compacted subgrade without lime.

This summary should be used in conjunction with the entire report for design purposes. It should be recognized that details were not included or fully developed in this section, and the report must be read in its entirety for a comprehensive understanding of the items contained herein. The section titled **GENERAL COMMENTS** should be read for an understanding of the report limitations.

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GEOTECHNICAL ENGINEERING REPORT
MEDICAL OFFICE BUILDINGS
FRISCO, TEXAS

Terracon Project No. 94155341
December 23, 2015

1.0 INTRODUCTION

Two new single story medical office buildings are planned on the north side of Lebanon Road west of Coit Road in Frisco, Texas. Terracon's scope of services included drilling and sampling six (6) soil borings, laboratory testing, and engineering analysis. The purpose of these services is to provide information and geotechnical engineering recommendations relative to:

- subsurface soil conditions
- foundation design and construction
- seismic considerations
- earthwork
- groundwater conditions
- floor slab and building pad preparation
- pavement sections and subgrade preparation

2.0 PROJECT INFORMATION

2.1 Project Description

Item	Description		
Site layout	See Appendix A; Exhibits A-1: Site Location Map, A-2: Exploration Plan and A-3: Boring Location Plan.		
Planned Improvements	Two single story medical office buildings with footprints of 9,150 and 11,700 square feet.		
Building construction	Concrete / Steel (assumed).		
Maximum loads (assumed)	Columns: 100 kips	Walls: 3 kips/lf	Slab: 150 psf
Finished floor elevation	Within 2 feet of existing grade elevations (assumed).		
Cut and fill slopes	Assumed to be no steeper than 4H: 1V (Horizontal to Vertical).		

2.2 Site Location and Description

Item	Description
Location	North side of Lebanon Road, West of Coit Road in Frisco, Texas.

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Item	Description
Existing improvements	None. The site is a vacant land.
Current ground cover	Grass / bare earth.
Existing topography	Based on the topographic map provided, the site is relatively flat, gently sloping downwards from south to north with ground surface elevations varying between about 745 and 747 feet.

3.0 SUBSURFACE CONDITIONS

3.1 Geology

The site is situated on the outcrop of the Austin Chalk Formation of Cretaceous Age. The Austin Chalk Formation is a chalky limestone with interbedded marl.

Locally the Austin consists of superficial soils which are highly expansive underlain by tan and gray limestone of varying strengths. Considerable faulting has occurred in the formation. Most of the faults are no longer considered active. Displacements are normally less than 5 feet, but can exceed 30 feet. The Austin is not water bearing; however, groundwater is often found in the fracture zones associated with faults.

3.2 Typical Profile

Based on the results of the borings, subsurface conditions on the project site can be generalized as follows:

Stratum	Approximate Depth to Bottom of Stratum	Material Encountered	Consistency
1	Termination depth of 5 feet in Boring B-6 and 4 to 5½ feet in Borings B-1 through B-5	Fill - Fat clay and lean clay with limestone pieces – brown, tan and gray	Stiff to hard
2	Termination depth of 5 feet in Boring B-5 and 9½ to 13 feet in Borings B-1 through B-4	Fat clay (CH) - dark brown, brown, tan and gray	Very stiff to hard
3	12½ to 15 feet in Borings B-1 through B-4	Tan limestone with clay seams	--
4	Termination depth of 25 feet in Borings B-1 through B-4	Gray limestone	--

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Conditions encountered at individual boring locations are indicated on the boring logs attached to this report. Stratification boundaries on the boring logs represent the approximate locations of changes in soil types; in-situ, the transition between materials may be gradual. Further details about the subsurface conditions at the boring locations can be found on the boring logs in Appendix A of this report.

3.3 Groundwater

The borings were advanced using dry auger drilling techniques, which allows short-term groundwater observations to be made while drilling. Groundwater seepage was observed at a depth of about 11 feet in Boring B-1 while drilling. Upon completion of drilling and at the end of the day, groundwater levels were measured in Boring B-1 at depths of about 24 feet and 23 feet, respectively. Groundwater seepage was not observed in the remaining borings during drilling and those borings were observed to be dry at completion of drilling.

