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DECLARATION

OF

COVENANTS, CONDITIONS AND RESTRICTIONS

FOR

CHAMBERLAIN PLACE

Riddle & Williams, P.C.
3710 Rawlins Street, Suite 1400
Dallas, Texas 75219

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EXHIBIT "D"- Certificate of Formation of Chamberlain Place Homeowners Association, Inc.
EXHIBIT "E"- Design Guidelines

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DECLARATION
OF
COVENANTS, CONDITIONS AND RESTRICTIONS
FOR
CHAMBERLAIN PLACE

STATE OF TEXAS §
§ **KNOW ALL MEN BY THESE PRESENTS:**
COUNTY OF COLLIN §

THIS DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS FOR CHAMBERLAIN PLACE (this "Declaration") is made this ____ day of _____, 2017, by **CHAMBERLAIN PLACE, LP**, a Texas limited partnership (hereinafter referred to as "Declarant").

W I T N E S S E T H:

WHEREAS, Declarant is the owner of the real property described in Exhibit "A" attached hereto and incorporated herein by reference (the "Property"). Declarant intends by this Declaration to impose upon the Property mutually beneficial restrictions under a general plan of improvement for the benefit of all owners of real property within the Property. Declarant desires to provide a flexible and reasonable procedure for the overall development of the Property, and to establish a method for the administration, maintenance, preservation, use and enjoyment of such Property as is now or hereafter subjected to this Declaration.

NOW, THEREFORE, the Declarant hereby declares that the real property described in Exhibit "A" to this Declaration and any additional property which is hereafter annexed in accordance with Article XIV hereof shall be held, sold, used and conveyed subject to the following easements, restrictions, covenants and conditions, which are for the purpose of protecting the value and desirability of and which shall run with the real property subjected to this Declaration. This Declaration shall be binding on all parties having any right, title or interest in the described Property or any part thereof, their heirs, successors, successors-in-title, and assigns, and shall inure to the benefit of each owner thereof.

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

ARTICLE I
DEFINITIONS

The terms in this Declaration and the exhibits to this Declaration shall generally be given their ordinary, commonly accepted definitions except as otherwise specified. Capitalized terms shall be defined as set forth below.

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Section 1.1 "Assessment" shall refer to any charge levied against a Lot or Owner by the Association, pursuant to the Governing Documents or by law, including but not limited to Base Assessments, Special Assessments, Specific Assessments, Acquisition Assessments, and Resale Assessments, and any charges related to the collection thereof, including, interest, late charges, collection costs, attorney's fees and costs, all as defined in Article IX of this Declaration.

Section 1.2 "Association" shall refer to Chamberlain Place Homeowners Association, Inc., a Texas non-profit corporation, its successors or assigns.

Section 1.3 "Base Assessment" shall refer to assessments levied on all Lots subject to assessment under Article IX to fund Common Expenses for the general benefit of all Lots.

Section 1.4 "Board of Directors" or "Board" shall be the body responsible for administration of the Association, selected as provided in the Governing Documents and generally serving the same role as the board of directors under Texas corporate law.

Section 1.5 "Builder" shall mean any Person which purchases, or contracts to purchase, one or more Lots within the Property from the Declarant or from a Builder for the purpose of constructing a Residence thereon for resale to consumers or under contract to an Owner other than Declarant, or who purchases, or contracts to purchase, one or more parcels of land within the Property for further development or resale in the ordinary course of such Person's business. As used herein, Builder does not refer to Declarant or to a home builder or home marketing company that is an affiliate of Declarant.

Section 1.6 "Bylaws" shall refer to the Bylaws of Chamberlain Place Homeowners Association, Inc. attached hereto as Exhibit "C" and incorporated by reference, as they may be amended from time to time.

Section 1.7 "Certificate of Formation" or "Certificate" shall refer to the Certificate of Formation of Chamberlain Place Homeowners Association, Inc. attached hereto as Exhibit "D" and incorporated by reference, as filed with the Secretary of State of the State of Texas.

Section 1.8 "Certificate of Occupancy" shall refer to a certificate or other similar document issued by the Town, or other applicable governmental authority certifying or authorizing a Residence for occupancy by a single family.

Section 1.9 "Class 'B' Control Period" shall refer to the period of time during which the Class "B" Member is entitled to appoint, remove and replace a majority of the members of the Board. The Class "B" Control Period shall expire upon the first to occur of the following:

(a) 120 days after the date as of which ninety percent (90%) of the Lots permitted by the Development Plan for the Property described on Exhibit "A" and Exhibit "B" have been issued a Certificate of Occupancy;

(b) December 31, 2027; or

(c) when, in its discretion, the Class "B" Member so determines.

Section 1.10 "Committee" shall mean the Architectural Review Committee.

Section 1.11 "Common Area" shall mean all real and personal property, including easements, which the Association owns, leases or otherwise holds possessory or use rights in and for the common use and enjoyment of the Owners or dedicated to the Association either by separate instrument or as shown on the Plat of the Property or any portion thereof filed or approved by Declarant. The Common Area consists of the following components, and any modifications, improvements or additions thereto, on or adjacent to the Property, even if located on a Lot or public right-of-way: (i) the Property, save and except the Lots; (ii) the land described in Exhibit "A" as Common Area 1A, 1B, 1C and 2A and all improvements on such Common Area; (iii) any area shown and described on the Plat as Common Area or an area shown thereon to be maintained by the Association; (iv) the right-of-way easements constituting the formal entrance to the Property at the south side of Chamberlain Place Drive and the north side of Chamberlain Place Drive as shown on the Plat, including any monument signage, landscaping, irrigation, electrical and water installations, planter boxes and fencing; (v) the trail easements on Lot 10, Block C and Common Area 1C as shown on the Plat, including landscaping and irrigation (the trails therein to be maintained by the Town); and (v) personal property owned by the Association, such as books and records, office equipment, and supplies.

Section 1.12 "Common Expenses" shall mean the actual and estimated expenses incurred, or anticipated being incurred, by the Association for the general benefit of all Owners, including any reasonable reserve, as the Board may find to be necessary and appropriate pursuant to the Governing Documents. Common Expenses may include, without limitation, the following expenses: (i) maintenance, repair, and replacement, as necessary, of the Common Area; (ii) utilities billed to the Association; (iii) services billed to the Association and available to all Lots; (iv) taxes on property owned by the Association, franchise taxes, and the Association's income taxes; (v) management, legal, accounting, auditing, and professional fees for services to the Association, including fees paid to architects, engineers or similar professionals for service on the Committee; (vi) costs of operating the Association, such as telephone, postage, office supplies, printing, meeting expenses, and educational opportunities of benefit to the Association; (vii) premiums and deductibles on insurance policies and bonds deemed by the Board to be necessary or desirable for the benefit of the Association, including fidelity bonds and directors and officer's liability insurance; (viii) contribution to the reserve funds; and (ix) any other expense which the Association is required by law or the Governing Documents to incur, or which in the opinion of the Board is necessary or proper for the operation and maintenance of the Property, enforcement of the Governing Documents, protection of the property values of the Development, or beneficial to the Development in general. Common Expenses shall not include expenses incurred during the Development Period for initial development or other original construction costs incurred by the Declarant unless approved by Members representing a majority of the total Class "A" votes of the Association.

Section 1.13 "Community-Wide Standard" shall mean the standard of conduct, maintenance, or other activity generally prevailing throughout the Property, or the minimum standards established pursuant to the Governing Documents, whichever is a higher standard.

Such standard shall be established initially by the Declarant and may include both objective and subjective elements. The Community-Wide Standard may evolve and change as development progresses and as the needs and desires within the Property change.

Section 1.14 "Declarant" shall refer to Chamberlain Place, LP, a Texas limited partnership, and its successors-in-title and assigns, provided any such successor-in-title or assign shall acquire such interest for the purpose of development or sale of all or any portion of the remaining undeveloped or unsold portions of the Property and is designated as the "Declarant" hereunder in a recorded instrument executed by the immediately-preceding "Declarant". Upon designation of such successor Declarant, all rights of the former Declarant in and to such status as "Declarant" hereunder shall cease.

Section 1.15 "Declaration" shall refer to this instrument, as it may be amended and supplemented from time to time.

Section 1.16 "Design Guidelines" shall mean and refer to those particular standards, restrictions, guidelines, recommendations and specifications applicable to most of the aspects of construction, placement, location, alteration, maintenance and design of any improvements to or within the Property, and all amendments, bulletins, modifications, supplements and interpretations thereof. The initial Design Guidelines are attached hereto as Exhibit "E" and incorporated by reference.

Section 1.17 "Development" shall mean and refer to Chamberlain Place development, including all of the Property, Common Area and Lots.

Section 1.18 "Development Period" shall mean the period of time beginning on the date that this Declaration is recorded, and terminating on December 31, 2027 (unless the Declarant, in its sole discretion, terminates the Development Period prior to such time and declares so in a recorded instrument), during which time the Declarant may exercise its Development Period Rights.

Section 1.19 "Development Period Rights" shall mean generally those rights reserved to Declarant under this Declaration to (i) facilitate the development, construction, and marketing of the Development; and (ii) direct the size, shape and composition of the Development. Such rights include, without limitation, the right to: (i) annex and withdraw real property to and from the Property pursuant to Article XV; (ii) adopt and amend Design Guidelines for the construction and modification of improvements within the Property pursuant to Article X; (iii) appoint members to the Committee; (iv) change the scheme of the Property pursuant to Article XV; (v) approve or exclude certain Builders from building homes within the Property pursuant to Article XV; (vi) amend the Governing Documents without the consent or approval of other Owners or Mortgagees pursuant to Article XVII; and (vii) exercise the rights set forth in Article XV hereof and any other rights reserved to the Declarant during the Development Period pursuant to the Governing Documents.

Section 1.20 "Development Plan" shall refer to the master concept plan for the development of the Property prepared by the Declarant, as it may be amended from time to time,

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which includes all of the property described in Exhibit "A" and all or a portion of the property described in Exhibit "B". Inclusion of property on the Development Plan shall not, under any circumstances, obligate Declarant to subject such property to this Declaration, nor shall exclusion of property described on Exhibit "B" from the Development Plan bar its later annexation, as provided in Article II.

Section 1.21 "Eligible Mortgage Holder" shall mean those holders of First Mortgages secured by Lots in the Property who have requested notice of certain items as set forth in this Declaration.

Section 1.22 "First Mortgage" shall mean any Mortgage which is not subject to any lien or encumbrance except the taxes or other liens which are given priority by statute or agreement.

Section 1.23 "First Mortgagee" shall mean the beneficiary or holder of a First Mortgage.

Section 1.24 "Governing Documents" shall refer to, singularly or collectively, as the case may be, this Declaration, the Bylaws, the Certificate of Formation, the Rules and Regulations (if any) and the Design Guidelines (as adopted pursuant to Article X), as each may be supplemented and amended from time to time.

Section 1.25 "Lot" shall mean a portion of the Property, whether improved or unimproved, which may be independently owned and is intended for development, use and occupancy as a residence for a single family. The term shall refer to the land, if any, which is part of the Lot, as well as any improvements thereon and any portion of a right-of-way that customarily is used exclusively by and in connection with the Lot. In the case of a parcel of vacant land or land on which improvements are under construction, the parcel shall be deemed to contain a single Lot until such time as a plat is recorded subdividing all or a portion thereof. Thereafter, the portion encompassed by such plat shall continue to be treated in accordance with this Section. Some portions of the Common Area may be platted as a "lot" on the Plat; however, these lots shall be excluded from the definition of a Lot as used herein.

Section 1.26 "Member" shall refer to a Person subject to membership in the Association.

Section 1.27 "Mortgage" shall refer to a mortgage, a deed of trust, a deed to secure debt, or any other form of security deed. A "Mortgagee" shall refer to a beneficiary or holder of a Mortgage.

Section 1.28 "Owner" shall refer to one or more Persons who hold the record title to any Lot, but excluding in all cases any party holding an interest merely as security for the performance of an obligation. Contract sellers and Mortgagees who acquire title to a Lot through a deed in lieu of foreclosure or through non-judicial foreclosure are considered Owners hereunder. The term "Owner" shall include Declarant.

Section 1.29 "Person" shall mean a natural person, a corporation, a partnership, a

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trustee, a limited liability company or any other legal entity.

Section 1.30 "Plat" shall refer to, all plats, singularly and collectively, recorded in the Real Property Records of Collin County, Texas, and pertaining to Chamberlain Place, an addition to the Town of Fairview, Texas, as such plat(s) may be amended from time to time, which includes all of the property described in Exhibit "A" and such additions thereto as may hereafter be brought within the jurisdiction of the Association and made subject to this Declaration.

Section 1.31 "Property" shall mean and refer to the real property described in "Exhibit "A" attached hereto and all improvements, easements, rights, and appurtenances to the real property, and such additions thereto as may hereafter be brought within the jurisdiction of the Association and made subject to this Declaration.

Section 1.32 "Resident" shall mean an occupant of a Residence, regardless of whether the Person is the record title holder of the Lot.

Section 1.33 "Residence" shall mean a residential dwelling structure constructed on a Lot and which is intended to be used and occupied as a residence for a single family.

Section 1.34 "Rules and Regulations" or "Rules" shall mean any written rules or regulations adopted, implemented or published by the Association or its Board at any time and from time to time, as they may be amended from time to time, with respect to the use and enjoyment of the Common Area and the conduct of its Members and their guests, invitees, agents and contractors within the Property.

Section 1.35 "Special Assessment" shall mean and refer to Assessments levied against all Owners to cover unanticipated expenses or expenses in excess of those budgeted, as described in Section 9.3.

Section 1.36 "Specific Assessment" shall mean Assessments levied in accordance with Section 9.4.

Section 1.37 "Supplemental Declaration" shall mean an instrument recorded pursuant Article XIV to subject additional property to this Declaration and/or to impose, expressly or by reference, additional restrictions and obligations on the land described therein.

Section 1.38 "Town" shall refer to the Town of Fairview, Texas.

ARTICLE II
PROPERTY RIGHTS

Section 2.1 Common Area. Every Owner shall have a right and nonexclusive easement of use, access and enjoyment in and to the Common Area, including, but not limited to, a perpetual easement over the Property's streets, sidewalks and trails, as may be reasonably required, for the use and enjoyment of the Property and his or her Lot, subject to:

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(a) this Declaration and any other applicable covenants or easements, as they may be amended from time to time, and subject to any restrictions or limitations contained in any deed conveying such property to the Association;

(b) the right of the Board to adopt rules regulating the use and enjoyment of the Common Area, including the right to designate portions of the Common Area for private use on a temporary basis to the exclusion of other Persons;

(c) the right of the Board to suspend the right of an Owner to use recreational facilities (i) for any period during which any Assessment or other charge against such Owner's Lot remains delinquent, and (ii) for a period not to exceed thirty (30) days for a single violation or for a longer period in the case of any continuing violation of the Governing Documents after notice and a hearing pursuant to the Bylaws;

(d) the right of the Board to dedicate or transfer all or any part of the Common Area pursuant to Section 4.8; and

(e) the right of the Board to mortgage, pledge or hypothecate any or all of the Association's real or personal property as security for money borrowed or debts incurred, subject to any limitations contained in the Bylaws.

Section 2.2 Private Use. The Common Area is intended for the exclusive use of the Property's Owners and Residents and their guests and invitees. Neither the Association nor Declarant intends for the Common Area to be a public accommodation or a public facility.

Section 2.3 Delegation of Use. Any Owner may extend his or her right of use and enjoyment of the Common Area to the members of his or her family, lessees and social invitees, as applicable, subject to reasonable regulation by the Board and in accordance with procedures it may adopt. An Owner who leases his or her Lot shall be deemed to have assigned all such rights to the lessees of such Lot.

ARTICLE III
MEMBERSHIP AND VOTING RIGHTS

Section 3.1 Membership. Every Owner is a Member of the Association; provided, there is only one membership per Lot. In the event a Lot is owned by more than one Person, all co-Owners shall be entitled to the privileges of membership, subject to reasonable Board regulation and the restrictions on voting set forth in Section 3.2 and in the Bylaws, and all such co-Owners shall be jointly and severally obligated to perform the responsibilities of Owners hereunder. The membership rights of an Owner which is not a natural person may be exercised by any officer, director, partner, or trustee, or by the individual designated from time to time by the Owner in writing provided to the Secretary of the Association.

Section 3.2 Voting. The Association shall have two classes of membership, Class "A" and Class "B"

(a) Class "A". Class "A" Members shall be all Owners except the Class "B" Member, if any. Class "A" Members shall be entitled to one equal vote for each Lot in which they hold the interest required for membership under Section 3.1, except that there shall be only one vote per Lot.

Where there is more than one Owner of a Lot, the vote for such Lot shall be exercised as the co-Owners determine between themselves and advise the Secretary of the Association in writing prior to the vote being cast. In the absence of such advice, the Lot's vote shall be suspended if more than one Person seeks to exercise it.

(b) Class "B". The Class "B" Member shall be the Declarant. The Class "B" Member shall be entitled to three (3) votes for each Lot it owns and it shall be entitled to appoint a majority of the members of the Board during the Class "B" Control Period, in the manner specified in the Bylaws. Additional rights of the Class "B" Member are specified in the relevant sections of the Governing Documents.

The Class "B" membership shall terminate and become converted to Class "A" membership upon the earlier of:

(i) one (1) year after expiration of the Class "B" Control Period; or

(ii) when, in its discretion, the Declarant so determines and declares in a recorded instrument.

Upon termination of the Class "B" membership, Declarant shall be a Class "A" Member entitled to one Class "A" vote for each Lot, if any, which it owns.

Section 3.3 Merger. Merger of the Association with another property owner's association must be evidenced by an amendment to this Declaration. The amendment must be approved by Owners of at least a majority of the Lots, and by the Declarant during the Development Period. Upon a merger, the property, rights and obligations of another association may, by operation of law, be added to the property, rights and obligations of the Association as a surviving association pursuant to the merger. The surviving association may administer the provisions of the Governing Documents within the Property, together with the covenants and restrictions established upon any other property under its jurisdiction. No merger, however, will effect a revocation, change or addition to the covenants established by this Declaration within the Property.

ARTICLE IV
RIGHTS AND OBLIGATIONS OF THE ASSOCIATION

Section 4.1 Common Area. The Association, subject to the rights of the Owners set forth in this Declaration and subject to the terms of any easement or other agreement with the Town or adjacent property owner, shall be responsible for the exclusive management and control of the Common Area and all improvements thereon (including, without limitation, furnishings,

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equipment and common landscaped areas), and shall keep it in good, clean, attractive and sanitary condition, order and repair, pursuant to the terms and conditions hereof and consistent with the Community-Wide Standard.

Section 4.2 Personal Property and Real Property for Common Use. The Association may acquire, hold and dispose of tangible and intangible personal property and real property, subject to such restrictions as are set forth in the Governing Documents. The Declarant and its designees may convey to the Association personal property and fee title, leasehold, or other interests in any improved or unimproved real estate located within the Property, including the Common Area. Upon conveyance or dedication by the Declarant to the Association, such property shall be accepted by the Association and thereafter shall be maintained by the Association at its expense for the benefit of its Members, subject to any restrictions set forth in the deed of conveyance. Upon written request of the Declarant, the Association shall re-convey to Declarant for no or nominal monetary consideration any unimproved portions of the Property originally conveyed by Declarant to the Association for no or nominal monetary consideration, to the extent conveyed in error or needed by Declarant to make minor adjustments in property lines.

Section 4.3 Rules and Regulations. The Board may adopt, amend, repeal and enforce reasonable Rules and Regulations, and penalties for infractions thereof, governing the occupancy, leasing, use, disposition, maintenance, appearance, and enjoyment of the Common Areas and Lots, which Rules and Regulations may include the right to prohibit or to restrict. Such regulations shall be consistent with the rights and duties established by this Declaration. Such regulations shall be binding upon all Owners, occupants, invitees and licensees, if any, until and unless overruled, canceled or modified in a regular or special meeting of the Association by the vote of a majority of the Class "A" Members and the consent of the Class "B" Member, so long as such membership shall exist.

Section 4.4 Compliance and Enforcement. Every Owner and occupant of a Lot shall comply with the Governing Documents. The Association shall be authorized to impose sanctions for violations of the Governing Documents. Sanctions may include, without limitation, the following:

(a) imposing reasonable monetary fines, which shall constitute a lien upon the violator's Lot;

(b) suspending an Owner's right to use any recreational facilities within the Common Area; provided, however, nothing herein shall authorize the Board to limit ingress or egress to or from a Lot;

(c) suspending any services provided by the Association to an Owner or the Owner's Lot if the Owner is more than thirty (30) days delinquent in paying any Assessment or other charge owed to the Association;

(d) exercising self-help (specifically including, but not limited to, towing of vehicles that are parked or stored in violation of the Governing Documents, removing nonconforming structures and/or improvements pursuant to Section 10.9 and performing maintenance on an

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Owner's Lot pursuant to Section 5.4);

(e) recording a Notice of Violation pursuant to Section 10.10;

(f) levying a Specific Assessment pursuant to Section 9.4; and

(g) taking any other action to abate a violation of the Governing Documents.

In addition to any other enforcement rights, the Association or any Owner may bring suit in law or in equity, or both, to enjoin any violation or to recover monetary damages, or both. All remedies set forth in the Governing Documents shall be cumulative of any remedies available at law or in equity. The Association shall be entitled to recover all costs, including, without limitation, attorney's fees and court costs reasonably incurred in enforcing the Governing Documents. Failure by the Association to enforce any the foregoing or any other right or remedy of the Association shall in no event be deemed a waiver of the right to do so thereafter.

The Association, through the Board, by contract or other agreement, shall have the right, but not the obligation, to enforce applicable county and city ordinances, and may, but shall not be obligated to, permit Collin County and the Town to enforce ordinances on the Property for the benefit of the Association and its Members.

Section 4.5 Implied Rights. The Association may exercise any other right or privilege given to it expressly by the Governing Documents. The Association may also exercise every other right or privilege reasonably implied from or reasonably necessary to effectuate any such right or privilege.

Except as otherwise specifically provided in the Governing Documents, or by law, all rights and powers of the Association may be exercised by the Board without a vote of the membership.

Section 4.6 Governmental Interests. For so long as the Declarant owns any Property, the Association shall permit the Declarant to designate and re-designate sites within the Property for water and sewer facilities and other public facilities. The sites may include Common Area owned by the Association, and in such case no membership approval shall be required and the Association shall dedicate and convey the designated site as requested by the Declarant.

Section 4.7 Indemnification. The Association shall indemnify every officer, director and committee member to the full extent permitted by Section 8.001 *et seq*. of the Texas Business Organizations Code, as amended (but, in the case of any such amendment, only to the extent that such amendment permits broader indemnification than permitted prior to such amendment). Any right to indemnification provided for herein shall not be exclusive of any other rights to which any present or former officer, director or committee member may be entitled. The Association shall, as a Common Expense, maintain adequate general liability and officers' and directors' liability insurance to fund this obligation, if such insurance is reasonably available. The officers and directors shall have no personal liability with respect to any contract or other commitment made or action taken in good faith on behalf of the Association.

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Section 4.8 Dedication of Common Area. Subject to such approval requirements as may be set forth in this Declaration, the Association shall have the power to dedicate portions of the Common Area to Collin County, Texas, or to any other local, state or federal governmental entity.

Section 4.9 Security. The Association may, but shall not be obligated to, maintain or support certain activities within the Property designed to enhance the security of the Property. NEITHER THE ASSOCIATION, THE DECLARANT, NOR ANY SUCCESSOR DECLARANT SHALL IN ANY WAY BE CONSIDERED INSURERS OR GUARANTORS OF SECURITY WITHIN THE PROPERTY, NOR SHALL SUCH PARTIES BE HELD LIABLE FOR ANY LOSS OR DAMAGE FOR FAILURE TO PROVIDE ADEQUATE SECURITY OR INEFFECTIVENESS OF SECURITY MEASURES UNDERTAKEN.

THE ASSOCIATION, DECLARANT, ANY SUCCESSOR DECLARANT, AND ARCHITECTURAL REVIEW COMMITTEE MAKE NO REPRESENTATION OR WARRANTY THAT ANY SYSTEMS OR MEASURES, INCLUDING ANY MECHANISM, DEVICE OR PERSON EMPLOYED TO LIMIT OR RESTRICT ACCESS TO THE PROPERTY CANNOT BE COMPROMISED OR CIRCUMVENTED; OR THAT ANY SUCH SYSTEMS OR SECURITY MEASURES UNDERTAKEN WILL IN ANY CASE PROVIDE THE DETECTION OR PROTECTION FOR WHICH THE SYSTEM IS DESIGNED OR INTENDED. EACH OWNER AND ALL TENANTS, GUESTS AND INVITEES OF ANY OWNER, ACKNOWLEDGE AND UNDERSTAND THAT THE ASSOCIATION, ITS BOARD, COMMITTEE MEMBERS, DECLARANT OR ANY SUCCESSOR DECLARANT, ARE NOT INSURERS AND THAT EACH PERSON WITHIN THE PROPERTY ASSUME ALL RISKS FOR PERSONAL INJURY AND LOSS OR DAMAGE TO PROPERTY, INCLUDING LOTS AND THE CONTENTS THEREOF, RESULTING FROM ACTS OF THIRD PARTIES.

Section 4.10 Mineral Interests. As of the date of recording of this Declaration, all mineral interests and water rights, including but not limited to development rights, may have been reserved by one or more prior owners of the Property or conveyed pursuant to one or more deeds or other instruments. By accepting title or other interest to a Lot, each Owner acknowledges the possible existence of such superior rights in favor of their owners. In the event that Declarant holds any such mineral or water rights as of the date of recording of this Declaration, the Declarant hereby reserves for itself all right, title and interest in and to the oil, gas, and other minerals and water in, on, and under and that may be produced from the Property, TO HAVE AND TO HOLD FOREVER.

ARTICLE V
MAINTENANCE

Section 5.1 Association Responsibility. Except as may be otherwise provided by this Declaration and subject to the terms of any easement or other agreement with the Town or adjacent property owner, the Association shall maintain and keep in good repair the Common Area. Such maintenance shall include, but need not be limited to:

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(a) All portions of and all landscaping, structures and improvements situated upon the Common Area, including, without limitation, (i) all grass median strips; (ii) all entry features and monuments including the expenses for water and electricity, if any, provided to all such entry features; (iii) any irrigation or drainage systems located on the Common Area; and (iv) the split-rail wood fence along the north side of Lot 1, Block C, and along the east side of Lot 8, Block A;

(b) street lights within the Property;

(c) any real or personal property owned by the Association but which is not a Common Area, such as a Lot owned by the Association;

(d) landscaping and other flora within public rights-of-way abutting the Common Area (subject to the terms of any easement or other agreement relating thereto); and

(e) such portions of any additional property located adjacent to the Property, the maintenance of which is deemed to be in the best interest of the Association to maintain or which must be maintained according to this Declaration, any Supplemental Declaration, any covenant to share costs, or any contract or agreement for maintenance thereof entered into by the Association.

The Association shall maintain the facilities and equipment within the Common Area in continuous operation, except for any periods of maintenance or repairs or unless Members representing 75% of the Class "A" votes in the Association and the Class "B" Member, if any, agree in writing to discontinue such operation. Except as provided hereinabove, the Common Area and the Area of Common Responsibility shall not be reduced by amendment of this Declaration or any other means except with the prior written approval of the Class "B" Member, if any.

The costs associated with maintenance, repair and replacement of the Common Area shall be a Common Expense; provided, the Association may seek reimbursement from the owner(s) of, or other Persons responsible for, certain portions of the Common Area pursuant to this Declaration, a covenant to share costs, other recorded covenants, or agreements with the owner(s) thereof.

Section 5.2 Owner Responsibility. Each Owner shall maintain his or her Lot and Residence and all landscaping, structures, parking areas, sidewalks, fences, walls and other improvements within the boundaries of the Lot, except for the right-of-way easements constituting the formal entrance to the Property at the north and south side of Chamberlain Place Drive as shown on the Plat, including any monument signage, street median, landscaping, irrigation, electrical and water installations, planter boxes and fencing located thereon. Retaining walls constructed along a common boundary between two Lots (a "shared retaining wall") shall be maintained by the Owner located on the high side of the two Lots. The Owner on the low side of two Lots with a shared retaining wall hereby grants to the Owner on the high side of the shared retaining wall an easement for (i) the existence and continuance of any encroachment of the shared retaining wall as a result of original construction, repairs in place, shifting, settlement, or movement by natural causes, and (ii) the maintenance, repair, replacement, or reconstruction

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of the shared retaining wall, as appropriate and necessary to effect the purposes and provisions of this Section. Notwithstanding anything contained in this Section 5.2 to the contrary, an Owner may not alter, modify or relocate a shared retaining wall in any manner that affects the use, condition, or appearance of the shared retaining wall to the adjoining Lot, without the prior written consent of the Owner of the adjoining Lot.

Section 5.3 Standard of Performance. Unless otherwise specifically provided in the Governing Documents, responsibility for maintenance shall include responsibility for repair and replacement necessary to maintain his or her Lot to a level consistent with the Community-Wide Standard. Specifically, each Owner must (i) repair and replace worn, rotten, deteriorated, and unattractive materials; (ii) regularly repaint all painted surfaces; (iii) regularly re-stain all stained surfaces; (iv) maintain (including mowing and edging) all yards, including fenced and unfenced portions of the Lots and public right of ways abutting the Lots, in a neatly manicured, healthy and well-groomed condition (weeds and grass not to exceed six inches (6") in height); (v) remove diseased, dying or dead plant material, and promptly replace such material with plants of a similar or superior quality and appearance and that maintain the minimum landscape requirements of Exhibit "E"; (vi) keep the yard irrigation system in good repair and replace sprinkler heads, irrigation lines and other irrigation equipment as needed for optimum landscape maintenance; and (vii) keep his or her yard free of litter, trash, and debris. Repair and replacement shall include improvement, if necessary to comply with applicable building codes or other regulations or if otherwise deemed appropriate, in the Board's reasonable discretion. Each Owner further covenants and agrees that in the event of damage to or destruction of structures on such Owner's Lot, the Owner shall proceed promptly to repair or to reconstruct in a manner consistent with the original construction or such other plans and specifications as are approved in accordance with Article X. Alternatively, the Owner shall clear the Lot and maintain it in a neat and attractive, and landscaped condition consistent with the Community-Wide Standard. The Owner shall pay any costs which are not covered by insurance.

Section 5.4. Owner's Default in Maintenance. In addition to any other enforcement rights available to the Association, if any Owner fails properly to perform his or her maintenance responsibilities, the Association may perform such maintenance responsibilities and assess all costs incurred by the Association against the Lot and the Owner as a Specific Assessment in accordance with Section 9.4. However, the Association shall afford the Owner reasonable notice and an opportunity to cure the problem prior to entry, except when immediate entry is required due to an emergency situation.

Section 5.5 Party Structures.

(a) General Rules of Law to Apply. Each fence (other than retaining walls constructed along a common boundary between Lots), mailbox or driveway built as a part of the original construction on the Lots which shall serve and/or separate any two adjoining Lots shall constitute a party structure. To the extent not inconsistent with the provisions of this Section, the general rules of law regarding party structures and liability for property damage due to negligence or willful acts or omissions shall apply thereto.

(b) Sharing of Repair and Maintenance. The cost of reasonable repair and maintenance of a party structure shall be shared equally by the Owners who make use of the party structure.

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The Owner on each side of a party structure hereby grants to the Owner on the other side of the party structure an easement for (i) the existence and continuance of any encroachment of the party structure as a result of original construction, repairs in place, shifting, settlement, or movement by natural causes, and (ii) the maintenance, repair, replacement, or reconstruction of the party structure, as appropriate and necessary to effect the purposes and provisions of this Section. Notwithstanding anything contained in this Section 5.5(b) to the contrary, an Owner may not alter, modify or relocate a shared retaining wall in any manner that affects the use, condition, or appearance of the shared retaining wall to the adjoining Lot, without the prior written consent of the Owner of the adjoining Lot.

(c) Damage and Destruction. If a party structure is destroyed or damaged by fire or other casualty, then to the extent that such damage is not covered by insurance and repaired out of the proceeds of insurance, any Owner who benefits from the use of the party structure may restore it. If other Owners thereafter use the party structure, they shall contribute to the restoration cost in equal proportions. However, such contribution will not prejudice the right to call for a larger contribution from the other users under any rule of law regarding liability for negligent or willful acts or omissions.

(d) Right to Contribution Runs With Land. The right of any Owner to contribution from any other Owner under this Section shall be appurtenant to the land and shall pass to such Owner's successors-in-title.

(e) Arbitration. In the event of any dispute arising concerning a party structure, each party shall appoint one arbitrator. Should any party fail and/or refuse to appoint an arbitrator within ten (10) days after written request by the other party, the requesting party shall appoint an arbitrator for the refusing party. The arbitrators appointed shall appoint one additional arbitrator. The decision by a majority of all three arbitrators shall be binding upon the parties and shall be a condition precedent to any right of legal action that either party may have against the other. The Association and/or the Declarant shall have no responsibility in resolving any disputes between Members concerning a party structure.

Section 5.6 Rights of the Town. The Town, including its agents and employees, has the right of immediate access to the Common Area at all times if necessary for the welfare or protection of the public, to enforce Town ordinances, or to improve the appearance of to preserve public property, public easements or public rights-of-way. Should the Association fail to carry out its duties as specified in this Declaration to a standard acceptable to the Town, the Town or its lawful agents shall have the right and ability, after due notice to the Association (at least 90 days), to remove any landscape system, features or elements that cease to be maintained by the Association; to perform the responsibilities of the Association if the Association fails to do so in compliance with any of the provisions of this Declaration or of any applicable Fairview Town codes, ordinances or regulations; to assess the Association for all costs incurred by the Town in performing said responsibilities if the Association fails to do so; and to avail itself of any other enforcement actions available to the Town pursuant to state law or Fairview Town codes, ordinances or regulations. Should the Town exercise its rights as specified above, the Association shall indemnify and hold harmless the Town from any and all costs, expenses, suits, demands, liabilities or damages, including attorney's fees and costs of suit, incurred or resulting from the Town's removal of any landscaping systems, features or elements that cease to be

maintained by the Association or from the Town's performance of the aforementioned operations, maintenance or supervision responsibilities of the Association due to the Association's failure to perform said duties.

ARTICLE VI
INSURANCE AND CASUALTY LOSSES

Section 6.1 Association Insurance. The Association shall obtain and continue in effect the following types of insurance, if reasonably available, or if not reasonably available, the most nearly equivalent coverages as are reasonably available:

(a) blanket "all-risk" property insurance for all insurable improvements on the Common Area in the event of a casualty, regardless of ownership. If such coverage is not generally available at reasonable cost, then at a minimum an insurance policy providing fire and extended coverage, including coverage for vandalism and malicious mischief shall be obtained. The face amount of such insurance shall be sufficient to cover the full replacement cost of the insured property under current building codes and ordinances;

(b) commercial general liability insurance on the Common Area, insuring the Association and its Members for damage or injury caused by the negligence of the Association or any of its Members, employees, agents or contractors while acting on its behalf. If generally available at reasonable cost, such policy shall have a limit of at least $1,000,000.00 per occurrence with respect to bodily injury, personal injury and property damage;

(c) commercial crime insurance, including fidelity insurance, covering all persons responsible for handling Association funds in an amount determined in the Board's best business judgment, but not less than an amount equal to one-sixth (1/6) of the annual Base Assessment on all Lots plus reserves on hand. Fidelity insurance policies contain a waiver of all defenses based upon the exclusion of persons serving without compensation;

(d) workers' compensation insurance and employer's liability insurance, if and to the extent required by law;

(e) director's and officer's liability coverage, covering all directors, officers and committee members; and

(f) such additional insurance as the Board, in its business judgment, determines advisable.

Premiums for all insurance on the Common Area and any Lot owned by the Association shall be a Common Expense.

Section 6.2 Policy Requirements. All Association policies shall provide for a certificate of insurance to be furnished to the Association and, upon request, to each Member. The policies may contain a reasonable deductible and the amount thereof shall not be subtracted from the face amount of the policy in determining whether the insurance at least equals the coverage required hereunder. In the event of an insured loss, the deductible shall be treated as a

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Common Expense in the same manner as the premiums for the applicable insurance coverage. However, if the Board reasonably determines, after notice and an opportunity to be heard in accordance with the Bylaws, that the loss is the result of the negligence or willful conduct of one or more Owners, their guests, invitees, or lessees, then the Board may specifically assess the full amount of such deductible against such Owner(s) and their Lot(s) as a Specific Assessment.

Section 6.3 Individual Insurance. By virtue of taking title to a Lot, each Owner covenants and agrees with all other Owners and with the Association that each Owner shall carry blanket "all-risk" property insurance on his or her Lot (s) and structures constructed thereon providing full replacement cost coverage (less a reasonable deductible), unless the Association carries such insurance (which it is not obligated to do so hereunder). Further, each Owner shall obtain and maintain general liability insurance on his or her Lot. If an Owner fails to maintain required insurance, the Board may obtain insurance on behalf of the Owner. If the Association assumes responsibility for obtaining any insurance coverage on behalf of an Owner, the premiums for such insurance shall be levied as a Specific Assessment against the benefitted Lot and the Owner. Each Owner and Resident is solely responsible for insuring his or her personal property in his or her Residence and on the Lot, including furnishings, vehicles, appliances, equipment and stored items.

Section 6.4 Damage and Destruction.

(a) In the event of damage to or destruction of Common Area or other property insured by the Association, the Board or its duly authorized agent shall proceed with the filing and adjustment of all claims arising under such insurance and shall obtain reliable and detailed estimates of the cost of repair or reconstruction of the damage or destroyed property to substantially the same condition in which it existed prior to the fire or other peril, allowing for any changes or improvements necessitated by changes in applicable building codes.