The groundwater level observations provide an indication of groundwater conditions present at the site at the time of drilling. Groundwater level fluctuations occur due to seasonal variations in the amount of rainfall, runoff and other factors not evident at the time the borings were performed. Seasonal seepage typically occurs above the limestone. Groundwater seepage can also occur within fractures in the limestone. Therefore, groundwater levels during construction or at other times in the life of the structures may vary. The possibility of groundwater level fluctuations should be considered when developing the design and construction plans for the project.

4.0 RECOMMENDATIONS FOR DESIGN AND CONSTRUCTION

4.1 Geotechnical Considerations

Expansive clay soils are present at this site. These soils are prone to significant volume change with variations in moisture level. This report provides recommendations to help mitigate the effects of soil shrinkage and expansion. However, even if these procedures are followed, some movement and cracking in the structures should be anticipated. The severity of cracking and other cosmetic damage such as uneven floor slabs will probably increase if any modification of the site results in excessive wetting or drying of the expansive soils.

The expansive clay soils present at this site can subject shallow foundations bearing in them to significant differential movements due to moisture fluctuations in the soils. The potential magnitude of post construction movements at this site is dependent on several factors including the thickness of active clay soils present above the limestone, and moisture levels of in-situ soils. Straight drilled shafts bearing in gray limestone (bedrock) are a suitable foundation

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system for support of the planned buildings. Gray limestone was encountered in the building area borings at depths of about 12½ to 15 feet below the existing grades.

Based on the conditions encountered in the borings, the potential magnitude of post construction heave of floor slabs placed near the existing grades are estimated to be on the order of 5 inches for dry soils conditions that can exist prior to construction. If movements must be limited to less than one inch, the building floor slabs should be structurally supported above the subgrade soils. If potential slab movements on the order of one inch are acceptable, the floor slabs can be supported on a modified subgrade. It should be noted that there is a risk that even ½ inch of movement can result in unsatisfactory performance. Some of the risks that can affect performance include uneven floors, floor and wall cracking, and sticking doors.

Asphaltic concrete pavement or portland cement concrete pavement can be used at this site. If asphaltic concrete is used, the subgrade should be stabilized with lime. These pavements are not equal in performance. The portland cement concrete pavement is expected to require less maintenance.

Geotechnical recommendations are presented in the following report sections for earthwork, foundation, seismic considerations, floor slabs, and pavements.

4.2 Earthwork

4.2.1 Existing Fill

Fill soils were encountered in all borings to depths of about 4 to 5½ feet. In one of the shallow pavement borings (Boring B-6), fill was encountered to the entire drilling depth of 5 feet. The fill materials were composed of brown, tan and gray fat clay and lean clay soils with limestone pieces. There is the possibility of deeper fills at this site and under-compacted zones of soil or debris within the fill materials. Under-compacted zones and debris in fill materials could lead to unacceptable settlements of floor slabs and pavements. If there are no records proving the fill was placed in a controlled manner, removal of the fills and replacing them in a controlled manner is recommended to provide uniform fill placement and compaction beneath the building and paving areas.

Proof rolling as described in Section **4.2.2 Site Preparation** can be considered in lieu of complete removal of the fill if some risk of settlement can be tolerated. Proof rolling is intended to represent a reasonable approach for construction of the floor slabs and paving; however, it will not eliminate the risk of unexpected movements.

4.2.2 Site Preparation

The site should be stripped and grubbed, and proof rolled to determine soft or pumping areas. Where excavations are required, proof rolling should be performed after excavating to the finished grades. The proof rolling should be performed with a fully loaded, tandem-axle dump

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truck or other equipment providing an equivalent subgrade loading. A minimum gross weight of 20 tons is recommended for the proofrolling equipment. The proof rolling should consist of several overlapping passes in mutually perpendicular directions over a given area. Any soft or pumping areas identified in proof rolling operations should be excavated to firm ground. Excavated areas should be backfilled with properly placed and compacted fill as discussed in Section **4.2.4 Compaction Requirements**.