(b) Any damage to or destruction of the Common Area shall be repaired or reconstructed unless Members representing at least seventy-five percent (75%) of the total Class "A" votes in the Association, and the Class "B" Member, if any, decide within sixty (60) days after the loss not to repair or reconstruct. If for any reason either the amount of the insurance proceeds to be paid as a result of such damage or destruction or reliable and detailed estimates of the cost of repair or reconstruction, or both, are not made available to the Association within said period, then the period shall be extended until such funds or information shall be made available. However, such extension shall not exceed sixty (60) days. No Mortgagee shall have the right to participate in the determination of whether the damage or destruction to the Common Area shall be repaired or reconstructed.

(c) If it is determined in the manner described above that the damage or destruction to the Common Area shall not be repaired or reconstructed and no alternative improvements are authorized, the affected property shall be cleared of all debris and ruins and thereafter shall be maintained by the Association in a neat and attractive landscaped condition consistent with the Community-Wide Standard.

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Section 6.5 Disbursement of Proceeds. Any insurance proceeds remaining after paying the costs of repair or reconstruction, or such settlement as is necessary and appropriate, shall be retained by and for the benefit of the Association and its Members and placed in a capital improvements account. This is a covenant for the benefit of any Mortgagee of a Lot and may be enforced by such Mortgagee.

Section 6.6 Repair and Reconstruction. If the insurance proceeds are insufficient to cover the costs of repair or reconstruction, the Board may, without the vote of the Members, levy a Special Assessment to cover the shortfall against those Owners responsible for the premiums for the applicable insurance coverage under Section 6.2.

ARTICLE VII
NO PARTITION

Except as permitted in this Declaration, the Common Area shall remain undivided, and no Person shall bring any action seeking judicial partition without the written consent of all Owners and Mortgagees. This Article shall not be construed to prohibit the Board from acquiring and disposing of tangible personal property nor from acquiring and disposing of real property which may or may not be subject to this Declaration.

ARTICLE VIII
CONDEMNATION

Section 8.1 Condemnation. If any part of the Common Area shall be taken (or conveyed in lieu of and under threat of condemnation by the Board acting on the written direction of Members representing at least sixty-seven percent (67%) of the total Class "A" votes in the Association and of the Class "B" Member, if any) by any authority having the power of condemnation or eminent domain, each Owner shall be entitled to written notice of such taking or conveyance prior to disbursement of any condemnation award or proceeds from such conveyance. Such award or proceeds shall be payable to the Association to be disbursed as set forth in this Article.

Section 8.2 Disbursement. If the taking involves a portion of the Common Area on which improvements have been constructed, then the Association shall restore or replace such improvements on the remaining land included in the Common Area to the extent available, unless within sixty (60) days after such taking, the Class "B" Member, if any, and Members representing at least sixty-seven percent (67%) of the total Class "A" vote of the Association shall otherwise agree. Any such construction shall be in accordance with plans approved by the Board. The provisions in Article VI hereof regarding the disbursement of funds for the repair of casualty damage or destruction shall apply.

If the taking or conveyance does not involve any improvements on the Common Area or a decision is made not to repair or restore, or if net funds remain after any such restoration or replacement is complete, then such award or net funds shall be disbursed to the Association and used for such purposes as the Board shall determine.

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ARTICLE IX
ASSOCIATION FINANCES

Section 9.1 Assessment.

(a) Personal Obligation. Except as hereinafter provided, each Owner, by accepting a deed for any portion of the Property, is deemed to covenant and agree to pay all Assessments authorized by the Governing Documents. All Assessments, together with interest (at a rate not to exceed eighteen percent (18%) per annum, or such higher rate as the Board may establish by resolution, subject to the limitations of Texas law), late charges as determined by Board resolution, costs and reasonable attorney's fees, shall be the personal obligation of each Owner upon whom the Assessment or charge is assessed and a lien upon each such Owner's Lot until paid in full. Except as provided in Section 9.6, upon the transfer of title to a Lot, the grantee shall be jointly and severally liable for any Assessments or charges due at the time of conveyance.

(b) Resale Certificate. The Association shall, within ten (10) days of the receipt of a written request from an Owner, Owner's agent, or title insurance company or its agent acting on behalf of the Owner, furnish to such Person, in addition to any other information that may be required by law, a certificate in writing signed by an officer of the Association, or a duly authorized agent, setting forth the amount of any unpaid Assessments against the Owner's Lot. Such certificate shall be conclusive evidence of such Owner's Assessment obligation as of the date of the certificate. The Association may require the advance payment of a reasonable processing fee for the issuance of such certificate.

(c) Time of Payment; Due Date. Assessments shall be paid in such manner and on such dates as may be fixed by the Board. Unless the Board otherwise provides, the Base Assessment shall be due and payable in advance on the first day of each fiscal year. Special Assessments and Specific Assessments are due on the date stated in the notice of assessment or, if no date is stated, within ten (10) days after notice of the Assessment is given. Assessments are considered delinquent if not received by the Association on or before the due date. If any Owner is delinquent in paying any Assessments levied on his or her Lot, the Board may require any unpaid installments of all outstanding Assessments to be paid in full immediately.

(d) No Exemption. Except for property exempt from Assessment pursuant to Section 9.8 hereof, no Owner may waive or otherwise exempt himself from liability for any Assessments by non-use of Common Area, abandonment of the Lot or any other reason. The obligation to pay Assessments is a separate and independent covenant on the part of each Owner. No diminution or abatement of Assessment or set-off shall be claimed or allowed by reason of any alleged failure of the Association to take some action or perform some function required to be taken or performed by the Association or for inconvenience or discomfort arising from the making of repairs or improvements, or from any action taken to comply with any law, ordinance, or with any order or directive of any municipal or other governmental authority or for any other action taken or failed to be taken by the Association.

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(e) Budget Deficits. During the Development Period, the Declarant shall be exempt from the payment of Assessments. During the Class "B" Control Period only, Declarant shall loan the difference between the amount of assessments (exclusive of reserve contributions) levied on all other Lots subject to assessment and the amount of actual expenditures (exclusive of reserve contributions) incurred by the Association during each fiscal year (the "budget deficit"). This obligation to fund budget deficits shall cease upon the termination of the Class "B" Membership. The Association shall have a lien against all Lots owned by the Declarant to secure the Declarant's obligations under this Section, which lien shall have the same attributes and shall be enforceable in the same manner as the Association's lien against other Lots under this Article. The Declarant's obligations hereunder may be satisfied in the form of a loan or by "in kind" contributions of services or materials, or by a combination of these as determined by Declarant in Declarant's absolute discretion. After termination of the Class "B" Membership, the Declarant shall pay assessments on its unsold Lots in the same manner as any other Owner.

(f) Declarant Subsidy. Declarant may reduce the Base Assessment for any fiscal year by payment of a subsidy (in addition to any amounts paid by such Declarant under Section 9.1(e) above), which may be either a contribution, or a loan, in the Declarant's absolute discretion. Any such subsidy shall be disclosed as a line item in the income portion of the budget. The payment of such subsidy in any year shall not otherwise obligate Declarant to continue payment of such subsidy in future years, unless provided in a written agreement between the Declarant and the Association.

Section 9.2 Base Assessment.

(a) Budget. At least thirty (30) days before the beginning of each fiscal year, the Board shall prepare a budget covering the estimated Common Expenses of the Association during the coming year, including any contributions to one or more reserve funds. During the Class "B" Control Period, the budget shall be established as if the Property were fully developed, fully phased, fully constructed and fully occupied with a level of service and maintenance typical for similar developments in the surrounding area, using cost estimates that are current for the period in which the budget is prepared. Contributions to the Association attributable to the Declarant shall be disclosed as a line item in the budget. The reserve portion of the budget shall take into account the number and nature of replaceable assets, the expected life of each asset and the expected repair or replacement cost. The Board may set the required capital contribution in an amount sufficient to permit meeting the projected needs of the Association, with respect both to amount and timing of Base Assessments over the period of the budget. During the Development Period, Declarant has no duty to contribute to the Association's reserve fund(s).

(b) Computation. The total budgeted Common Expenses shall be levied equally against all Lots (whether improved, unimproved, vacant or occupied) subject to Assessment (i.e. the Base Assessment) and shall be set at a level which is reasonably expected to produce the total income of the Association equal to the total budgeted Common Expenses, including reserves. In determining the Base Assessment, the Board may consider other sources of funds available to the Association. If during the course of the year the Board determines that the Base Assessment is insufficient to cover the estimated Common Expenses for the remainder of the year, the Board

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may, subject to the limitations of Section 9.2(c) below, increase the Base Assessment for the remainder of the year in an amount that covers the estimated deficiency.

(c) Notice; Disapproval. The Board shall send notice of the amount of the Base Assessment to be levied pursuant to the Board approved budget, or the amount of any proposed increase in the Base Assessment during the year, to each Owner at least thirty (30) days prior to the effective date of such budget or increase. During the Class "B" Control Period, the Base Assessment shall automatically become effective upon Board approval. Thereafter, the Base Assessment shall automatically become effective upon Board approval unless the proposed Base Assessment exceeds one hundred twenty percent (120%) of the prior fiscal year's Base Assessment. In the event the proposed Base Assessment exceeds this percentage, the Base Assessment shall automatically become effective unless disapproved by the Declarant during the Development Period or by Members representing at least fifty-one percent (51%) of the total Class "A" votes in the Association.

There shall be no obligation to call a meeting for the purpose of considering a Base Assessment or an increase thereof except on petition of the Members as provided for special meetings in the Bylaws, which petition must be presented to the Board within ten (10) days after delivery of the budget and notice of the Base Assessment or notice of the proposed increase.

In the event a proposed Base Assessment or increase thereof is disapproved or the Board fails for any reason to determine the budget for any year, then and until such time as a budget shall have been determined, the budget and Base Assessment most recently in effect shall continue in effect until a new budget and Base Assessment is determined.

Section 9.3 Special Assessments. In addition to other Assessments authorized hereunder, the Association may levy Special Assessments from time to time to cover unbudgeted expenses or expenses in excess of the amount budgeted. Any such Special Assessment shall be levied against all Lots subject to Assessment hereunder. Except as otherwise provided in this Declaration, any Special Assessment shall require the affirmative vote or written consent, or any combination thereof, of Members representing at least fifty-one percent (51%) of the total votes of the Association, and the affirmative vote or written consent of the Declarant. Notwithstanding the foregoing, during the Class "B" Control Period, the Declarant may unilaterally levy a Special Assessment. Special Assessments may be payable in such manner and at such times as determined by the Board, and may be payable in installments extending beyond the fiscal year in which the Special Assessment is approved.

Section 9.4 Specific Assessments. The Association shall have the power to levy Specific Assessments against a particular Lot which is subject to Assessment as follows:

(a) To cover costs incurred in bringing a Lot into compliance with the provisions of the Governing Documents;

(b) to cover the costs of providing benefits, items or services not provided to all Lots, such as additional landscape maintenance, pest control service, security and transportation services; such Assessments may be levied in advance of the provisions of the requested benefit,

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item or service as a deposit against charges to be incurred;

(c) for fines levied pursuant to the Governing Documents;

(d) for damages caused to the Common Area by the Owner, his or her family, guests, tenants, invitees, contractors or employees;

(e) for architectural review fees; and

(f) for any other cost or expense authorized by the Governing Documents to be levied against an Owner and his or her Lot which is not part of the Base Assessment or Special Assessment.

Section 9.5 Lien for Assessments. The Association shall have a lien against each Lot to secure payment of Assessments, as well as interest (subject to the limitations of Texas law), late charges, and costs of collection (including attorney's fees and costs). Such lien shall be prior and superior to all other liens, except (a) the liens of all taxes, bonds, assessments and other levies which by law would be superior thereto; (b) the lien or charge of any first Mortgage of record (meaning any recorded Mortgage with first priority over other Mortgages) made in good faith and for value recorded before the date on which the delinquent Assessment became due; and (c) the lien or charge of any construction loan for the construction of the original dwelling. Such lien, when delinquent, may be enforced by suit, judgment and judicial or non-judicial foreclosure (after first obtaining a court order in an application for expedited foreclosure as prescribed by law).

Although no further action is required to create or perfect the lien, the Association may, as further evidence and notice of the lien, execute and record a document setting forth as to any Lot, the amount of the delinquent sums due the Association at the time such document is executed and the fact that a lien exists to secure the repayment thereof. However, the failure of the Association to execute and record any such document shall not, to any extent, affect the validity, enforceability or priority of the lien. The lien may be foreclosed through judicial or, to the extent allowed by law, non-judicial foreclosure proceedings in accordance with Section 209.0092 and Section 51.002 *et seq*. of the Texas Property Code (the "Foreclosure Statute"), as it may be amended from time to time, in like manner of any deed of trust on real property. In connection with the lien created herein, each Owner of a Lot hereby grants to the Association, whether or not it is so expressed in the deed, the contract for sale or other conveyance to such Owner, a power of sale to be exercised in accordance with the Foreclosure Statute. At any foreclosure proceeding, any Person may bid for the Lot at foreclosure sale and acquire, hold, lease, mortgage and convey the Lot. While the Association owns the Lot following foreclosure: (i) no right to vote shall be exercised on its behalf; (ii) no Base Assessment shall be levied on it; and (iii) each other Lot shall be charged, in addition to its usual Base Assessment, its equal pro rata share of the Base Assessment that would have been charged such Lot had it not been acquired by the Association. The Association may sue to recover a money judgment for unpaid Assessments and other charges without foreclosing or waiving the lien securing the same.

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The sale or transfer of any Lot shall not affect the Assessment lien or relieve such Lot from the lien for any post-sale Assessments. However, the sale or transfer of any Lot pursuant to judicial or non-judicial foreclosure of a superior lien shall extinguish the lien as to any installments of such Assessments which became due prior to such sale or transfer. Where the Mortgagee holding a superior lien of record or other purchaser of a Lot obtains title pursuant to judicial or non-judicial foreclosure of the Mortgage, it shall not be personally liable for Assessments on such Lot due prior to such acquisition of title. Such unpaid Assessments shall be deemed to be Common Expenses, collectible from Owners of all Lots, including such acquirer, its successors and assigns.

Section 9.6 Date of Commencement of Assessments. The obligation to pay Assessments shall commence as to every Lot then subject to the Declaration on the first day of the month following the month in which the Board first determines a budget and levies assessments pursuant to this Article IX. The initial Base Assessment levied on each Lot shall be adjusted according to the number of months remaining in the fiscal year at the time Assessments commence on the Lot. Prior to the commencement of Assessments, Declarant shall be responsible for all operating expenses of the Property.

Section 9.7 Capitalization of the Association. Upon the initial acquisition of record title to a Lot by the first Owner thereof other than the Declarant or a Builder, a contribution shall be made by or on behalf of the purchaser to the working capital of the Association in an amount equal to the greater of (i) one-fourth (1/4th) of the annual Base Assessment per Lot for that year, or (ii) Two Hundred and No/100 Dollars ($200.00) (the "Acquisition Assessment"). Thereafter, upon each transfer of record title to a Lot from the first Owner other than the Declarant or a Builder, a contribution shall be made by or on behalf of the purchaser to the working capital of the Association in an amount equal to the greater of (i) one-fourth (1/4th) of the Base Assessment per Lot for that year, or (ii) Two Hundred and No/100 Dollars ($200.00) (the "Resale Assessment"). The Acquisition Assessment and Resale Assessment shall be in addition to, not in lieu of, the Base Assessment levied on the Lot and shall not be considered an advance payment of any portion thereof. This amount shall be deposited into the Association's designated account(s) and disbursed therefrom to the Association for use in covering operating expenses, capital expenditures and other expenses incurred by the Association pursuant to the terms of this Declaration and the Bylaws.

Section 9.8 Exempt Property. Notwithstanding anything to the contrary herein, the following property shall be exempt from payment of Assessments:

(a) all Common Area;

(b) all property dedicated to and accepted by any governmental authority or public utility;

(c) all property owned by persons qualifying for tax exempt status under Section 501(c) of the Internal Revenue Code of 1986 so long as such person owns property subject to this Declaration for purposes listed in Section 501(c) and who has been given a written exemption from Assessment by the Association; and

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(d) all property owned by the Declarant (such exemption shall terminate as to any Lots owned by the Declarant after the expiration of the Development Period).

ARTICLE X
ARCHITECTURAL STANDARDS

Section 10.1 General. Except as otherwise provided in this Article, no structure shall be placed, erected or installed upon any Lot and no improvements (including staking, clearing, excavation, drainage, grading and other site work, exterior alteration or modification of existing improvements, change in exterior paint colors, and planting or removal of landscaping materials) (collectively, the "Work") shall take place except in compliance with this Article X and the Design Guidelines. Notwithstanding the above, an Owner may repaint the exterior of a structure in accordance with originally approved color scheme and rebuild in accordance with originally approved plans and specifications without first seeking approval pursuant to Section 10.3. In addition, no prior approval shall be required to remodel, repaint or redecorate the interior of structures on a Lot. However, modifications to the interior of screened porches, patios and similar portions of a Lot visible from outside the Lot shall be subject to prior approval in accordance with this Article. The Design Guidelines may provide for further exceptions to the prior approval requirement of Section 10.3.

This Article X shall not apply to the construction activities of the Declarant nor to improvements to the Common Area by or on behalf of the Association.

This Article X may not be amended during the Development Period without the Declarant's written consent.

Section 10.2 Architectural Review. Responsibility for administration of the Design Guidelines, as defined below, and review of all applications for construction and modifications under this Article X shall be handled by the Architectural Review Committee (the "Committee"). The members of the Committee may, but need not, include, whose compensation, if any, shall be established from time to time by the Board. The Committee shall consist of three (3) persons. During the Development Period, the Declarant retains the right to appoint all members of the Committee who may be representatives of the Declarant and who shall serve at the discretion of the Declarant. There shall be no surrender of this right prior to that time except in a written instrument executed by Declarant and recorded in the Collin County Deed Records. Upon the expiration of such right, the Board shall appoint the members of the Committee, who shall serve and may be removed at the discretion of the Board. At the Board's option, the Board may act as the Committee, in which case all references in the Governing Documents to the Committee shall be construed to mean the Board.

Section 10.3 Guidelines and Procedures.

(a) Design Guidelines and Procedures. The initial design and development guidelines and application and review procedures (the "Design Guidelines") which shall be applicable to all construction activities within the Property are attached hereto as Exhibit "E" and incorporated by

reference. Declarant shall have the sole and full authority to amend them during the Development Period unless Declarant assigns such right to the Board at an earlier time. Thereafter, the Board shall have the authority to amend the Design Guidelines. Any amendments to the Design Guidelines shall be prospective only and shall not apply or require modifications to or removal of structures previously approved once the approved construction or modification has commenced. There shall be no limitation on the scope of amendments to the Design Guidelines; Declarant or the Board, as appropriate, is expressly authorized to amend the Design Guidelines to remove requirements previously imposed or otherwise to make the Design Guidelines less restrictive. The Design Guidelines may contain general provisions applicable to all of the Property, as well as specific provisions which vary from one portion of the Property to another depending upon location and unique characteristics.