4.2.3 Suitable Fills

Item	Description	Appropriate Use
On-site soils	Free of vegetation, organic material, debris, and rocks greater than 4 inches in maximum dimension.	▪ General site grading ▪ Pavement subgrade (natural or lime stabilized) ▪ Moisture conditioned soils below the floor slab ▪ Utility trench backfill
Imported fill	Clean clay soil (free of deleterious material and debris) with a liquid limit (LL) less than 60 and no rock greater than 4 inches in maximum dimension.	
Select fill	Sandy clay to clayey sand with a liquid limit (LL) of less than 35 and a plasticity index (PI) between 6 and 15.	▪ Protective cap beneath floor slab
Flexible base	TxDOT Item 247, Type D, Grade 1 or 2. Recycled concrete meeting this gradation is acceptable.	▪ Protective cap beneath floor slab

4.2.4 Compaction Requirements

Recommendations for compaction are presented in the following table. We recommend that structural fill be tested for moisture content and compaction during placement. Should the results of the in-place density tests indicate the specified moisture or compaction limits have not been met, the area represented by the test should be reworked and retested as required until the specified moisture and compaction requirements are achieved.

ITEM	DESCRIPTION
Subgrade preparation to receive fill	Surface scarified to a minimum depth of 6 inches and compacted to criteria below.
Clay, select fill and flexible base loose lift thickness	9-inches or less.
Subgrades and fills outside moisture conditioned areas	A minimum of 95% maximum standard Proctor dry density (ASTM D 698) at a minimum of +2 percentage points above optimum moisture content.
Moisture conditioned soils	92% to 98% of the maximum standard Proctor dry density (ASTM D 698) at a minimum of +5 percentage points above optimum moisture content.

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ITEM	DESCRIPTION
Select fill and flexible base	A minimum of 95% maximum standard Proctor dry density (ASTM D 698) in the range of -2 to +2 percentage points of optimum moisture content
Backfill for exterior face of grade beams	92% to 98% of the maximum standard Proctor dry density (ASTM D 698) at a minimum of +5 percentage points above optimum moisture content.
Pavement subgrades, natural or lime-treated [1]	A minimum of 95% maximum standard Proctor dry density (ASTM D 698) in the range of 0 to +3 percentage points of optimum moisture content.

1. The compaction criteria in fire lanes must meet the City of Frisco requirements.

4.2.5 Drainage and Utilities

All grades must be adjusted to provide positive drainage away from the buildings. Water permitted to pond adjacent or near the buildings will result in ground movements that exceed those discussed in this report. Open ground should preferably be sloped at a minimum of 5 percent grade for at least 10 feet beyond the perimeter of the buildings. Flatwork and pavement will be subject to post construction movement. Maximum grades practical should be used for paving and flatwork to prevent areas where water can pond. In addition, allowances in final grades should take into consideration post-construction movement of flatwork, particularly if such movement would be critical.

Consideration should be given to preparing the subgrade as discussed in Section **4.5.2 Floor Slabs / Flatwork on Modified Subgrade** of this report in movement sensitive areas. Where paving or flatwork abuts the structure, care should be taken that joints are properly sealed and maintained to prevent the infiltration of surface water.

Planters located adjacent to the buildings should preferably be self-contained, or at least designed to drain away from the buildings. Sprinkler mains should be located a minimum of five feet away from the building lines. If heads must be located adjacent to the buildings, then service lines off the main should be provided. Roof drains should discharge on pavement or be extended away from the buildings. Ideally, roof drains should discharge by closed pipe to the storm drainage system.

Care should be taken that utility trenches are not left open for extended periods and they are properly backfilled. Backfilling should be accomplished with properly compacted on-site soils, rather than granular materials. A positive cut-off at the building lines is recommended to help prevent water from migrating in the utility trench backfill.

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4.3 Foundations

4.3.1 Straight Drilled Shafts - Axial Capacity

Design parameters for straight drilled shaft foundations are presented in the following table.

Design Parameter	Recommendation
Bearing stratum	Gray limestone.
Allowable end bearing capacity	40,000 psf
Allowable skin friction - compression	6,500 psf
Allowable skin friction - tension	4,500 psf
Minimum penetration into bearing stratum to develop end bearing	2 feet or 1 shaft, diameter whichever is greater.
Skin friction applicable zone	Depth below any temporary casing in gray limestone.
Minimum center to center spacing to develop full skin friction	2.5 times the diameter of the larger shaft. Closer spacing may require some reductions in skin friction and/or changes in installation sequences. Closely spaced shafts should be examined by Terracon on a case-by-case basis. As a general guide, the design skin friction will vary linearly from the full value at a spacing of 2.5 diameters to 50 percent of the design value at 1.0 diameter.
Groups of 3 or more shafts spaced closer than 2.5 shaft diameters	Should be evaluated by Terracon on a case-by-case basis. Alternative installation sequences may be needed to allow for a minimum of 48 hours concrete curing time, before installation of adjacent shafts.
Minimum Shaft Length	3 shaft diameters or 7 feet, whichever is greater.
Settlement	About ½ inch or less.