(b) Procedures. Except as otherwise provided in this Article, no Work shall commence on any Lot until an application for approval has been submitted to and approved by the Committee IN WRITING. Such application shall be in the form required by the Committee and shall include plans and specifications ("Plans") showing the site layout, structural design, exterior elevations, exterior materials and colors, signs, landscaping, drainage, lighting, irrigation, utility facilities layout and screening therefor, and other features of proposed construction, as applicable. The Committee may require the submission of such additional information as it deems necessary to consider any application. The Plans shall be in such form and shall contain such information as may reasonably be required pursuant to the Design Guidelines. The Committee may permit a set of plans and elevations to be submitted for consideration and approval with respect to multiple Lots at one time.

(c) Basis of Review. In reviewing each submission, the Committee may consider (but shall not be limited to consideration of) visual and environmental impact, ecological compatibility, natural platforms and finished grade elevations, the quality of workmanship and design, harmony of external design with surrounding structures and environment, location in relation to surrounding structures and plant life, architectural merit and compliance with the general intent of the Design Guidelines, the general scheme of development for the Property, and any other aspect of construction, landscaping and property use that may affect the general value and appearance of the Property. The Committee may solicit comments on an application from Owners or Residents who may be affected by the proposed Work. If a building permit is required for the Work, the Committee may condition approval on the issuance of the appropriate permit. The issuance of a permit by a governmental body does not satisfy the approval requirements under this Declaration. Decisions of the Committee may be based on purely aesthetic considerations.

(d) Time Period for Review. A schedule and procedures outlining the specified Plans to be submitted at specific times shall be established by the Committee and may be set forth in the Design Guidelines. The Committee shall, within thirty (30) days after receipt of each required submission of Plans, advise the party submitting the same, in writing, at an address specified by such party at the time of submission of (i) the approval of Plans or (ii) the disapproval of Plans, specifying the segments or features of the Plans which are objectionable and suggestions, if any, for the curing of such objections. In the event the Committee fails to advise the submitting party by written notice within the time set forth above of either the

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approval or disapproval of the Plans, the approval shall be deemed denied.

(e) Notice. Notice shall be deemed to have been given at the time the envelope containing such notice, properly addressed and postage prepaid, is deposited with the United States Postal Service, registered or certified mail, return receipt requested. Personal or electronic delivery of such written notice shall also be sufficient and shall be deemed to have been given at the time of delivery or electronic transmission with verification of receipt.

(f) Completion of Work. All work shall be completed within eighteen (18) months of commencement of construction or such shorter period as the Committee may specify in the notice of approval, unless completion within such time is delayed due to causes beyond the reasonable control of the Owner, as determined in the sole discretion of the Committee.

(g) Owner's Right to Build. The fact that construction of a Residence may not commence or be completed for a period of months or years does not diminish or extinguish an Owner's right to construct a Residence or other improvements on a Lot. Neighboring Owners to a vacant Lot acquire no right to the continued existence of a vacant Lot during the period of inactivity.

Section 10.4 No Waiver of Future Approvals. The Committee's approval of any Plans for any Work done or proposed, or in connection with any other matter requiring the approval and consent of such Committee, shall not be deemed to constitute a waiver of any right to withhold approval or consent as to any similar Plans or other matters subsequently or additionally submitted for approval.

Section 10.5 Variances. The Committee may authorize variances from compliance with the Design Guidelines and any required procedures when circumstances such as topography, natural obstructions, hardship or aesthetic or environmental considerations so require. Such variances shall not, however, (i) be effective unless in writing; (ii) be contrary to the restrictions set forth in this Declaration; or (iii) estop the Committee from denying a variance in other circumstances. For purposes of this Section, the inability to obtain approval of any governmental agency, the issuance of any permit, or the terms of any financing shall not constitute hardships.

Section 10.6 Limitation of Liability. Review and approval of any application pursuant to this Article X is made on the basis of aesthetic considerations only, and the Committee shall not bear any responsibility for ensuring (i) structural integrity or soundness of approved construction or modifications, (ii) compliance with building codes and other governmental requirements, or (iii) conformity of quality, value, size or design among Lots. Neither the Declarant, the Association, the Board, the Committee nor member of any of the foregoing, shall be held liable for soil conditions, drainage or other general site work, or for any defects in Plans revised or approved hereunder, or for any injury, damages or loss arising out of the manner or quality of approved construction on or modifications to any Lot.

Section 10.7 Fees; Assistance. The Committee may establish and charge reasonable fees for review of applications hereunder and may require such fees to be paid in full prior to review

of any application. Such fees may include the reasonable costs incurred in having any application reviewed by architects, engineers or other professionals, although nothing shall be construed herein as requiring the review of applications by such professionals.

Section 10.8 Construction Deposit. In order to insure an Owner's compliance with this Declaration, the Design Guidelines and the rules and regulations promulgated thereunder, each Owner of a Lot (other than Declarant) shall pay to the Association a construction deposit, in an amount established by the Board from time to time, upon the Owner's submission of final plans and specifications for the construction or modification of an improvement under this Article. This deposit is in addition to any such deposit required under a separate agreement between a Builder and Declarant. In the event the Committee disapproves of the final plans and specifications, the Association shall promptly return the construction deposit (less any outstanding plan review fees) to said Owner upon receipt of the Owner's written request to do so. If said plans and specifications are approved, the entire construction deposit shall be held by the Association until construction of the improvement is completed in accordance with the approved plans as determined by the Board in its sole discretion. The Association shall release the construction deposit to the Owner, less any funds expended or reserved by the Association pursuant to this Section, within thirty (30) days of receipt of written notice from the Owner of completion of the improvement.

The Association may, without waiving any other remedy provided by this Declaration or by law, draw upon the construction deposit or withhold the release of the deposit as necessary to cover, among other things (i) any plan review fees; (ii) the cost or anticipated cost to repair damage to the Common Area caused by the Owner, his contractors, subcontractors, agents or employees; (iii) the cost or anticipated cost to perform the care, maintenance or repairs required to be performed by an Owner pursuant to this Declaration and any rules promulgated thereunder; (iv) the cost or anticipated cost to restore an Owner's Lot to a condition existing prior to the commencement of nonconforming work (including, without limitation, the demolition and removal of any unapproved or nonconforming improvement); and (v) monetary fines levied against the Owner for violations of the Governing Documents. If any part of the construction deposit is applied by the Association, the Owner shall, immediately upon demand, deposit with the Association a sum equal to the amount so applied in order to restore the construction deposit to its original amount.

Section 10.9 Enforcement. Any Work performed in violation of this Article X or the Design Guidelines shall be deemed nonconforming. Upon written request from the Board, the Declarant or the Committee, Owners shall, at their own cost and expense, cure such nonconforming Work or remove such structure or improvement and restore the Lot to substantially the same condition as existed before the nonconforming Work. Should an Owner fail to remove or restore as required hereunder, the Declarant, the Association or their designees, shall have the right to enter the Lot and remove or cure the violation. All costs, together with the interest at the maximum rate then allowed by law, may be assessed against the nonconforming Lot and collected as a Specific Assessment pursuant to Section 9.4.

In the event that any Person fails to commence and diligently pursue to completion all approved Work, Declarant or the Association shall be authorized, after providing notice and an

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opportunity to cure to the Owner, to enter upon the Lot and remove or complete any incomplete Work and to assess all costs incurred against the Lot and the Owner thereof as a Specific Assessment pursuant to Section 9.4.

In addition to the foregoing, the Association and Declarant shall have the authority and standing to pursue all legal and equitable remedies available to enforce the provisions of this Article X and the decisions of the Committee.

Section 10.10 Notice of Violation. To evidence any violation of the Governing Documents as to a particular Lot, the Board may file in the Deed Records of Collin County, Texas, a notice of violation setting forth (i) the violation, (ii) the name of the Owner and Lot, and (iii) a sufficient legal description of the Lot. Such notice shall be signed and acknowledged by an officer or duly authorized agent or attorney of the Association. The cost of preparing and recording such notice may be assessed against the non-conforming Lot and collected as a Specific Assessment pursuant to Section 9.4.

ARTICLE XI
USE RESTRICTIONS

Section 11.1 General. The Property shall be used only for single-family residential and related purposes (which may include, without limitation, an information center and/or a sales office for any real estate broker retained by Declarant to assist in the sale of any portion of the Property, offices for any property manager, or business offices for Declarant or the Association) consistent with the Governing Documents.

Section 11.2 Occupants Bound. All provisions of the Governing Documents which govern the conduct of Owners and which provide for sanctions against Owners shall also apply to all occupants, guests and invitees of any Lot. Every Owner shall cause all Residents of his or her Lot to comply with the Governing Documents. Every Owner shall be responsible for all violations and losses to the Common Area caused by such occupants, notwithstanding the fact that such Residents of a Lot are fully liable and may be sanctioned for any such violation or loss.

Section 11.3 Signs. Except for signs of the Declarant and the Association, no sign of any kind shall be displayed to the public view on the Common Area without the prior written approval of the Committee. No signs of any kind shall be displayed to the public view on a Lot except for the following: (i) one (1) sign of not more than five (5) square feet advertising a Lot for sale (for lease signs are strictly prohibited); (ii) signs used by the Declarant or by a Builder to advertise the Property during the Development Period, including entry, directional and advertising signs; (iii) political signs not exceeding four (4) feet by six (6) feet in size advocating the election of one or more political candidates or the sponsorship of a political party, issue or proposal (but no more than one such sign for each candidate or ballot item) provided that such signs are ground-mounted, and are not erected more than ninety (90) days in advance of the election to which they pertain and are removed within ten (10) days after the election, and do not violate any of the provisions of Section 202.009(c) of the Texas Property Code; (iv) personal signs indicating school affiliations, social events, birth announcements and similar type signs provided they are removed after a reasonable period of time; and (v) one sign not exceeding one

square foot in size indicating that a Residence is monitored by a security company.

No sign may be displayed in a window of a Residence. The Association shall have the right to remove any sign, billboard or other advertising structure that does not comply with the Governing Documents or which, in the Board's sole discretion, are unsuitable for the community, and in so doing shall not be subject to any liability for trespass or any other liability in connection with such removal. If permission is granted to any Person to erect a sign upon the Common Area, the Committee reserves the right to restrict the size, color, lettering and placement of such sign. The Board and the Declarant shall have the right to erect signs as they, in their discretion, deem appropriate.

Section 11.4 Parking and Prohibited Vehicles.

(a) Parking on Streets. Parking on the streets overnight is prohibited. Without the Committee's prior written approval, the original garage area of a Lot may not be enclosed or used for any purpose that prohibits the parking of two (2) standard size operable vehicles therein. Garage doors are to be kept closed at all times except when a vehicle is entering or exiting. Except as provided in Section 11.4(b) below, vehicles must be parked in the garage or on the driveway.

(b) Prohibited Vehicles. Commercial vehicles, vehicles with commercial writing on their exteriors, vehicles primarily used or designed for commercial purposes, golf carts, stored vehicles, inoperable vehicles, tractors, mobile homes, recreational vehicles, trailers (either with or without wheels), campers, camper trailers, boats and other watercraft, and watercraft trailers shall be parked only in enclosed garages or other areas not visible from outside the Lot. For purposes of this Section, a vehicle shall be considered "stored" if it is put up on blocks or covered with a tarpaulin and remains on blocks or so covered for fourteen (14) consecutive days. For purposes of this Section, a vehicle shall be considered "inoperable" if it is obviously not capable of being operated as a vehicle or if it does not have current registration or operating licenses. Notwithstanding the above, service and delivery vehicles may be parked in the Property for such period of time as is reasonably necessary to provide service or to make a delivery to a Lot or the Common Area. Any vehicle parked in violation of this Section or parking rules promulgated by the Board may be towed at the vehicle owner's expense.

Section 11.5 Animals and Pets. No animals, livestock or poultry of any kind shall be raised, bred or kept on any portion of the Property, except that a reasonable number of dogs, cats or other usual and common domesticated household pets may be permitted on a Lot. Unless otherwise provided in the Rules and Regulations, a reasonable number of pets shall be deemed to be a total of four (4) or less. Notwithstanding the above, those pets which are permitted to roam free or, in the sole discretion of the Board, endanger the health, make objectionable noise or constitute a nuisance or inconvenience to the occupants of other Lots shall be removed upon request of the Board. If the pet owner fails to honor such request, the Board may remove the pet. Dogs shall be kept on a leash or otherwise confined whenever outside the Residence or the enclosed portion of the Lot. The pet owner is responsible for the removal of his or her pet's waste from the Property. Unless the Rules and Regulations otherwise provide, a pet owner must prevent his or her pet from relieving itself on the Common Area or the Lot of another Owner.

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Structures designed to keep or contain pets, including dog houses, animal pens, dog runs and the like, must be placed in a location on the Lot that is not visible from outside the Lot.

Section 11.6 Quiet Enjoyment. Nothing shall be done or maintained on any part of a Lot which emits foul or obnoxious odors outside the Lot or creates noise or other conditions which tend to disturb the peace, quiet, safety, comfort or serenity of the occupants of other Lots. There shall not be maintained any plants or animals or device or things of any sort whose activities or existence in any way is noxious, dangerous, unsightly, unpleasant or of a nature as may diminish or destroy the enjoyment of the Property.

Section 11.7 Unsightly or Unkempt Conditions. All portions of a Lot outside of enclosed structures shall be kept in a clean and tidy condition at all times. Nothing shall be done, maintained, stored or kept outside of enclosed structures on a Lot which, in the determination of the Board, causes an unclean, unhealthy or untidy condition to exist or is obnoxious to the senses. The pursuit of hobbies or other activities, including specifically, without limiting the generality of the foregoing, the assembly and disassembly of motor vehicles and other mechanical devices, which might tend to cause disorderly, unsightly or unkempt conditions, shall not be pursued or undertaken on any part of the Property. Notwithstanding the above, the disassembly and assembly of motor vehicles to perform repair work shall be permitted provided such activities are not conducted on a regular or frequent basis and are conducted entirely within an enclosed garage.

No person shall dump grass clippings, leaves or other debris, petroleum products, fertilizers or other potentially hazardous or toxic substances in any drainage ditch, street or gutter, or anywhere on the Common Area. Such materials shall not be disposed of on any portion of the Property without the prior permission of the owner thereof.

Section 11.8 Antennas. No exterior antennas, aerials, satellite dishes or other apparatus for the transmission of television, radio, satellite or other signals of any kind shall be placed, allowed or maintained upon any portion of the Property. Notwithstanding the foregoing (i) antennas or satellite dishes designed to receive video programming services via multi-point distribution services which are one (1) meter or less in diameter or diagonal measurement; (ii) antennas or satellite dishes designed to receive direct broadcast satellite service which are one meter or less in diameter; or (iii) antennas or satellite dishes designed to receive television broadcast signals [(i), (ii) and (iii) are collectively referred to as "Permitted Devices"] shall be permitted to be placed on a Lot provided that any such Permitted Device is placed in the least conspicuous location on the Lot at which an acceptable quality signal can be received and such Permitted Device is not visible from neighboring property or is screened from the view of adjacent Lots in a manner consistent with the Community-Wide Standard and the Design Guidelines.

Section 11.9 Garbage Cans, Tanks, etc. All garbage cans, above-ground storage tanks, mechanical equipment and other similar items on Lots shall be located or screened so as to be concealed from view of neighboring Lots, streets and property located adjacent to the Lot. All rubbish, trash and garbage shall be stored in appropriate containers approved pursuant to Article X. All rubbish, trash and garbage shall regularly be removed from the Property and shall not be

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allowed to accumulate. Garbage and trash cans may be placed at the curbside or other designated pickup location not more than twenty-four (24) hours prior to the pickup time and must be removed within twelve (12) hours after pickup.

Section 11.10 Subdivision and Time Sharing. No Lot shall be subdivided into two or more Lots, nor shall two or more Lots be combined into a single Lot, nor shall a Lot have its boundary lines changed after the subdivision plat has been approved and recorded except with the prior written approval of the Board. Declarant, however, hereby expressly reserves the right to subdivide, change the boundary line of and re-plat any Lot(s) owned by Declarant. Notwithstanding the combination of two or more Lots into a single Lot, the Owner of the combined Lot(s) shall be obligated to pay the Base Assessment or any Special Assessment based upon the number of Lots originally comprising the Lot as shown on the original approved and recorded subdivision plat of the portion of the Property including such Lots.

No Lot shall be made subject to any type of timesharing, fraction-sharing or similar program whereby the right to exclusive use of the Lot rotates among members of the program on a fixed or floating time schedule over a period of years.

Section 11.11 Firearms. The discharge of firearms and use of bows and arrows within the Property is prohibited. The term "firearms" includes "B-B" guns, pellet guns and other firearms of all types, regardless of size. Notwithstanding anything to the contrary contained in the Governing Documents, the Association shall not be obligated to take action to enforce this Section.

Section 11.12 Pools. No above-ground swimming pools shall be erected, constructed or installed on any Lot. Jacuzzis, whirlpools or spas approved pursuant to Article X shall not be considered an above-ground pool for the purposes of this Section.

Section 11.13 Irrigation. No sprinkler or irrigation systems of any type installed by a Builder on a Lot shall be modified by a non-Builder Owner unless prior written approval has been received from the Board or its designee. Each Owner must install and maintain a central sprinkler system and a rain water collection system on his or her Lot.

Section 11.14 Tents, Sheds, Mobile Homes and Structures. Except as otherwise permitted by this Declaration, no tent, shack, mobile home, storage shed, greenhouse or similar structure, whether temporary or permanent, shall be placed upon a Lot in a location that is visible from outside the Lot. Party tents or similar temporary structures may be erected for a limited period of time for special events with prior written approval of the Board. Except as may be permitted by the Declarant or the Committee during initial construction within the Property, no thing or structure on a Lot may be occupied as a Residence at any time by any Person other than a structure which has been issued a Certificate of Occupancy by the Town. This provision applies, without limitation, to the garage, mobile homes, campers, trailers, recreational vehicles, and storage sheds.

Section 11.15 Grading, Drainage and Septic Systems. No Person shall alter the grading or drainage of any Lot without prior approval pursuant to Article X of this Declaration. No

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Person other than Declarant may obstruct or re-channel the drainage flows after location and installation of drainage swales, storm sewers or storm drains. The Declarant hereby reserves for itself and the Association a perpetual easement across the Property for the purpose of altering drainage and water flow. However, the exercise of such an easement shall not materially diminish the value of or unreasonably interfere with the use of any adjacent property without the Owner's consent. Septic tanks and drain fields, other than those installed by or with the consent of the Declarant or required by the Town, are prohibited within the Property. In this regard, septic systems are specifically required for Lots 6 through 12, inclusive, of Block C, and Lot 5 of Block B.

Section 11.16 Removal of Plants and Trees. No trees or shrubs, except for those which are diseased or dead or create a safety hazard, shall be removed except by the Declarant or in strict compliance with the Design Guidelines. In the event of an intentional or unintentional violation of this section, the violator may be required by the Committee to replace the removed tree with one or more comparable trees of such size and number and in such locations as the Committee may determine necessary, in its sole discretion, to mitigate the damage.

Section 11.17 Utility Lines. No overhead utility lines, including lines for cable television, shall be permitted within the Property, except for temporary lines as required during construction and high voltage lines.

Section 11.18 Air-Conditioning Units; Solar Energy Devices. No window air-conditioning units may be installed in any Lot unless they are not visible from neighboring property. Solar energy devices must be approved in accordance with the Design Guidelines and Article X of this Declaration.

Section 11.19 Lighting. Except for traditional holiday decorative lights, which may be displayed for one (1) month prior to and one (1) week after any commonly recognized holiday for which such lights are traditionally displayed, all exterior lights must be approved in accordance with the Design Guidelines and Article X of this Declaration.

Section 11.20 Exterior Sculpture and Similar Items. No artificial vegetation, permanent or temporary flagpoles, exterior sculpture, fountains, birdhouses, birdbaths, other decorative embellishments, or similar items, shall be permitted unless in compliance with Article X of this Declaration and the Design Guidelines unless (i) the item is expressly permitted by this Declaration, or (ii) the item is placed within a fenced yard, the item is no taller than the fence, and the fence blocks the view of the item at eye level.

Section 11.21 Flags. The United States flag, the Texas state flag and/or an official or replica flag of any branch of the United States armed forces may be displayed provided that they are displayed in accordance with the Rules and Regulations and the Design Guidelines. No other type of flag, pennant, banner, kite, or similar items of display is permitted on a Lot if the display is visible from a street or Common Area.

Section 11.22 Religious Displays. One or more religious items may be displayed or affixed to the entry of a Residence provided that such item is displayed or affixed in accordance with the Rules and Regulations and the Design Guidelines. Notwithstanding the foregoing, in

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displaying a religious item, an Owner or Resident may not use a material or color for an entry door or door frame of the Owner's or Resident's dwelling or make an alteration to the entry door or door frame without the prior written approval of the Committee.

Section 11.23 Playground and Recreational Equipment. No jungle gyms, swing sets, basketball hoops and backboards, similar playground equipment, tennis courts or such other recreational equipment shall be erected or installed on any Lot unless in compliance with Article X of this Declaration and the Design Guidelines. Any temporary basketball hoops or backboards permitted by the Board or its designee must be stored out of sight of neighboring property when not in use. Any playground or other play areas or equipment erected within the Property shall be used at the risk of the user. The Association shall not be held liable to any Person for any claim, damage or injury occurring thereon or related to use thereof.

Section 11.24 Fences.

(a) Height and Location. The height of fences must be 4 feet standard iron fence. For certain locations and uses, the Committee may approve fence heights as tall as 6 feet.

(b) Transitions. Fences that adjoin or connect must appear to be the same height or must be designed and constructed with transitions between the differing heights to reduce the appearance and effect of the height change.

(c) Finish Side "Out". All fences that are visible from a street, a Common Area, or a neighboring development must have a "finished side" appearance on the outward face of the fence.

(d) Condition. Each Owner must maintain the fences and gates on his or her Lot in a condition and appearance that is standard for the neighborhood.

(e) Permitted Materials. Fences installed by Owners on house Lots must be made of open picket wrought iron of the style, quality, color and type that are standard for the Property, or made of another Committee-approved material. Initially, fences must be made of vinyl material, mounted on metal galvanized fence posts. Barbed wire and chain link fencing are prohibited. Railroad ties may not be used for a retaining wall.

(f) Fence Color. All fences must be the color black.

(g) Uniformity. Notwithstanding anything to the contrary in any instrument pertaining to the Property or elsewhere in this Declaration, the Committee may require that all fences along a particular stretch within the Property, such as along or visible from a road or Common Area, be uniform in height, color, material, and appearance, including use of a particular color. Further, the Committee may require certain treatments for transitions between fences and at changes in grade or elevation.

(h) Fences Along Common Area. Declarant reserves the right for itself and for the Committee to establish and publish detailed specifications for fences on or along the sides of Lots that abut Common Area within the Property. If no such specifications are published, the

fences will be wood split rail with stone columns.

(i) Fences By Declarant or Builder. The Committee may authorize variations of this Section's requirements for fences constructed by the Declarant or by Builders in connection with new home construction during the Development Period. Any fence installed by Declarant is deemed to have been approved by the Committee.

Section 11.25 Business Use. No business, trade or similar activity may be conducted in or from any Lot, except that an Owner or occupant residing in a Lot may conduct business activities within the Lot so long as (i) the existence or operation of the business activity is not apparent or detectable by sight, sound or smell from outside the Lot, (ii) the business activity conforms to all zoning requirements for the Property and is ancillary to the primary use of the home as a residence, (iii) the business activity does not noticeably increase the level of vehicular or pedestrian traffic or the number of vehicles parked in the Property, (iv) the business activity does not involve door-to-door solicitation of residents of the Property, and (v) the business activity is consistent with the residential character of the Property and does not constitute a nuisance or a hazardous or offensive use, or threaten the security or safety of other residents of the Property, as may be determined in the sole discretion of the Board.

The terms "business" and "trade" as used in this provision, shall be construed to have their ordinary, generally accepted meanings and shall include, without limitation, any occupation, work or activity undertaken on an ongoing basis which involves the provision of goods or services to persons other than the provider's family and for which the provider receives a fee, compensation or other form of consideration, regardless of whether (i) such activity is engaged in full or part time, (ii) such activity is intended to or does generate a profit, or (iii) a license is required.

Notwithstanding the above, the leasing of a Lot in compliance with Section 11.26 of this Declaration shall not be considered a business or trade within the meaning of this Section. The Association may also adopt Rules regarding the use of a Lot for garage sales, yard sales, estate sales, rummage sales and/or similar temporary sales activities, including Rules limiting the frequency, location, and signage relating to such activities. Sales activities that are conducted in accordance with such Rules shall not be considered a business or trade within the meaning of this Section.

This Section shall not apply to any activity conducted by the Declarant or a Builder approved by the Declarant with respect to its development and sale of the Property or its use of any Lots which it owns within the Property.

Section 11.26 Leasing of Lots. "Leasing", for purposes of this Declaration, is defined as regular, exclusive occupancy of a Lot by any person, other than the Owner for which the Owner receives any consideration or benefit, including, but not limited to, a fee, service, gratuity or emolument. All Leases shall be in writing. Lots may be leased only in their entirety. No fraction or portion may be leased. There shall be no subleasing of Lots or assignment of leases unless prior written approval is obtained from the Board. No transient tenants may be accommodated in a Lot. All leases shall be in writing and shall be for an initial term of no less than six (6) months, except with the prior written consent of the Board. Notice of any lease,

together with such additional information as may be required by the Board, shall be given to the Board by the Owner within ten (10) days of execution of the lease. The Owner must make available to the lessee copies of the Governing Documents. In the event of a tenant's violation of the Governing Documents, the Owner is responsible for his or her tenant's compliance. If the Owner fails or refuses to enforce his or her tenant's compliance, the Association may pursue the remedies of a landlord under the lease and state law for the default, including eviction of the tenant. The Owner is liable to the Association for any expenses incurred by the Association in connection with enforcement of the Governing Documents against the Owner's tenant. The Board may adopt reasonable rules regulating leasing and subleasing.

Section 11.27 Laws and Ordinances. Every Owner and occupant of any Lot, their guests and invitees, shall comply with all laws, statutes, ordinances and rules of federal, state and municipal governments applicable to the Property. Any violation may be considered a violation of this Declaration. However, the Board shall have no obligation to take action to enforce such laws, statutes, ordinances and rules.

Section 11.28 Single Family Occupancy. No Residence shall be occupied by more than a single family. For purposes of this restriction, a single family shall be defined as any number of persons related by blood, adoption or marriage living with not more than one person who is not so related as a single household unit, or no more than two persons who are not so related living together as a single household unit, and the household employees of either such household unit; provided, however, that nothing herein shall be interpreted to restrict the ability of one or more adults meeting the definition of a single-family from residing with any number of persons under the age of eighteen (18) over whom such persons have legal authority.

Section 11.29 Window Treatments. All window treatments within a Residence that are visible from the street or another Residence must be maintained in good condition and must not detract from the appearance of the Property. The Committee may require an Owner to change or remove a window treatment that the Committee determines to be inappropriate or unattractive. The Committee may prohibit the use of certain colors or materials for window treatments.

ARTICLE XII
MORTGAGEE PROVISIONS

The following provisions are for the benefit of holders of First Mortgages on Lots in the Property. The provisions of this Article apply to both this Declaration and to the Bylaws, notwithstanding any other provisions contained therein.

12.1 Notices of Action. An institutional holder, insurer or guarantor of a First Mortgage who provides a written request to the Association (such request to state the name and address of such holder, insurer or guarantor and the Lot number, therefore becoming an "Eligible Mortgage Holder") will be entitled to timely written notice of:

(a) any condemnation loss or any casualty loss which affects a material portion of the Property or which affects any Lot on which there is a First Mortgage held, insured or guaranteed by such Eligible Mortgage Holder;

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(b) any delinquency in the payment of Assessments or charges owed by an Owner of a Lot subject to the Mortgage of such Eligible Mortgage Holder, where such delinquency has continued for a period of sixty (60) days; provided, however, notwithstanding this provision, any holder of a First Mortgage, upon request, is entitled to written notice from the Association of any default in the performance by the Owner of the encumbered Lot of any obligation under the Declaration or Bylaws of the Association which is not cured within sixty (60) days; or

(c) any lapse, cancellation or material modification of any insurance policy maintained by the Association.

12.2 No Priority. No provision of this Declaration or the Bylaws gives or shall be construed as giving any Owner or other party priority over any rights of the First Mortgagee of any Lot in the case of distribution to such Owner of insurance proceeds or condemnation awards for losses to or a taking of the Common Area.

12.3 Notice to Association. Upon request, each Lot Owner shall be obligated to furnish to the Association the name and address of the holder of any Mortgage encumbering such Owner's Lot.

12.4 Other Provisions for Mortgagees. To the extent possible under Texas law:

(a) Any restoration or repair of the Property after a partial condemnation or damage due to an insurable hazard shall be performed substantially in accordance with this Declaration and the original plans and specifications unless the approval is obtained of the Eligible Mortgage Holders of First Mortgages on Lots to which at least fifty-one percent (51%) of the votes of Lots subject to Mortgages held by such Eligible Mortgage Holders are allocated.

(b) Any election to terminate the Association after substantial destruction or a substantial taking in condemnation shall require the approval of the Eligible Mortgage Holders of First Mortgages on Lots to which at least fifty-one percent (51%) of the votes of Lots subject to Mortgages held by such Eligible Mortgage Holders are allocated.

12.5 Amendments by Board. Should the Federal National Mortgage Association, the Federal Home Loan Mortgage Corporation, HUD or VA subsequently delete any of their respective requirements which necessitate the provisions of this Article or make any such requirements less stringent, the Board, without approval of the Owners, may cause an amendment to this Article to be recorded to reflect such changes.

12.6 Failure of Mortgagee to Respond. Any Mortgagee who receives a written request from the Board to respond to or consent to any action shall be deemed to have approved such action if the Association does not receive a written response from the Mortgagee within thirty (30) days of the date of the Association's request; provided such request is delivered to the Mortgagee by certified or registered mail, return receipt requested.

12.7 Applicability of Article XII. Nothing contained in this Article shall be construed to

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reduce the percentage vote that must otherwise be obtained under the Declaration, Bylaws or Texas law for any of the acts set out in this Article.

ARTICLE XIII
EASEMENTS

Section 13.1 Easements of Encroachment. There shall be reciprocal appurtenant easements of encroachment and for maintenance and use of any permitted encroachment, between each Lot and any adjacent Common Area and between adjacent Lots due to the unintentional placement or settling or shifting of the improvements constructed, reconstructed or altered thereon (in accordance with the terms of these restrictions) to a distance of not more than three feet, as measured from any point on the common boundary along a line perpendicular to such boundary. However, in no event shall an easement for encroachment exist if such encroachment occurred due to willful and knowing conduct on the part of, or with the knowledge and consent of the Person claiming the benefit of such easement.

Section 13.2 Easements for Utilities, etc. There are hereby reserved unto Declarant, during the Development Period, and to the Association and the designees of each (which may include, without limitation, Collin County, Texas, and any utility) access and maintenance easements upon, across, over and under all of the Property (but not through a structure) to the extent reasonably necessary for the purpose of replacing, repairing and maintaining cable television systems, fiber-optic systems, security and similar systems, roads, walkways, drainage systems, street lights, signage and all utilities, including, but not limited to, water, sewers, meter boxes, telephone, gas and electricity and for the purpose of installing any of the foregoing on property which it owns or within easements designated for such purposes on recorded plats of the Property. Notwithstanding anything to the contrary herein, these easements shall not entitle the holders to construct or install any of the foregoing systems, facilities or utilities over, under or through any existing Residence on a Lot and any damage to a Lot resulting from the exercise of these easements shall promptly be repaired by, and at the expense of, the Person exercising these easements. The exercise of these easements shall not unreasonably interfere with the use of any Lot.

Without limiting the generality of the forgoing, there are hereby reserved for the local water supplier, electric company, and natural gas supplier easements across all the Common Area for ingress, egress, installation, reading, replacing, repairing and maintaining utility meters and boxes. However, the exercise of this easement shall not extend to permitting entry into the Residence on any Lot. Notwithstanding anything to the contrary contained in this Section, no sewers, electrical lines, water lines or other utilities may be installed or relocated on the Property except as may be approved by the Board or as provided by Declarant.

Section 13.3 Right of Entry. The Association shall have the right, but not the obligation, to enter upon any Lot for emergency, security and safety reasons, to perform maintenance pursuant to Article V hereof, and to inspect for the purpose of ensuring compliance with the Governing Documents. Except in an emergency situation (i.e. imminent damage to or loss of life or property), entry shall only be during reasonable hours and after notice to the Owner. This right of entry shall include the right of the Association to enter upon a Lot to cure any condition which may increase the possibility of a fire or other hazard in the event an Owner fails or refuses

to cure the condition within a reasonable time after requested by the Board, but shall not authorize entry into any Residence without permission of the Owner except by emergency personnel acting in their official capacities. The easement granted hereunder shall not create an obligation or duty on the part of Declarant or the Association to provide for the safety or security within the Property. In exercising this easement right, neither the Declarant nor the Association shall be liable to the Owner for trespass.

Section 13.4 Easement for Entry and Screening Features. The Association is hereby granted a perpetual easement (the "Entry Feature Easement") over each Lot that abuts or contains a portion of the Property's formal entrances, for the purposes stated in this Section 13.4, regardless of whether or how the Plat shows the easement or entry features.

(a) Entrance Lots. On recording of this Declaration, Declarant burdens the following Lots on which the formal entrances are located with the Entry Feature Easement: (i) Lot 8, Block A, (ii) Lot 1, Block C, and (iii) Lot 7, Block A, as shown on the Plat.

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

(c) Rights Reserved. The Owners of the Lots burdened by this easement will have the continual use and enjoyment of their respective Lots for any purpose that does not unreasonably interfere with or prevent the Association's use and easement rights hereunder.

(d) Temporary Easement. In addition to the easement granted herein, the Association has the temporary right, from time to time, to use as much as the surface of the burdened Lot as may be reasonably necessary for the Association to perform its contemplated work on the easement.

(e) Duration, Termination & Assignment of Easement. This easement is perpetual. This easement will terminate, if at all, if and when the purpose of the easement ceases to exist, is abandoned by the Association, or becomes impossible to perform. The Association may unilaterally assign this easement, or any portion thereof, to the Town if the Town agrees to accept the assignment.

Section 13.5 Easements for Certain Owners. There is hereby reserved to each Lot reciprocal appurtenant easements for access over, across and upon the adjacent Lot (exclusive of Residences) and the adjacent Common Area for the construction, maintenance and repair of Residences or party structures to a distance of not more than five feet (5'), as measured from any point on the common boundary along a line perpendicular to such boundary. The use of said easement by an Owner shall not exceed a total of thirty (30) days each year for maintenance unless approved in writing by the Board. Any landscaping or irrigation systems damaged by the Owner during the construction, maintenance or repair of his or her residential Residence or party structure shall be repaired or replaced, if necessary, at the expense of the Owner causing such

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damage. If the Owner fails properly to perform such repairs or replacements, the Association may perform such maintenance responsibilities and assess all costs incurred by the Association against the Lot and the Owner as a Specific Assessment in accordance with Section 9.4. However, the Association shall afford the Owner reasonable notice and an opportunity to cure the problem prior to entry, except when immediate entry is required due to an emergency situation.

There is also hereby reserved to each Lot reciprocal appurtenant easements of encroachment over, across and upon the adjacent Lot and adjacent Common Area for water drainage from the roof of the Residences or other structures. Owners shall not attach any object to a Residence of an adjacent Lot or disturb the grading of the area located between the adjacent Residences or otherwise act with respect to such area in any manner which would damage the adjacent Lot. In the event of a dispute arising out of the rights and obligations created under this Section 13.5, the parties agree to resolve the dispute in accordance with Section 5.5(e).

Section 13.6 Construction and Sale Period Easement. Notwithstanding any provisions contained in the Governing Documents, until expiration of the Development Period, Declarant reserves an easement across the Property for Declarant and any Builder to maintain and carry on, upon such portion of the Property as Declarant may reasonably deem necessary, such facilities and activities as, in the sole opinion of the Declarant, may be reasonably required, convenient or incidental to the construction, completion, management, maintenance, leasing, marketing or sale of such Lots including, but not limited to, parking areas, temporary buildings, temporary fencing, portable toilets, storage areas, dumpsters, trailers, commercial vehicles of every type, business offices, signs, sales offices and model Residences.

Section 13.7 Easement to Inspect and Right to Correct. During the Development Period, Declarant reserves for itself and Builders, and their respective employees, agents and representatives, the right to inspect, monitor, test, redesign, correct, relocate, and replace any structure, improvement, material, or condition that may exist on any portion of the Property, including the Lots, and a perpetual nonexclusive easement of access throughout the Property to the extent reasonably necessary to exercise this right. Any damage to a Lot resulting from the exercise of these easements shall promptly be repaired by, and at the expense of, the Person exercising these easements.

Section 13.8 Easements to Serve Additional Property. The Declarant hereby reserves for itself and its duly authorized agents, representatives, employees, successors, assigns, licensees and mortgagees, an easement over the Common Area for the purposes of enjoyment, use, access and development of adjoining property, whether or not such property is made subject to this Declaration. This easement includes, but is not limited to, a right of ingress and egress over the Common Area for construction of roads and for connecting and installing utilities on such property. Declarant agrees that it and its successors or assigns shall be responsible for any damage caused to the Common Area as a result of vehicular traffic connected with development of such property. Declarant further agrees that if the easement is exercised for permanent access to such property and such property or any portion thereof is not made subject to this Declaration, the Declarant, its successors or assigns shall enter into a reasonable agreement with the Association to share the cost of maintenance of any access roadway serving such property.

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ARTICLE XIV
ANNEXATION AND WITHDRAWAL OF PROPERTY

Section 14.1 Annexation Without Approval of Membership. The Declarant shall have the right, until (i) all property described on Exhibit "B" attached hereto has been subjected to this Declaration and conveyed to Class "A" Members other than Builders, or (ii) December 31, 2022, whichever is earlier, to subject to the provisions of this Declaration all or any portion of the property described in Exhibit "B". The Declarant may transfer or assign this right to any other Person who is the developer of at least a portion of the real property described in Exhibit "A" or Exhibit "B". Such transfer or assignment shall be memorialized in a written, recorded instrument executed by the Declarant.