4.3.2 Straight Drilled Shafts - Lateral Capacity

The straight drilled shafts may be subject to lateral loads. Parameters for lateral load analysis are provided in the following table for use in Ensoft's L-PILE computer program.

Soil Type	Clay Soils	Tan Limestone	Gray Limestone
LPILE Material Type	Soft Clay	Weak Rock	Weak Rock
Effective Soil Unit Weight (pcf)	125	130	135
Undrained cohesion, c (psi)	5	N/A	N/A
Strain Factor, ε50	0.010	N/A	N/A

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Soil Type	Clay Soils	Tan Limestone	Gray Limestone
Young's Modulus, Er (psi)	N/A	40,000	120,000
Uniaxial Compressive Strength (psi)	N/A	200	600
Rock Quality Designation, RQD (%)	N/A	70	90
Krm	N/A	0.0005	0.0004

4.3.3 Straight Drilled Shafts - Soil Induced Uplift Loads

The drilled shafts will be subject to uplift as a result of heave in the overlying clay soils. The magnitude of these loads varies with the shaft diameter, soil parameters, and particularly the in-situ moisture levels at the time of construction. The drilled shafts must contain sufficient continuous vertical reinforcing to resist the net tensile load. Straight drilled shaft foundations must be designed with adequate embedment into the bearing stratum to resist the uplift forces.

The uplift load can be approximated by assuming a uniform uplift of 1,800 psf over the shaft perimeter to the depth to top of tan limestone or 10 feet, whichever is shallower. If the building pad is modified as discussed in Section **4.5.2 Floor Slabs / Flatwork on Modified Subgrade**, a uniform uplift of 1,000 psf can be used in the modified zone.

4.3.4 Drilled Shaft Construction Considerations

The construction of all drilled shafts should be observed by experienced geotechnical personnel during construction to confirm: 1) the bearing stratum; 2) the minimum bearing depth; 3) the removal of all cuttings 4) that groundwater seepage, if any, is correctly handled; and 5) that the shafts are within acceptable vertical tolerance.

Recommendations for drilled shaft construction are presented in the following table.

Item	Recommendation
Drilled shaft installation specification	Current version of American Concrete Institute's "Standard Specification for the Construction of Drilled Piers" ACI 336.
Time to complete	Drilled shafts should be completed in a continuous manner, within 8 hours after design penetration into the gray limestone has begun to reduce side wall and base deterioration.
Installation methods	Shaft excavations should be installed using dry methods. The concrete should have a slump of 6 inches plus or minus 1 inch and be placed in a manner to avoid striking the reinforcing steel during placement.

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Item	Recommendation
Groundwater control	Seepage was observed in one of the borings, and could be encountered during installation of the straight drilled shafts, particularly during wet periods of the year. Rapid placement of steel and concrete may permit shaft installation to proceed; however, seepage rates could be sufficient to require the use of temporary casing for installation of the straight drilled shafts. The casing should be seated below groundwater with all water and most loose material removed prior to beginning the design penetration. Care must be taken that a sufficient head of plastic concrete is maintained within the casing during extraction.
Special conditions	The limestone (bedrock material) is relatively hard and can be difficult to penetrate. A contractor experienced with drilling in rock should be retained for this project.

4.3.5 Grade Beams / Pier Caps and Wall Panels

All grade beams or wall panels should be supported by drilled shafts. A minimum void space of 8 inches is recommended between the bottom of grade beams, pier cap extensions, or wall panels and the subgrade. This void will serve to minimize distress resulting from swell pressures generated by the clay soils. Structural cardboard forms are one acceptable means of providing void beneath cast-in-place elements. Soil retainers can be used to prevent infilling of the void.

The grade beams should be formed rather than cast against earth trenches. Backfill against the exterior face of grade beams, wall panels and pier caps should be on site materials placed and compacted as described in Section **4.2.4 Compaction Requirements**.