Nothing in this Declaration shall be construed to require the Declarant or any successor to annex or develop any property in any manner whatsoever.

Such annexation shall be accomplished by filing a Supplemental Declaration annexing such property in the County Clerk official records of Collin County, Texas. Such Supplemental Declaration shall not require the consent of Members but shall require the consent of the owner of such property, if other than Declarant. Any such annexation shall be effective upon the filing for record of such Supplemental Declaration unless otherwise provided therein.

Section 14.2 Annexation With Approval of Membership. Subject to the consent of the owner thereof, the Association may, following the expiration of the Declarant's right to annex in Section 14.1, any property to the provisions of this Declaration and the jurisdiction of the Association. Such annexation shall require the affirmative vote of Members representing a majority of the Class "A" votes of the Association represented at a meeting duly called for such purpose.

Annexation shall be accomplished by filing a Supplemental Declaration describing the property being annexed in the County Clerk official records of Collin County, Texas. Any such Supplemental Declaration shall be signed by the President of the Association and by the owner of the property being annexed. Any such annexation shall be effective upon filing unless otherwise provided therein.

Section 14.3 Withdrawal of Property. The Declarant reserves the right to amend this Declaration unilaterally at any time during the Development Period without prior notice and without the consent of any Person, for the purpose of removing certain portions of the Property then owned by the Declarant or its affiliates or the Association from the provisions of this Declaration, to the extent originally included in error or as a result of any changes whatsoever in the plans for the Property desired to be effected by the Declarant.

Section 14.4 Additional Covenants and Easements. The Declarant may unilaterally subject any portion of the property submitted to this Declaration initially or by supplemental declaration to additional covenants and easements, including covenants obligating the Association to maintain and insure such property on behalf of the Owners and obligating such

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Owners to pay the costs incurred by the Association through Assessments. Such additional covenants and easements shall be set forth in a Supplemental Declaration filed either concurrent with or after the annexation of the subject property, and shall require the written consent of the owner(s) of such property, if other than the Declarant.

ARTICLE XV
DECLARANT'S RIGHTS

Section 15.1 General. Without limiting the rights of the Declarant as otherwise provided by the Governing Documents, the Declarant shall have the following additional rights as Declarant, exercisable at Declarant's sole discretion, at any time during the Development Period:

(a) Changes to Development Plan. Declarant may modify from time to time the development plan applicable to the Properties to respond to changes or perceived changes in the marketplace, subject to the approval requirements of any governmental agency. Such changes may include, without limitation, (i) changes to the size, dimensions, and configurations of Lots and streets; (ii) changes to the minimum dwelling size; (iii) changes to building setback requirements; (iv) changes to the initial design and construction standards; and (v) changes to any other feature of the Property.

(b) Construction Activities. Declarant and Builders authorized by Declarant in writing may construct and maintain and carry on upon portions of the Common Area, the Area of Common Responsibility or upon Lots owned by Declarant or a Builder, such facilities and activities as, in the sole opinion of the Declarant, may be reasonably required, convenient or incidental to the construction, completion, management, maintenance, leasing, marketing or sale of such Lots, including, but not limited to, parking areas, temporary buildings, temporary fencing, portable toilets, storage areas, dumpsters, trailers, commercial vehicles of every type, business offices, signs, sales offices and model Residences. Declarant and authorized Builder(s) shall have easements for access to and use of such facilities.

(c) Marketing Activities. Declarant may require its approval (which may not be unreasonably withheld) of all documents and materials used by a Builder in connection with the development and sale of Lots and Residences, including, without limitation, promotional materials, deed restrictions, forms for deeds, Lot sales and Lot closings. Declarant reserves for itself an easement and right to place, maintain, locate, relocate, replace, remove or install from time to time signs, banners, flags, display lighting, potted plants, exterior decorative items, seasonal decorations, temporary window treatments, and seasonal landscaping on the Property, including items and locations that may be prohibited to other Owners and Residents, for the purposes of promoting, identifying, and marketing the Property, Declarant's homes, lots, developments or other products located outside the Property. Declarant also reserves the right to sponsor marketing events—such as open houses, MLS tours, and broker parties—at the Property to promote the sale of Lots and Residences. Declarant further reserves (i) the right to permit Builders to place signs and promotional materials on the Property; and (ii) the right to exempt Builders from the sign restriction in this Declaration, subject to the Declarant's right to approve all such signs and materials in advance or to remove those signs or materials that have not been approved or are objectionable to the Declarant.

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(d) Builder Approval. Declarant reserves the right to determine and change from time to time the minimum qualifications of Builders who are eligible to construct homes and other original improvements on a Lot. Declarant may refuse to allow a Builder to construct a home in the Property if the Builder fails to meet the minimum qualifications set by the Declarant, or Declarant may disqualify a Builder who was previously approved as a Builder from constructing additional homes in the Property if the Builder is no longer eligible under the qualifications, or the Builder violated the Governing Documents. Prior to the commencement of Work on a Lot, a Builder must submit an application in writing to the Declarant for eligibility as a Builder and the Declarant must approve of the Builder's eligibility in writing. Declarant has the right to limit the number of eligible Builders constructing Residences in the Property at any given time.

(b) Use of Name of Development. No Person shall use the name "Chamberlain Place" or any derivative of such name in any printed or promotional material without Declarant's prior written consent. However, Owners may use the name "Chamberlain Place" in printed or promotional material where such term is used solely to specify that particular property is located within the Property and the Association shall be entitled to use the name "Chamberlain Place" in its name.

Section 15.2 Additional Covenants. No Person shall record any declaration of covenants, conditions and restrictions, or declaration of condominium or similar instrument affecting any portion of the Property without Declarant's review and written consent. Any attempted recordation without compliance herewith shall result in such instrument being void and of no force and effect unless subsequently approved by written consent signed by the Declarant and recorded in the public records.

Section 15.3 Assignment. Any or all of the Development Period Rights and obligations of the Declarant set forth in the Governing Documents may be transferred to other Persons; provided that the transfer shall not reduce an obligation nor enlarge a right beyond that contained in the Governing Documents. Furthermore, no such transfer shall be effective unless it is in a written instrument signed by the Declarant and duly recorded in the County Clerk Official Records of Collin County, Texas.

ARTICLE XVI
DISPUTE RESOLUTION

Section 16.1 Consensus for Association Action.

(a) Except as provided in this Article, the Association may not commence a judicial or administrative proceeding without the approval of at least a majority of the Class "A" Members who are present and voting at a duly called meeting of the Association and the consent of the Declarant, if any. This Article shall not apply, however, to (i) actions brought by the Association to enforce any of the Governing Documents (including, without limitation, the foreclosure of liens); (ii) the imposition and collection of Assessments; (iii) actions brought by the Association to enforce a contract against a contractor, vendor, or supplier of goods or services to the Association; (iv) proceedings involving challenges to *ad valorem* taxation; (v) counterclaims, cross-claims or other challenges brought by the Association in proceedings

instituted against the Association, including condemnation proceedings; and (vi) actions to obtain a temporary restraining order or equivalent emergency relief when circumstances do not provide the Board with sufficient time to seek and obtain the prior consents of Owners.

(b) The Association may not commence a judicial or administrative proceeding against the Declarant, the Class "B" Member, or a Declarant-appointed officer or director of the Association, without the approval of at least seventy-five percent (75%) of the Class "A" Members who are present and voting at a duly called meeting of the Association. Prior to the Association or any Member commencing any proceeding to which Declarant is a party, including but not limited to an alleged defect of any improvement, Declarant shall have the right to be heard by the Board, or the particular Member, and to access, inspect, correct the condition of, or redesign any portion of any improvement as to which a defect is alleged or otherwise correct the alleged dispute.

(c) The Association may unilaterally negotiate, settle or compromise any legal or administrative proceeding, and may execute any documents related thereto, including settlement agreements and releases of claims.

Section 16.2 Alternative Method for Resolving Disputes.

Declarant, its officers, directors, employees and agents; the Association, its officers, directors and committee members; all Persons subject to this Declaration; and any person not otherwise subject to this Declaration who agrees to submit to this Article (each such entity being referred to as a "Bound Party") agree to encourage the amicable resolution of disputes, without the emotional and financial costs of litigation. Accordingly, each Bound Party covenants and agrees to submit those claims, grievances or disputes described in Section 16.3 (collectively, "Claims") to the procedures set forth in Section 16.4.

Section 16.3 Claims.

Unless specifically exempted below, all Claims between any of the Bound Parties regardless of how the same might have arisen or on what it might be based including, but not limited to Claims (a) arising out of or relating to the interpretation, application or enforcement of the Governing Documents or the rights, obligations and duties of any Bound Party under the Governing Documents; (b) relating to the design or construction of improvements; or (c) based upon any statements, representations, promises, warranties, or other communications made by or on behalf of any Bound Party shall be subject to the provisions of Section 16.4.

Notwithstanding the above, unless all parties thereto otherwise agree, the following shall not be Claims and shall not be subject to the provisions of Section 16.4:

(a) any suit by the Association against any Bound Party to enforce the provisions of Article X;

(b) any suit by the Association or Declarant to obtain a temporary restraining order or injunction (or equivalent emergency equitable relief) and such other ancillary relief as the court may deem necessary in order to maintain the status quo and preserve the Association's

ability to act under and enforce the provisions of Articles X, XI, or XII;

(c) any suit between or among Owners, which does not include Declarant or the Association as a party, if such suit asserts a Claim which would constitute a cause of action independent of the Governing Documents; and

(d) any suit in which any indispensable party is not a Bound Party.

Section 16.4. Mandatory Procedures.

(a) Notice. Any Bound Party having a Claim ("Claimant") against any other Bound Party ("Respondent") (the Claimant and Respondent referred to herein being individually, as a "Party", or, collectively, as the "Parties") shall notify each Respondent in writing (the "Notice"), stating plainly and concisely:

(i) the nature of the Claim, including the Persons involved and Respondent's role in the Claim;

(ii) the legal basis of the Claim (i.e., the specific authority out of which the Claim arises;

(iii) the proposed remedy; and

(iv) the fact that Claimant will meet with Respondent to discuss in good faith ways to resolve the Claim.

(b) Negotiation and Mediation.

(i) The Parties shall make every reasonable effort to meet in person and confer for the purpose of resolving the Claim by good faith negotiation. If requested in writing, accompanied by a copy of the Notice, the Board may appoint a representative to assist the Parties in negotiation.

(ii) If the Parties do not resolve the Claim within 30 days after the date of the Notice (or within such other period as may be agreed upon by the Parties) ("Termination of Negotiations"), Claimant shall have to days to submit the Claim to mediation under the auspices of a mediation center or individual on which the parties mutually agree. The mediator must have at least 5 years of experience serving as a mediator or an elected judge unless both parties agree to waive these requirements.

(iii) If Claimant does not submit the Claim to mediation within such time, or does not appear for mediation, Claimant shall be deemed to have waived the Claim, and Respondent shall be released and discharged from any and all liability to Claimant on account of such Claim; provided, nothing herein shall release or discharge Respondent from any liability to any Person other than the Claimant.

(iv) Any settlement of the Claim through mediation shall be documented

in writing by the mediator and signed by the Parties. If the Parties do not settle the Claim within 30 days after submission of the matter to the mediation, or within such other time as determined by the mediator or agreed to by the Parties, the mediator shall issue a notice of termination of the mediation proceedings ("Termination of Mediation"). Thereafter, Claimant may file or initiate administrative proceedings on the Claim, as appropriate.

Each Party shall bear its own costs of the mediation, including attorneys' fees, and each Party shall share equally all charges rendered by the mediator. If the Parties agree to a resolution of any Claim through negotiation or mediation in accordance with Section 16.4 and any Party thereafter fails to abide by the terms of such agreement, then any other Party may file suit or initiate administrative proceedings to enforce such agreement without the need to again comply with the procedures set forth in Section 16.4. In such event, the Party taking action to enforce the agreement shall be entitled to recover from the non-complying Party (or if more than one non-complying Party, from all such Parties pro rata) all costs incurred in enforcing such agreement, including, without limitation, attorneys' fees and court costs.

ARTICLE XVII
GENERAL PROVISIONS

Section 17.1 Term. The covenants and restrictions of this Declaration shall run with and bind the Property and shall inure to the benefit of and shall be enforceable by the Association or the Owner of any Property, their respective legal representatives, heirs, successors and assigns for a term of thirty (30) years from the date this Declaration is recorded. After such time, the covenants and restrictions shall be automatically extended for successive periods of ten (10) years, unless an instrument in writing, signed by a majority of the then Owners, has been recorded within the year preceding the beginning of each successive period of ten (10) years, agreeing to terminate the same, in which case this Declaration shall be terminated.

Section 17.2 Amendment.

(a) By Declarant. In addition to the specific amendment rights granted elsewhere in this Declaration, until termination of the Development Period, the Declarant may unilaterally amend this Declaration for any purpose.

(b) By Class "A" Members. Except as provided above and otherwise specifically provided in this Declaration, this Declaration may be amended only by the affirmative vote or written consent, or any combination thereof, of Members representing sixty-seven percent (67%) of the total Class "A" votes in the Association, including sixty-seven percent (67%) of the Class "A" votes other than the Declarant, and the consent of the Declarant, so long as the Declarant owns any property subject to this Declaration.

Notwithstanding the above, the percentage of votes necessary to amend a specific clause shall not be less than the prescribed percentage of affirmative votes required for action to be taken under that clause. To be effective, any amendment must be recorded in the County Clerk Official Records of Collin County, Texas. Any procedural challenge to an amendment must be made within six (6) months of its recordation or such amendment shall be presumed to have been validly adopted.

If an Owner consents to any amendment to this Declaration or the Bylaws, it will be conclusively presumed that such Owner has the authority so to consent and no contrary provision in any Mortgage or contract between the Owner and a third party will affect the validity of such amendment.

No amendment may remove, revoke or modify any right or privilege of the Declarant or the Class "B" Member without the written consent of the Declarant or the Class "B" Member, respectively (or the assignee of such right or privilege).

Section 17.3 Severability. Invalidation of any provision or portion of a provision of this Declaration by judgment or court order shall in no way affect any other provisions, which shall remain in full force and effect.

Section 17.4 Liberal Construction. The terms and provisions of each Governing Document are to be liberally construed to give effect to the purposes and intent of the Governing Documents.

Section 17.5 Notice of Sale or Transfer of Title. Within thirty (30) days after acquiring an interest in a Lot, an Owner shall provide the Association with the following information: (i) the name and address (physical and electronic mail address) of the purchaser or transferee, (ii) the name, address and loan number, if any, of the Mortgagee, (iii) a recorded copy of the deed or other instrument transferring title to the Lot, (iv) the name and phone number of any tenant, (v) the name, address and phone number of the Owner's managing agent, if any, and (vi) such other information as the Board may reasonably require. The transferor shall continue to be jointly and severally responsible with the transferee for all obligations of the Owner of the Lot coming due prior to the date upon which such notice is received by the Board, including Assessment obligations, notwithstanding the transfer of title to the Lot.

IN WITNESS WHEREOF, the undersigned duly authorized agent of the Declarant has executed this Declaration on the 11th day of January, 2017.

DECLARANT: **CHAMBERLAIN PLACE, LP,** a Texas limited partnership

By: Texas Land Management, L.L.C., a Texas limited liability company, its General Partner

By: _____

Printed Name: Jim Williams, Jr.

Its: President

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ACKNOWLEDGMENT

STATE OF TEXAS §
§
COUNTY OF COLLIN §

BEFORE ME, a Notary Public in and for the State of Texas, duly authorized to take acknowledgments, personally appeared Jim Williams, Jr., President of Texas Land Management, L.L.C., a Texas limited liability company, General Partner of **CHAMBERLAIN PLACE, LP**, a Texas limited partnership, and acknowledged that he executed the foregoing document on behalf of said company.

SUBSCRIBED AND SWORN TO BEFORE ME on this 11TH day of JANUARY, 2017.

JERRI LYNN PICKETT
Commission # 128764531
My Commission Expires
October 6, 2019

Notary Public in and for
the State of Texas
My Commission Expires: 10-6-19

AFTER RECORDING RETURN TO:
Riddle & Williams, P.C.
3710 Rawlins St., Suite 1400
Dallas, Texas 75219

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EXHIBIT "A"

Property Initially Subject to Declaration

Lots 1-8 & Common Areas 1A and 2A, Block A, Lots 1-14 & Common Area 1B, Block B, and Lots 1-23 & Common Area 1C, Block C of Chamberlain Place Phase 1, according to the Final Plat thereof recorded as County Clerk No. 20160516010002020 of the Official Public Records, Collin County, Texas.

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EXHIBIT "B"

Property Subject to Annexation

Lot 1R-2 of the Ward Addition, according to the Final Plat thereof recorded as County Clerk No. 20160516010002020 of the Official Public Records, Collin County, Texas.

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EXHIBIT "C"

Bylaws

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BYLAWS

OF

CHAMBERLAIN PLACE HOMEOWNERS ASSOCIATION, INC.

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BYLAWS
OF
CHAMBERLAIN PLACE HOMEOWNERS ASSOCIATION, INC.

Article I
Name, Principal Office and Definitions

Section 1.1. Name. The name of the Association shall be **CHAMBERLAIN PLACE HOMEOWNERS ASSOCIATION, INC.** (the "Association").

Section 1.2. Principal Office. The principal office of the Association in the State of Texas shall be located in Collin County. The Association may have such other offices, either within or outside the State of Texas, as the Board may determine or as the affairs of the Association may require.

Section 1.3. Definitions. The words used in these Bylaws shall be given their ordinary, commonly understood definitions. Capitalized terms shall have the same meaning as set forth in the Declaration of Covenants, Conditions and Restrictions for Chamberlain Place (said Declaration, as amended, renewed or extended from time to time, is hereinafter sometimes referred to as the "Declaration"), unless the context shall otherwise require.

Article II
Association: Membership, Meetings, Quorum, Voting, Proxies

Section 2.1. Membership. Each Owner of a Lot shall be a Member of the Association, as more fully set forth in the Declaration. The provisions of the Declaration pertaining to membership are specifically incorporated herein by reference.

Section 2.2. Place of Meetings. Meetings of the Association shall be held at the principal office of the Association or at such other suitable place convenient to the Members as the Board may designate.

Section 2.3. Annual Meetings. Annual meetings shall be set by the Board so as to occur during the second quarter of the Association's fiscal year on a date and at a time set by the Board.

Section 2.4. Special Meetings. The President may call special meetings. In addition, it shall be the duty of the President to call a special meeting if so directed by resolution of a majority

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of the Board or upon a petition signed by Members representing at least ten percent (10%) of the total votes of the Association.

Section 2.5. Notice of Meetings. Written or printed notice stating the place, day and hour of any meeting of the Members shall be delivered, either personally, by mail or by electronic mail, to each Member not less than ten (10) nor more than sixty (60) days before the date of such meeting, by or at the direction of the President or the Secretary or the officers or persons calling the meeting. Each Member must keep an updated electronic mail address registered with the Association.

In the case of a special meeting or when required by statute or these Bylaws, the purpose or purposes for which the meeting is called shall be stated in the notice. No business shall be transacted at a special meeting except as stated in the notice.