4.4 Seismic Considerations

Description	Value
2012 International Building Code Site Classification (IBC) [1]	C[2]
S_{DS} Design Spectral Acceleration for a Short Period	0.087g
S_{D1} Design Spectral Acceleration for a 1-Second Period	0.063g

[1] Note: In general accordance with the 2012 International Building Code and ASCE / SEI 7-10.

[2] Note: The ASCE / SEI 7-10 requires a site soil profile determination extending to a depth of 100 feet for seismic site classification. The current scope does not include the required 100 foot soil profile determination. Borings were extended to a maximum depth of approximately 25 feet and this seismic site class definition considers that gray limestone (bedrock) exists below the maximum depth of the subsurface exploration, which is consistent with the site geology. Additional exploration to deeper depths would be required to confirm the conditions below the current depth of exploration.

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4.5 Floor Systems

Lightly loaded floor slabs and flatwork placed on-grade will be subject to movement as a result of moisture induced volume changes in the active soils that can occur following construction. These soils expand (heave) with increases in moisture and contract (shrink) with decreases in moisture. The movement typically occurs as post construction heave.

The potential magnitude of the moisture induced movements is rather variable. It is influenced by the soil properties, overburden pressures, thickness of clay soils overlying the limestone and to a great extent by soil moisture levels at the time of construction. Based on the conditions encountered in the borings potential vertical movements in the floor slabs placed on grade near the existing grade elevations are estimated to be on the order of 5 inches for dry soil moisture conditions that can exist prior to construction.

A structural slab in conjunction with a drilled shaft foundation system is recommended if floor slab movements must be limited to less than one inch. The building slabs can be supported on a modified subgrade that has been prepared to reduce soil movements of about one inch. Note that movements of even ½ inch can result in uneven floors, sticking doors, and cracking of floor slabs and wall partitions. If the risk of these movements is unacceptable, the floor slab should be structurally supported above the subgrade soils.

4.5.1 Structural Floor Slabs

The building floor slab should be structurally supported above the subgrade if the movements of about 1 inch cannot be tolerated. A minimum void space of 12 inches is recommended beneath the floor slabs.

The minimum void space can be provided by the use of cardboard carton forms, or a deeper crawl space. A ventilated and drained crawl space is preferred under the building for several reasons, including the following:

- Ground movements will affect the project utilities, which can cause breaks in the lines and distress to interior fixtures.
- A crawl space permits utilities to be hung from the superstructure, which greatly reduces the possibility of distress due to ground movements. It also can provide ready access in the event repairs are necessary.
- Ground movements are uneven. A crawl space can be positively drained preventing the ponding of water and reducing the possibility of distress due to unexpected ground movements.

4.5.2 Floor Slabs / Flatwork on Modified Subgrade

Slab on grade construction should only be considered if slab movements on the order of one inch are considered acceptable. Reductions in anticipated movements can be achieved by using methods developed in this area to reduce on-grade slab movements. Suitable methods

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for this site consist of moisture conditioning the on-site clays and capping them with one foot of select fill or flexible base. The moisture conditioning can be achieved by excavation and replacement as discussed below. These recommendations must be reviewed when the site grading plan and finished floor elevations are available.

Based on dry soil conditions, it is estimated that movements on the order of 1 inch can generally be obtained by moisture conditioning 10 feet of in-situ soil and capping with one foot of select fill or flexible base. The moisture conditioning should be performed under the building pad, building entrances, abutting sidewalks and other flatwork areas sensitive to movement. As a minimum, the moisture conditioning should extend a minimum of 5 feet beyond the building pad, entrances and abutting flatwork and sidewalks. Select fill or flexible base is not required outside building lines.

The use of a vapor retarder should be considered beneath concrete slabs on grade that will be covered with wood, tile, or carpet with a water soluble adhesive. A vapor retarder should be used for other moisture sensitive coverings, impervious coverings, or when the slab will support equipment sensitive to moisture. When conditions warrant the use of a vapor retarder, the slab designer and slab contractor should refer to ACI 302 and/or ACI 360 for procedures and cautions regarding the use and placement of a vapor retarder.

It should be noted that excessive water from any source could result in movements greater than 1 inch. For example, should leaks develop in underground water or sewer lines or the grades around the structure allow ponding of water, unacceptable slab movements could develop. The area around the structure must be well drained, landscape beds must not be over watered or allow ponding of water, and utility leaks are promptly repaired. Trees should be planted at least one-mature tree height from the building. Root barriers should be installed if trees are planted closer.