If mailed, the notice of a meeting shall be deemed to be delivered when deposited in the United States mail addressed to the Member at his address as it appears on the records of the Association, with postage thereon prepaid. If electronically mailed, the notice of a meeting shall be deemed to be delivered when the Association electronically transmits the notice to the Member's registered electronic mail address as it appears on the records of the Association.

Section 2.6. Waiver of Notice. Waiver of notice of a meeting of the Members shall be deemed the equivalent of proper notice. Any Member may, in writing, waive notice of any meeting of the Members, either before or after such meeting. Attendance at a meeting by a Member shall be deemed waiver by such Member of notice of the time, date and place thereof, unless such Member specifically objects to lack of proper notice at the time the meeting is called to order. Attendance at a special meeting also shall be deemed waiver of notice of all business transacted unless an objection on the basis of lack of proper notice is raised before the business is put to a vote.

Section 2.7. Adjournment of Meetings. If any meeting of the Association cannot be held because a quorum is not present, one additional meeting may be called, subject to the notice requirements set forth in Section 2.5, and the required quorum at such second meeting shall be one-half (1/2) of the required quorum at the preceding meeting; provided, however, that no such second meeting shall be held more than sixty (60) days following the first meeting.

The Members present at a duly called or held meeting at which a quorum is present may continue to do business until adjournment, notwithstanding the withdrawal of enough Members to leave less than a quorum, provided that any action taken is approved by Members representing at least a majority of the votes required to constitute a quorum.

Section 2.8. Voting Rights. The voting rights of the Members shall be as set forth in the Declaration and these Bylaws, and the Declaration's voting rights provisions are specifically incorporated herein.

Section 2.9. Voting Methods. Unless otherwise provided in the Declaration, Bylaws, or

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Certificate of Formation (collectively, the "Governing Documents"), Members may vote by one or more of the following methods: in person, by proxy, by absentee ballot or by electronic ballot. The Association is not required to provide Members with more than one voting method; provided, however, Members must be allowed to vote by absentee ballot or by proxy. Electronic ballot means a ballot given by (i) electronic mail, (ii) facsimile, or (iii) posting on an Internet website, for which the identity of the Member can be confirmed and for which the Member may receive a receipt of the transmission and receipt of the Member's ballot. All proxies, absentee ballots and electronic ballots shall be in writing, dated, signed by the Member and filed with the Secretary or other person designated by the Board to receive proxies/ballots before the appointed time of each meeting. The Board may elect to allow Members to cast their votes by secret ballot. If so elected, the Board shall take measures to reasonably ensure that (i) a Member cannot cast more votes than the Member is eligible to cast in an election or vote; (ii) the Association counts each vote cast by a Member that the Member is eligible to cast; and (iii) in any election for the Board, each candidate may name one person to observe the counting of the ballots, provided that this does not entitle any observer to see the name of the person who cast any ballot, and that any disruptive observer may be removed from the area where the ballots are being counted. Each proxy must also identify the proxy holder and the purpose of the meeting for which the proxy is given. If an electronic ballot is posted on an Internet website, a notice of the posting shall be sent to each Member that contains instructions on obtaining access to the website posting. Proxies and absentee ballots shall be deemed to have been filed upon the Secretary's or other designated person's receipt of the proxy/absentee ballot by mail, facsimile or hand delivery. Ballots cast electronically shall be deemed to have been filed upon the Secretary's or other designated person's receipt of the electronic ballot as evidenced by a facsimile confirmation receipt or an electronic transmission receipt. The Board may establish rules governing when ballots must be filed with the Association in order to be valid for use at a meeting. Electronic ballots which are electronically mailed from the Member's registered electronic mail address shall be deemed to be signed by the Member.

Every proxy shall be revocable and shall automatically cease upon conveyance by the Member of such Member's Lot, or upon receipt of notice by the Secretary of the death or judicially declared incompetence of a Member, or of written revocation, or upon the expiration of eleven (11) months from the date of the proxy. Any proxy designated for a meeting which is adjourned, recessed or rescheduled, is valid for the reconvened meeting unless the proxy is revoked or terminated in writing prior thereto.

Section 2.10. Majority. As used in these Bylaws, the term "majority" shall mean those votes, owners or other group, as the context may indicate, totaling more than fifty percent (50%) of the total number.

Section 2.11. Quorum. The presence in person, by proxy, by absentee ballot or by electronic ballot of Members representing at least ten percent (10%) of the votes of all Members and, until expiration of the Development Period, the presence of a duly appointed representative of the Declarant, shall constitute a quorum at all special meetings of the Association. Members who are present in person, by proxy, by absentee ballot or by electronic ballot at an annual meeting, and, until expiration of the Development Period, the presence of a duly appointed representative of the Declarant, shall constitute a quorum at all annual meetings of the Association. Absentee or

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electronic ballots may be counted towards a quorum only for items appearing on the ballot.

Section 2.12. Conduct of Meetings. The President shall preside over all meetings of the Association, and the Secretary shall keep the minutes of the meeting and record in a minute book all resolutions adopted at the meeting, as well as a record of all transactions occurring at the meeting.

Section 2.13. Telephonic and Electronic Meetings. Subject to Board approval, Members of the Association may participate in and hold meetings of the Members by means of conference telephone or similar communications equipment, or another suitable electronic communications system, including videoconferencing technology or the Internet, or any combination, if the telephone or other equipment or system permits each person participating in the meeting to communicate with all other persons participating in the meeting. If voting or an election is to take place outside of a meeting, including voting by electronic or telephonic means, the Board must (i) provide notice of the election or vote to all Members entitled to vote on any matter under consideration not later than the 20th day before the latest date on which a ballot may be submitted to be counted, (ii) implement reasonable measures to verify that every person voting at the meeting by means of remote communications is sufficiently identified; and (iii) keep a record of any vote or other action taken. Participation in the meeting constitutes presence in person at the meeting, except where a person participates in the meeting for the express purpose of objecting to the transaction of any business on the ground that the meeting is not lawfully called or convened.

Section 2.14 Adjournment of Meeting. At any meeting of the Association, at which a quorum is present, a majority of the Members present at the meeting, either in person or by proxy, may move to adjourn the meeting to another time or place.

Section 2.15 Recount of Votes. A Member may request a recount of the votes cast by the Members at a meeting no later than the 15th day after the later of (i) the date of the meeting of Members at which the election or vote was held, or (ii) the date of the announcement of the results of the election or vote. A demand for a recount must be submitted in writing either by verified mail or by delivery by the United States Postal Service with signature confirmation service to the Association's mailing address as reflected on the certificate required to be recorded pursuant to Section 209.004 of the Texas Property Code (the "Code") (the "Management Certificate"); or in person to the managing agent as reflected on the latest Management Certificate or to the address to which absentee and proxy ballots are mailed. Upon the Board's timely receipt of a written request for a recount, the Board shall estimate the costs for performance of the recount by a person qualified to tabulate votes under the Code and must send an invoice for the estimated costs to the requesting Member at the Member's last known address according to the Association's records not later than the 20th day after the date the Association receives the Member's demand for the recount. The Member demanding a recount must pay the invoice in full to the Association on or before the 30th day after the date the invoice is sent to the Member. If the invoice is not paid by the deadline prescribed above, the Member's demand for a recount is considered withdrawn and a recount is not required. If the estimated costs are lesser or greater than the actual costs, the Association shall send a final invoice to the Member on or before the 30th business day after the date the results of the recount are provided. If the final invoice includes additional amounts owed

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by the Member, any additional amounts not paid to the Association before the 30th business day after the date the invoice is sent to the Member may be added to the Member's account as an assessment. If the estimated costs exceed the final invoice amount, the Member is entitled to a refund. The refund shall be paid to the Member at the time the final invoice is sent under this Section 2.15.

Following receipt of payment of the invoice for the cost of the recount, the Association shall engage the services of a person qualified to tabulate the votes. This person must (i) not be a Member of the Association or related to a Member of the Board; and (ii) be a current or former county judge, county elections administrator, justice of the peace, county voter registrar, or a person mutually agreed upon by the Board and each requesting Member. On or before the 30th day after the date of receipt of payment for the recount the recount must be completed and the Association shall provide written notice of the results of the recount to each Member who requested the recount. If the recount changes the results of the election, the Association shall reimburse the requesting Member for the cost paid by the Member for the recount not later than the 30th day after the date the results of the recount are provided. Any action taken by the Board in the period between the initial election vote tally and the completion of the recount is not affected by any recount.

Article III
Board of Directors; Number, Term, Powers, Meetings

A. Composition and Selection.

Section 3.1. Governing Body; Composition. The affairs of the Association shall be governed by a Board, each of whom shall have one vote. Except with respect to directors appointed by the Declarant during the Class "B" Control Period, directors shall be Members or spouses of such Members; provided, however, no person and his or her spouse may serve on the Board at the same time unless each spouse is a Member of the Association. In the case of a Member which is not a natural person, the person designated in writing to the Secretary of the Association as the representative of such Member shall be eligible to serve as a director. Members who have been convicted of a felony or crime involving moral turpitude not more than twenty (20) years before evidence of such conviction is presented to the Board may also not serve as a Director.

Section 3.2. Number of Directors. The Board shall consist of not less than three (3) nor more than five (5) persons. The initial Board shall consist of the three (3) persons named in the Certificate of Formation.

Section 3.3. Election and Term of Office. Subject to the provisions of this Section 3.3 below, the directors shall be selected by the Declarant acting in its sole discretion and shall serve at the pleasure of the Declarant until termination of the Class "B" Control Period. Notwithstanding any other provision contained herein:

(a) On or before the 120th day after the date that at least seventy-five percent (75%) of the total number of Lots that may be created and made subject to the Declaration have been conveyed

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to Members other than the Declarant or a Builder or whenever the Declarant earlier determines (but in no event later than the 10th anniversary of the date the Declaration was recorded), a meeting shall be held at which Members other than the Declarant shall be entitled to elect one of the directors (if the Board is comprised of 3 directors) or shall be entitled to elect two directors (if the Board is comprised of 5 directors). Directors elected by the Members other than Declarant shall be at-large directors. The remaining directors shall be appointees of the Declarant. The directors elected by the Members other than Declarant shall not be subject to removal by the Declarant and each director shall be elected for a term of two (2) years or until the happening of the event described in Subsection (b) below, whichever is shorter. If such directors' terms expire prior to the happening of the event described in Subsection (b) below, successors shall be elected in the same manner for a like term.

(b) On or before the 120th day after termination of the Class "B" Control Period, the Association shall call a meeting at which Members, including the Declarant, shall be entitled to elect the directors. If the Board is then comprised of three (3) directors, two (2) directors shall be elected for a term of two (2) years and one (1) director shall be elected for a term of one (1) year. If the Board is then comprised of five (5) directors, three (3) directors shall be elected for a term of two (2) years and two (2) directors shall be elected for a term of one (1) year. At the expiration of the initial term of office of each member of the Board of Directors and at each annual meeting thereafter, a successor shall be elected to serve for a term of two (2) years.

Section 3.4. Nomination and Election Procedures.

(a) Nominations. Nominations for election to the Board may be made from the floor, by written request of a Member to the Secretary or other person, or by a committee designated by the Board to accept nominations, such as a Nominating Committee. The Nominating Committee, if created, shall consist of a chairman, who shall be a director, and two (2) or more Members. The Nominating Committee shall be appointed, if at all, by the Board not less than thirty (30) days prior to each annual meeting of the Members to serve a term of one (1) year or until their successors are appointed. At least ten (10) days before the date the Association disseminates absentee ballots or other ballots to the members for purposes of voting in a Board election, the Association must provide notice to the Members soliciting candidates interested in running for a position on the Board. The notice must contain instructions for an eligible candidate to notify the Association of the candidate's request to be placed on the ballot and the deadline to submit the candidate's request. The deadline may not be earlier than the tenth (10th) day after the date the Association provides the notice required hereunder. The notice must be provided to the Members in the same method as provided in Section 3.9 of these Bylaws. Any Member whose nomination is received by the Secretary or other designated person or committee prior to the deadline to submit a request, shall be included on the proxy/absentee ballot of the Association provided with the notice of the annual meeting. Any Member whose nomination is received after this period as well as any Member nominated from the floor at the annual meeting shall be included among the nominees running for election to the Board. A change in the list of nominees after the date that the annual meeting notice is sent shall not constitute an amendment to the motion to elect directors. All candidates shall have a reasonable opportunity to communicate their qualifications to the Members and to solicit votes. The Board may adopt additional rules governing the procedures for the nomination of directors.

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(b) Election Procedures. Each Member may cast all votes attributed to the Lots which such Member represents for each vacancy to be filled. A candidate, or his or her parent, child, brother, sister, grandparent, grandchild, great grandparent, great grandchild, aunt, or uncle may not count the votes for an election. A person who is authorized to count votes (or who performs a recount under Section 2.15) may not disclose to any other person how a Member voted; provided, however, that in the event of a recount, the person conducting the recount may be provided access to the ballots for purposes of the recount. Each candidate for election to the Board may name one person to observe the counting of the ballots, provided that this does not entitle any observer to see the name of the person who cast any ballot, and that any disruptive observer may be removed from the meeting. There shall be no cumulative voting. That number of candidates equal to the number of positions to be filled and who receive the greatest number of votes shall be elected. The directors elected by the Members shall hold office until the expiration of his or her term and until his or her successor is duly elected and qualified. Directors may be elected to serve any number of consecutive terms.

Section 3.5. Removal of Directors; Vacancies. Any director elected by the Members other than the Declarant may be removed, with or without cause, by the vote of the Members holding a majority of the votes entitled to be cast for the election of such director. Directors appointed by the Declarant during the Class "B" Control Period shall not be subject to removal by the non-Declarant Members. Directors elected by the non-Declarant Members shall not be subject to removal by the Declarant. Any director whose removal is sought shall be given notice prior to any meeting called for that purpose. Upon removal of a director, a successor shall then and there be elected by the Members to fill the vacancy for the remainder of the term of such director.

If the Board is presented with written, documented evidence from a database or other record maintained by a governmental law enforcement authority that a Director was convicted of a felony or crime involving moral turpitude not more than twenty (20) years before the date the Board is presented with the evidence, then the Director shall be automatically disqualified from service on the Board, and a successor may be appointed by the Board to fill the vacancy for the remainder of the term.

In the event of the death, disability or resignation of a director elected by the Members other than Declarant, a vacancy may be declared by the Board, and it may appoint a successor to serve for the remainder of the term of such director. Alternatively, the Board may call for an election for the purpose of electing a successor to fill any such vacancy on the Board. In such case, the Members shall be entitled to elect a successor to serve for the remainder of the term of such director.

B. Meetings.

Section 3.6. Organizational Meetings. The first meeting of the Board following each annual meeting of the Membership shall be held at such time and place as shall be fixed by the Board. The Board shall announce the actions taken at the organizational meeting, including the election of officers, at the next Board meeting and record those actions in the minutes of that

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meeting.

Section 3.7. Regular Meetings. Regular meetings of the Board may be held at such time and place as shall be determined from time to time by a majority of the directors. Following expiration of the Class "B" Control Period, at least four (4) such meetings shall be held during each fiscal year with at least one (1) per quarter and regular meetings, except those held by electronic or telephonic means, must take place in Collin County or in any county adjacent thereto. Notice of the date, time and place of the meeting shall be communicated to directors no less than four (4) days prior to the meeting; provided, however, notice of a meeting need not be given to any director who has signed a waiver of notice or a written consent to holding of the meeting.

Section 3.8. Special Meetings. Special meetings of the Board shall be held when called by written notice signed in person or electronically by the President or by any two (2) directors. The notice shall specify the date and time of the meeting, and if the meeting is held solely by using a conference telephone or other communication system, the location of the meeting, and the nature of any special business to be considered. Special meetings, except those held by electronic or telephonic means, must take place in Collin County or in any county adjacent thereto. The notice shall be given to each director by one of the following methods: (i) by personal delivery; (ii) written notice by first-class mail, postage prepaid; (iii) by telephone communication, either directly to the director or to a person at the director's office or home who would reasonably be expected to communicate such notice promptly to the director; or (iv) by electronic mail, facsimile, computer, fiber-optics or other communication device. All such notices shall be given at the director's telephone number, facsimile number, registered electronic mail address, or sent to the director's address as shown on the records of the Association. Notices sent by first-class mail shall be deposited into a United States mailbox at least four (4) days before the time set for the meeting. Notices given by personal delivery, telephone, text message, electronic mail or other device shall be delivered or transmitted at least seventy-two (72) hours before the time set for the meeting.

Section 3.9. Notice to Members of Board Meetings. Except as provided in Section 3.10, notice of the date, time, place, and general subject matter, including a general description of matters to be considered in executive session, of each Board meeting shall be given to each Member by one of the following methods: (i) by personal delivery of written notice; (ii) written notice by first-class mail, postage prepaid; (iii) by posting notice in a conspicuous manner in the community on the Common Area or on privately-owned property with the property owner's consent **and** by electronic mail to each Member who maintains a registered electronic mail address with the Association; or (iv) by posting notice on a website, if any, maintained by or on behalf of the Association **and** by electronic mail to each Member who maintains a registered electronic mail address with the Association. It is each Member's duty to keep an updated electronic mail address registered with the Association at all times. All such notices shall be given at the Member's mailing address or registered electronic mail address as shown on the records of the Association. Notices sent by personal delivery or by first-class mail shall be delivered or sent at least ten (10) days before the date of the meeting but not more than sixty (60) days before the date of the meeting. Notices posted in the conspicuous community location or on the Association's website shall be posted at least seventy-two (72) hours before the start of the meeting. Notices given by electronic mail shall be transmitted at least seventy-two (72) hours before the time set for the meeting.

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Section 3.10. Action Outside Meeting. Except as provided in this Section 3.10 below, the Board may take action outside a meeting, including voting by electronic or telephonic means, without prior notice to the Members pursuant to Section 3.9 if each Director is given a reasonable opportunity to express the Director's opinion to all other Directors and to vote. Participation in a meeting pursuant to this subsection shall constitute presence in person at such meeting. Any action taken without notice to Members must be summarized orally, including an explanation of any known actual or estimated expenditures approved at the meeting, and documented in the minutes of the next regular or special Board meeting.

Notwithstanding the above, the Board may not, unless done in an open meeting for which prior notice was given to the Members under Section 3.9, consider or vote on: (i) fines; (ii) damage assessments; (iii) initiation of foreclosure actions; (iv) initiation of enforcement actions (except actions that seek the issuance of a temporary restraining order or that relate to violations involving a threat to health or safety); (v) increases in assessments; (vi) levying of special assessments; (vii) appeals from a denial of architectural review approval; (viii) a suspension of a right of a particular Member; (ix) lending or borrowing money; (x) the adoption or amendment of a dedicatory instrument; (xi) the approval of an annual budget or the approval of an amendment of an annual budget that increases the budget by more than ten percent (10%); (xii) the sale or purchase of real property; (xiii) the filling of a vacancy on the Board; (xiv) the construction of capital improvements other than the repair, replacement, or enhancement of existing capital improvements; or (xv) the election of an officer.