Excavation and Replacement

If excavation and replacement is used for moisture conditioning the soil, the moisture conditioned zone should be excavated to a depth of 10 feet depth below the bottom of the select fill cap or top of tan limestone, whichever is shallower. The excavated soils, except for deleterious materials or rock greater than 4 inches in maximum dimension, can be used in accordance with Section **4.2.4 Compaction Requirements** for moisture conditioned clays. One foot of select fill or flexible base material must be placed above the moisture conditioned soils in a short period of time (i.e. within 48 hours) following completion of the moisture conditioning process to prevent the loss of soil moisture. If the surface of the moisture conditioned soils is allowed to desiccate prior to placement of the cap, the desiccated soils should be reworked and placed in a moisture conditioned state.

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4.6 Pavements

4.6.1 Pavement Subgrades

Subgrade materials at the site will consist of clay soils. The clay soils are subject to loss of support with the moisture increases which occur beneath paving. A lime stabilized subgrade is recommended beneath flexible (asphalt) pavement sections. Rigid (concrete) pavements may be placed on compacted subgrade without lime stabilization.

For budgeting purposes, 8 percent hydrated lime (TxDOT Item 260), by dry weight, is estimated for treating the subgrade beneath flexible pavements. The lime application rate should be determined by laboratory testing once the pavement subgrade is rough graded. The lime should be thoroughly mixed and blended with the top 6 inches of the subgrade (TxDOT, Item 260). Stabilization should extend a minimum of one foot beyond the edge of the pavement.

The lime stabilized or natural subgrade should then be uniformly compacted to the criteria described in Section **4.2.4 Compaction Requirements**. It should then be protected and maintained in a moist condition until the pavement is placed. Pavement subgrades should be graded to prevent ponding and infiltration of excessive moisture on or adjacent to the pavement subgrade surface.

Site grading is generally accomplished early in the construction phase. However as construction proceeds, the subgrade may be disturbed due to utility excavations, construction traffic, desiccation, or rainfall. As a result, the pavement subgrade may not be suitable for pavement construction and corrective action will be required. The subgrade should be carefully evaluated at the time of pavement construction for signs of disturbance or excessive rutting. If disturbance has occurred, pavement subgrade areas should be reworked, moisture conditioned, and properly compacted to the recommendations in this report immediately prior to paving.

4.6.2 Design Considerations

Traffic patterns and anticipated loading conditions were not available; however, typical rigid pavement sections are provided. These represent a total of 45,000 18-Kip Equivalent Single Axle Loads (ESALs) for Light Duty pavement and 100,000 18-Kip ESALs for the Medium Duty pavement. The Light Duty pavement is intended for passenger car and pickup trucks. The Medium Duty pavement is intended for passenger car, pickup trucks, small delivery trucks, ambulance, fire trucks, garbage trucks and occasional semi-trucks.

If the pavements are subject to heavier loading and higher traffic counts than the assumed values, this office should be notified and provided with the information so that we may review these pavement sections and make revisions if necessary.

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Pavement performance is affected by its surroundings. In addition to providing preventive maintenance, the civil engineer should consider the following recommendations in the design and layout of pavements:

- Final grade adjacent to paved areas should slope down from the edges;
- The subgrade and pavement surface should have a minimum 1% slope to promote proper surface drainage;
- Install below pavement drainage systems in surrounding areas anticipated for frequent wetting;
- Install joint sealant and seal cracks immediately;
- Seal all landscaped areas in or adjacent to pavements to reduce moisture migration to subgrade soils;
- Place compacted, low permeability backfill against exterior side of curb and gutter; and,
- Place curb, gutter and/or sidewalk directly on clay subgrade soils rather than on unbound granular base course materials.

4.6.3 Pavement Sections

Asphaltic Cement Concrete Thickness

Minimum ACC Pavement Section (inches)				
Traffic Area	**Asphalt Surface**[1] TxDOT Item 340, Type D	**Asphalt Base**[1] TxDOT Item 340, Type A or B	**Sub-base**[1] TxDOT, Item 260 Lime Stabilized Subgrade	**Total Thickness**
Light Duty 45,000 18-kip ESAL's	2.0	3.0	6.0	11.0
Medium Duty 100,000 18-kips ESAL's	2.0	4.0	6.0	12.0

1. All materials should meet the TxDOT Standard Specifications for Highway Construction.

Portland Cement Concrete Thickness

Minimum PCC Pavement Section (inches)			
Traffic Area	**Portland Cement Concrete**[1, 3, 4]	**Compacted Subgrade**	**Total Thickness**
Light Duty 45,000 18-kip ESAL's	5.0	6.0	11.0

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Traffic Area	Portland Cement Concrete [1, 3, 4]	Compacted Subgrade	Total Thickness
Medium Duty 100,000 18-kips ESAL's	6.0	6.0	12.0
Dumpster Pad [2]	7.0	6.0	13.0

1. The concrete should have a minimum 28-day compressive strength of 3,000 psi in Light Duty areas and 3,500 psi in Medium Duty and dumpster areas.
2. The trash container pad should be large enough to support the container and the tipping axle of the collection truck.
3. The concrete should contain a minimum of 4.5±1.5 percent entrained air.
4. As a minimum, the section should be reinforced with No. 3 bars on 18-inch centers in both directions.

4.6.4 Pavement Joints

The following is recommended for all concrete pavement sections in this report. Refer to ACI 330 "Guide for Design and Construction of Concrete Parking Lots" for additional information.

Design Parameter	Recommendation
Contraction Joint Spacing	5-inch thick concrete pavement: 12½ feet each way. 6-inch or greater thick concrete pavement: 15 feet each way.
Contraction Joint Depth	At least ¼ of pavement thickness.
Contraction Joint Width	¼ inch or as required by joint sealant manufacturer.
Construction Joint Spacing	To attempt to limit the quantity of joints in the pavement, consideration can be given to installing construction joints at contraction joint locations, where it is applicable.
Construction Joint Depth / Width	Full depth of pavement thickness. Construct sealant reservoir along one edge of the joint. Width of reservoir to be ¼ inch or as required by joint sealant manufacturer. Depth of reservoir to be at least ¼ of pavement thickness.
Isolation Joint Spacing	As required to isolate pavement from structures, etc.
Isolation Joint Depth	Full depth of pavement thickness.
Isolation Joint Width	½ to 1 inch or as required by the joint sealant manufacturer.
Expansion Joint	Long, linear pavements may require expansion joints. However, in this locale, drying shrinkage of concrete typically significantly exceeds anticipated expansion due to thermal affects. As a result, the need for expansion joints is eliminated provided all joints (including saw cuts) are sealed. Construction of an unnecessary joint may be also become a maintenance problem. All joints should be sealed.

Dowels should be provided at construction and expansion joints. Dowel information is presented in the following table:

Concrete Slab Thickness (inches)	Dowel Diameter[1] (inch)	Minimum Dowel Embedment (inches)	Minimum Total Dowel Length (inches)
5	5/8	5	12
6	3/4	6	14
7	7/8	6	14

1. All dowels should be spaced at 12 inch on center.

5.0 GENERAL COMMENTS

Terracon should be retained to review the final design plans and specifications so comments can be made regarding interpretation and implementation of our geotechnical recommendations in the design and specifications. Terracon also should be retained to provide observation and testing services during grading, excavation, foundation construction and other earth-related construction phases of the project.

The analysis and recommendations presented in this report are based upon the data obtained from the borings performed at the indicated locations and from other information discussed in this report. This report does not reflect variations that may occur between borings, across the site, or due to the modifying effects of weather. The nature and extent of such variations may not become evident until during or after construction. If variations appear, we should be immediately notified so that further evaluation and supplemental recommendations can be provided.

The scope of services for this project does not include either specifically or by implication any environmental or biological (e.g., mold, fungi, bacteria) assessment of the site or identification or prevention of pollutants, hazardous materials or conditions. If the owner is concerned about the potential for such contamination or pollution, other studies should be undertaken.

This report has been prepared for the exclusive use of our client for specific application to the project discussed and has been prepared in accordance with generally accepted geotechnical engineering practices. No warranties, either express or implied, are intended or made. Site safety, excavation support, and dewatering requirements are the responsibility of others. In the event that changes in the nature, design, or location of the project as outlined in this report are planned, the conclusions and recommendations contained in this report shall not be considered valid unless Terracon reviews the changes and either verifies or modifies the conclusions of this report in writing.

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APPENDIX A
FIELD EXPLORATION

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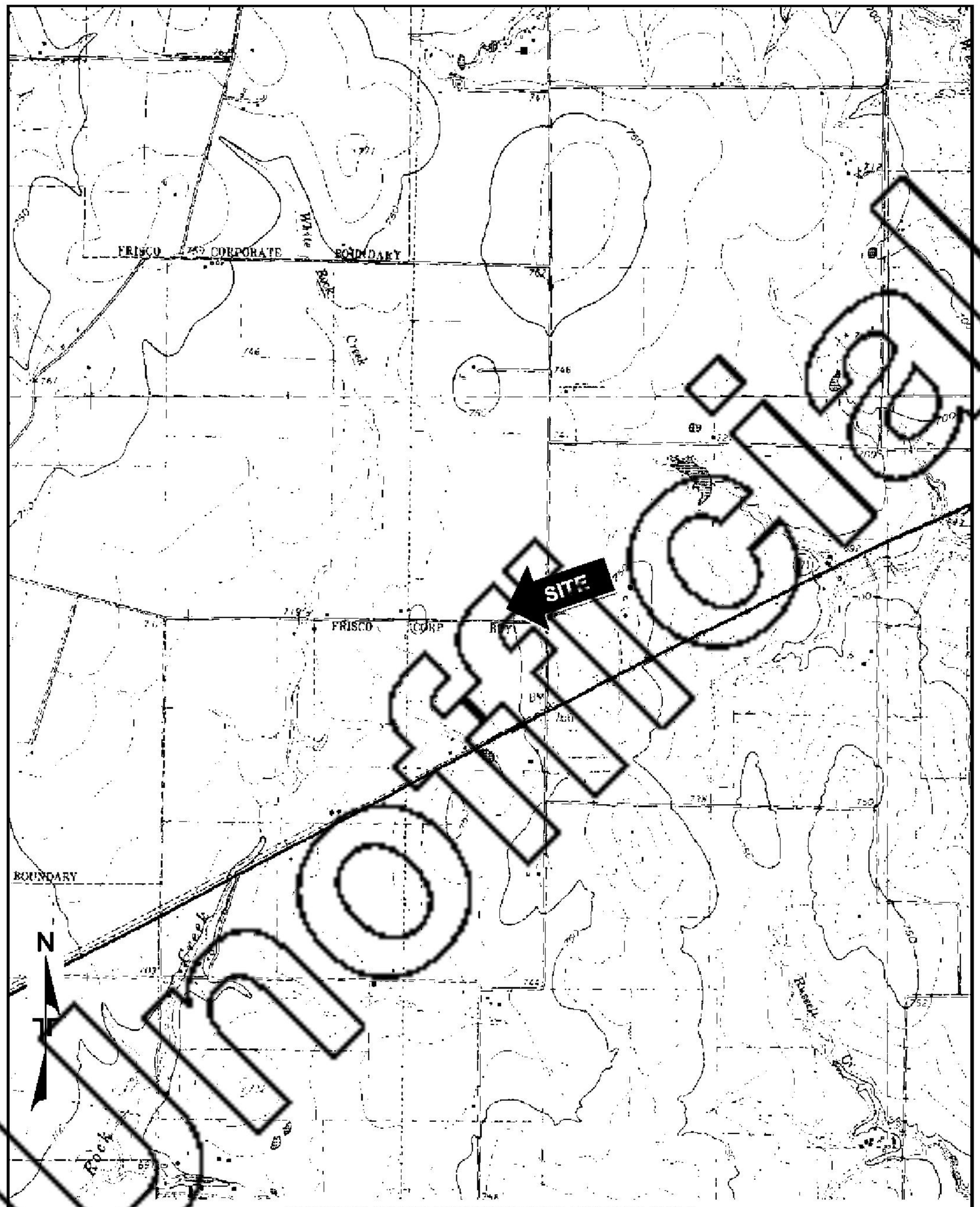

Project Manager: BKS	Project No. 94155341	Terracon	SITE LOCATION MAP	Exhibit
Drawn by: BKS	Scale: 1"=24,000 SF	8901 Carpenter Frwy., Suite 100	Medical Office Buildings	A-1
Checked by: RJ	File Name: 94155341	Dallas, TX 75247	Lebanon Road, West of Coit Road	
Approved by: RJ	Date: 12/15/2015		Frisco, TX	

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