Section 3.11. Board Meetings During Development Period. Notwithstanding any other provision in these Bylaws to the contrary, during the Development Period, the Board may meet without notice to the Members, may close the Board meeting to Members, and may meet in a county other than Collin County or a county adjacent thereto. In addition, during the Development Period, the Board is not required to meet in person for any reason, unless a Board meeting is conducted for the purpose of: (i) adopting or amending the Governing Documents; (ii) increasing the amount of the regular assessment or adopting or increasing a special assessment; (iii) electing non-developer Board members or establishing a process by which those members are elected; or (iv) changing the voting rights of the Members.

Section 3.12. Waiver of Notice. Notice of a Board meeting is not required to be given to a director or Member entitled to notice if the director or Member signs a written waiver of notice of the meeting either before or after the meeting. The waiver of notice or consent need not specify the purpose of the meeting. Attendance or participation of a director or Member at a meeting constitutes a waiver of notice of the meeting, unless the director or Member attends a meeting for the sole purpose of objecting to the transaction of any business on the ground that the meeting is not lawfully called or convened. Attendance or participation of a director or a Member at a meeting constitutes a waiver of notice of a particular matter at the meeting that is not included in the purposes of the meeting described in the notice, unless the director or Member objects to considering the matter when it is presented.

Section 3.13. Telephonic and Electronic Meetings. Members of the Board or any

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committee may participate in a meeting of the Board or committee, respectively, by means of conference telephone, or similar communications equipment, or another suitable electronic communications system, including videoconferencing technology or the Internet, or any combination, if (i) the telephone or other equipment or system permits each director to hear and be heard by every other director. Except for telephonic or electronic Board or committee meetings conducted during the Development Period or any portion of a Board or committee meeting conducted in executive session, telephonic or electronic meetings must permit all Members in attendance to hear all directors, and Members are allowed to listen using electronic or telephonic communication method used or expected to be used by a director to participate, and the notice of the meeting includes instructions for Members to access any communication method required to be accessible hereunder.

Section 3.14. Quorum of Board. At all meetings of the Board, a majority of the directors, including at least one Declarant-appointed director if such meeting is held during the Class "B" Control Period, shall constitute a quorum for the transaction of business, and the directors present at a meeting at which a quorum is present shall constitute the decision of the Board. A meeting at which a quorum is initially present may continue to transact business, notwithstanding the withdrawal of directors, if any action taken is approved by at least a majority of the required quorum for that meeting. If any meeting of the Board cannot be held because a quorum is not present, a majority of the directors who are present at such meeting may adjourn the meeting to a date and time not less than ten (10) nor more than sixty (60) days from the date the original meeting was called, subject to the notice requirements set forth in Section 3.9 and Section 3.10. At the reconvened meeting, if a quorum is present, any business which might have transacted at the meeting originally called may be transacted without further notice.

Section 3.15. Adjournments of Board Meetings. If the Board recesses a regular or special Board meeting to continue the following regular business day, the Board is not required to post notice of the continued meeting if the recess is taken in good faith and not to circumvent the right of Members to notice of and attend Board meetings. If a regular or special Board meeting is continued to the following regular business day, and on that following day the Board continues the meeting to another day, the Board shall give notice of the continuation in at least one manner prescribed by Section 3.9 within two (2) hours after adjourning the meeting being continued.

Section 3.16. Compensation. No director shall receive any compensation from the Association for acting as such unless approved by Members representing a majority of the total votes of the Association at a regular or special meeting of the Association; provided any director may be reimbursed for expenses incurred on behalf of the Association upon approval of a majority of the other directors.

Section 3.17. Conduct of Meetings. The President shall preside over all meetings of the Board, and the Secretary shall keep a minute book of meetings of the Board, recording therein all resolutions adopted by the Board of Directors and all transactions and proceedings occurring at such meetings.

Section 3.18. Open Meetings. Except as provided in Section 3.11 of these Bylaws, all

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meetings of the Board shall be open to all Members, but Members other than directors may not participate in any discussion or deliberation unless permission to speak is requested on his or her behalf by a director. In such case, the President may limit the time any Member may speak. Notwithstanding the above, the Board may adjourn any meeting of the Board and reconvene in executive session, excluding Members, to discuss the following matters: (i) personnel matters; (ii) pending or threatened litigation; (iii) contract negotiations; (iv) enforcement actions; (v) confidential communications with attorneys; (vi) matters involving the invasion of privacy of individual Members; or (vii) matters that are to remain confidential by request of the affected parties and agreement of the Board. The general nature of any business to be considered in executive session must first be announced at the open meeting. Any decision made or expenditure approved shall be orally summarized (including a general explanation of expenditures) at the meeting and recorded in the minutes of the meeting in such a manner as to protect the sensitive or confidential nature of the information discussed.

Section 3.19. Action Outside a Formal Meeting. Except with respect to those matters which must be considered or voted upon at an open meeting of the Board pursuant to Section 209.0051(h) of the Code, actions may be taken outside a meeting of the Board, and without prior notice to the Members, electronically or telephonically. The Board shall orally summarize any action taken outside a meeting, including an explanation of any known actual or estimated expenditures approved, at the next Board meeting and shall record those actions in the minutes of that next meeting.

C. Powers and Duties.

Section 3.20. Powers. The Board shall have all of the powers and duties necessary for the administration of the Association's affairs and, as provided by law, may do or cause to be done all acts and things as are not by the Governing Documents or by law directed to be done and exercised exclusively by the Members or the membership generally.

Section 3.21. Duties. The duties of the Board shall include, without limitation, the following:

(a) preparation and adoption, in accordance with the Declaration, of annual budgets in which there shall be established the contribution of each Owner to the common expenses;

(b) making assessments to defray the common expenses, establishing the means and methods of collecting such assessments, and establishing the period of the installment payments of the annual assessment; provided, unless otherwise determined by the Board, the annual assessment for each Lot's proportionate share of the common expenses shall be payable on January 1 of each year;

(c) providing for the operation, care, upkeep and maintenance of all of the Common Area;

(d) designating, hiring and dismissing the personnel necessary for the operation of

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the Association and the maintenance, operation, repair and replacement of its property and the Common Area and, where appropriate, providing for the compensation of such personnel and for the purchase of equipment, supplies and materials to be used by such personnel in the performance of their duties;

(e) collecting the assessments, depositing the proceeds thereof in a bank depository which it shall approve and using the proceeds to operate the Association; provided, any reserve fund may be deposited in the directors' best business judgment, in depositories other than banks;

(f) making and amending rules and regulations;

(g) opening of bank accounts on behalf of the Association and designating the signatories required;

(h) making or contracting for the making of repairs, additions and improvements to or alterations of the Common Area in accordance with the other provisions of the Declaration and these Bylaws after damage or destruction by fire or other casualty;

(i) enforcing by legal means the provisions of the Governing Documents and bringing any proceedings which may be instituted on behalf of or against the owners concerning the Association;

(j) obtaining and carrying insurance against casualties and liabilities, as provided in the Declaration, and paying the premium cost thereof;

(k) paying the cost of all services rendered to the Association or its Members and not chargeable directly to specific Owners;

(l) keeping books with detailed accounts of the receipts and expenditures affecting the Association and its administration, specifying the maintenance and repair expenses and any other expenses incurred;

(m) making available upon written request to any prospective purchaser of a Lot, any Owner of a Lot, any First Mortgagee, and the holders, insurers and guarantors of a First Mortgage on a Lot, at the requesting parties' expense, current copies of the Governing Documents and all other books, records and financial statements of the Association; and

(n) permitting utility suppliers to use portions of the Common Area reasonably necessary to the ongoing development or operation of the Property.

Section 3.22. Management. The Board may employ for the Association a professional management agent or agents at a compensation established by the Board to perform such duties and services as the Board shall authorize. The Board may delegate to its managing agent or manager, subject to the Board's supervision, all of the powers granted to the Board by these Bylaws. The management agent shall obtain and continue in effect during the term of the

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engagement, normal commercial insurance and crime insurance, naming the Association as an additional insured thereunder.

Section 3.23. Accounts and Reports. The following management standards of performance will be followed unless the Board by resolution specifically determines otherwise:

(a) accrual or cash accounting, as defined by generally accepted accounting principles, shall be employed;

(b) accounting and controls should conform to generally accepted accounting principles;

(c) cash accounts of the Association shall not be commingled with any other accounts;

(d) no remuneration shall be accepted by the managing agent from vendors, independent contractors or others providing goods or services to the Association, whether in the form of commissions, finder's fees, service fees, prizes, gifts or otherwise; anything of value received shall benefit the Association;

(e) any financial or other interest which the managing agent may have in any firm providing goods or services to the Association shall be disclosed promptly to the Board;

(f) an annual report consisting of at least the following shall be made available to all Members within one hundred twenty (120) days after the close of the fiscal year: (i) a balance sheet; (ii) an operating (income statement); and (iii) a statement of changes in financial position for the fiscal year. The annual report referred to above shall be prepared on an audited, reviewed or compiled basis, as determined by the Board, by an independent public accountant; provided, upon written request of any holder, guarantor or insurer of any First Mortgage on a Lot, the Association shall provide an audited financial statement at the expense of the requesting party.

Section 3.24. Borrowing. The Association shall have the power to borrow money for any legal purposes; provided the Board shall obtain approval of a majority of the Members and the consent of the Declarant during the Development Period.

Section 3.25. Rights of the Association. With respect to the Common Area, and in accordance with the Certificate of Formation and the Declaration, the Association shall have the right to contract with any person for the performance of various duties and functions. Without limiting the foregoing, this right shall entitle the Association to enter into common management, operational or other agreements with trusts, condominiums, cooperatives and other owners or residents' associations, both within and without the Property. Such agreements shall require the consent of a majority of the total number of directors of the Association.

Article IV
Officers

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Section 4.1. Officers. The officers of the Association shall be a President, Vice President, Secretary and Treasurer, to be elected from among the members of the Board. The Board may appoint such other officers, including one or more Assistant Secretaries and one or more Assistant Treasurers, as it shall deem desirable, such officers to have the authority and perform the duties prescribed from time to time by the Board. Any two or more offices may be held by the same person, except the offices of President and Secretary.

Section 4.2. Election and Term of Office. The officers of the Association shall be elected annually by the Board at the first meeting of the Board following each annual meeting of the Members.

Section 4.3. Removal and Vacancies. Any officer may be removed by the Board whenever in its judgment the best interests of the Association will be served thereby. A vacancy in any office arising because of death, resignation, removal or otherwise may be filled by the Board for the unexpired portion of the term.

Section 4.4. Powers and Duties. The officers of the Association shall each have such powers and duties as generally pertain to their respective offices, as well as such powers and duties as may from time to time specifically be conferred or imposed by the Board. The President shall be the chief executive officer of the Association. The Treasurer shall have primary responsibility for the preparation of the budget as provided for in the Declaration and may delegate all or part of the preparation and notification duties to a finance committee, management agent or both.

Section 4.5. Resignation. Any officer may resign at any time by giving written notice to the Board, the President or the Secretary. Such resignation shall take effect on the date of the receipt of such notice or at any later time specified therein, and unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective.

Section 4.6. Agreements, Contracts, Deeds, Leases, Checks, etc. All agreements, contracts, deeds, leases, checks and other instruments of the Association shall be executed by at least two (2) officers or by such other person or persons as may be designated by resolution of the Board.

Section 4.7. Compensation. Compensation of officers shall be subject to the same limitations as compensation of directors under Section 3.16.

Article V
Committees

Section 5.1. General. Committees are hereby authorized to perform such tasks and to serve for such periods as may be designated by a resolution adopted by a majority of the directors present at a meeting at which a quorum is present. Each committee shall cooperate in accordance with the terms of the resolution of the Board designating the committee or with rules adopted by the Board

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of Directors.

Article VI
Miscellaneous

Section 6.1. Fiscal Year. The fiscal year of the Association shall be set by resolution of the Board. In the absence of a resolution, the fiscal year shall be the calendar year.

Section 6.2. Conflicts. If there are conflicts between the provisions of Texas law, the Certificate of Formation, the Declaration and these Bylaws, the provisions of Texas law, the Declaration, the Certificate of Formation and the Bylaws (in that order) shall prevail.

Section 6.3. Books and Records.

(a) Inspection by Mortgagees. Except for Confidential Records (as defined in Section 6.3(e) below), the books and records of the Association (including financial records) shall be made available for inspection and copying by any holder, insurer or guarantor of a First Mortgage on a Lot, or by the duly appointed representative of any of the foregoing, upon written request stating a proper purpose for the request. Such inspection shall take place during normal business hours at the office of the Association or at such other place within the Property as the Board shall prescribe. The cost, including copy charges, document retrieval charges and a reasonable administrative fee, shall be at the expense of the requesting party and may be required to be paid in advance of the inspection.

(b) Inspection or Production of Records. Each Member of the Association may submit a written request to the Board or its representative by certified mail to the address of the Association or authorized representative as listed on the most current management certificate filed of record, to either inspect the books and records of the Association (including financial records) identified in the request or to have the Association deliver those books and records identified in the request to the Member or to a person designated in a writing signed by the Member as the Member's agent, attorney or certified public accountant. Except for Confidential Records (as defined in Section 6.3(e) below), the Member may inspect or the Association must produce the books and records identified in the request. If the Member requests to inspect the Association's books and records, the Association must, on or before ten (10) business days of receipt of a request, send written notice of the dates and times during normal business hours that the Member may perform the inspection to the extent that those books and records are in the possession, custody or control of the Association. If the Member requests that the Association produce the books and records, the Association must, to the extent that those books and records are in the possession, custody or control of the Association, either (i) produce the records requested on or before ten (10) business days from the date of receipt of the request; or (ii) if the Association cannot produce records on or before ten (10) business days, inform the Member of that fact on or before the ten (10) business day time period and then produce the records on or before fifteen (15) business days of providing that notice.

(c) Inspection and Production Costs. The Association shall adopt and record a records production and copying policy that prescribes the costs for compilation, production and copying of Association records in response to a Member's records request. Upon adoption and

recordation of this policy, the Association may require the Member to pay, in advance, the estimated costs of the records inspection or production (subject to the cost limitations set forth under law). On or before the thirtieth (30th) business day following the completion of the document inspection or production, the Association shall send the Member a final accounting invoice for the inspection or production. If the actual costs exceed the estimated costs of the inspection or production, the Member must reimburse the Association on or before thirty (30) business days of the final accounting invoice. In the event that the Member fails to timely reimburse the Association, the unpaid balance of the invoice shall be added to and become a part of the Member's assessment obligation to the Association and a lien against the Member's Lot, and may be collected in the same manner as any other assessment payable to the Association. If the actual costs are less than the estimated costs of the inspection or production of records, the Association shall refund the excess amount to the Member on or before the thirtieth (30th) business day after the date that the Association sends the final accounting invoice.

(d) Inspection by Directors. Every director shall have the absolute right at any reasonable time to inspect all books, records and documents of the Association and the physical Property owned or controlled by the Association. The right of inspection by a director includes the right to make extracts and a copy of relevant documents at the expense of the Association.

(e) Confidential Records. Except as hereinafter provided, Members are not entitled to inspect or to have produced to them Confidential Records. For purposes of these Bylaws, Confidential Records shall mean and include records that identify a Member's covenant violation history, a Member's personal financial information (including payment and delinquency information) with the Association, a Member's contact information (other than the Member's address in the development), employee records, attorney's files and records relating to the Association (excluding invoices requested by a Member under Section 209.008(d) of the Texas Property Code), or documents constituting attorney work product or attorney client communications. If a Member whose records are the subject of another Member's inspection or production request consents in writing to the release of his or her Confidential Records, the Association must allow the requesting Member to inspect the Confidential Records or the Association must produce the Confidential Records. In addition, the Association must allow an inspection or must produce Confidential Records if so ordered by a court of competent jurisdiction.

Section 6.4. Notices. Unless otherwise provided in these Bylaws, all notices, demands, bills, statements or other communications under these Bylaws shall be in writing and shall be deemed to have been duly given if delivered personally or if sent by United States mail, first-class postage prepaid:

(a) if to a Member, at the physical address which the Member has designated in writing and filed with the Secretary or, at the Member's registered electronic mail address, or, if no such physical or electronic address has been designated or registered, at the address of the Lot of such Member; or

(b) if to the Association, the Board, or the managing agent, at the principal office of the Association or the managing agent, if any, or at the address listed in the most recent recorded management certificate, or at such other address as shall be designated by notice in writing to the Members pursuant to this Section.

Section 6.5. Amendment.

(a) By Declarant. During the Development Period, the Declarant may unilaterally amend these Bylaws at any time and from time to time for any purpose.

(b) By Members. Except as provided above and otherwise specifically provided herein, these Bylaws may be amended only by the affirmative vote or written consent, or any combination thereof, of Members representing at least fifty-one percent (51%) of the total votes in the Association, and the consent of the Declarant until expiration of the Development Period. Notwithstanding the above, the percentage of votes necessary to amend a specific clause shall not be less than the prescribed percentage of affirmative votes required for action to be taken under that clause. Any amendment to be effective must be recorded in the County Clerk Official Records of Collin County, Texas.

If an Owner consents to any amendment to the Declaration or these Bylaws, it will be conclusively presumed that such Owner has the authority so to consent and no contrary provision in any mortgage or contract between the Owner and a third party will affect the validity of such amendment.

No amendment may remove, revoke or modify any right or privilege of the Declarant without the written consent of the Declarant (or the assignee of such right or privilege).

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SECRETARY'S CERTIFICATE

I, the undersigned, am the duly elected and acting Secretary of CHAMBERLAIN PLACE HOMEOWNERS ASSOCIATION, INC., a Texas non-profit corporation, and I do hereby certify:

That the within and foregoing Bylaws were adopted as the Bylaws of said corporation as of the 11th day of January, 2017, that the same do now constitute the Bylaws of said corporation, and that they have not been modified, amended nor rescinded.

IN WITNESS WHEREOF, I have hereunto subscribed my name as of January 11, 2017.

Secretary

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EXHIBIT "D"

Certificate of Formation

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CERTIFICATE OF FORMATION

OF

CHAMBERLAIN PLACE HOMEOWNERS ASSOCIATION, INC.

I, the undersigned, being of the age of eighteen years or more, acting as incorporator of a corporation under Chapter 22 of the Texas Business Organizations Code, Tex. Civ. Stat. Ann. § 22.001 *et seq*. (the "Code"), as it may be amended, do hereby adopt the following Certificate of Formation for such corporation:

Article I. Name. The name of the corporation is Chamberlain Place Homeowners Association, Inc. ("Corporation" or "Association").

Article 2. Duration. The Corporation shall have perpetual duration.

Article 3. Applicable Statute. The Corporation is a non-profit corporation organized pursuant to the provisions of Chapter 22 of the Texas Business Organizations Code, § 22.001 *et seq*.

Article 4. Purposes and Powers. The Corporation does not contemplate pecuniary gain or benefit, direct or indirect, to its members. In way of explanation and not of limitation, the purposes for which it is formed are:

(a) to be and constitute the Association to which reference is made in the Declaration of Covenants, Conditions & Restrictions for Chamberlain Place, to be recorded in the Official Public Records of Collin County, Texas, as it may be amended from time to time (the "Declaration"), to perform all obligations and duties of the Association, and to exercise all rights and powers of the Association, as specified therein, in the Bylaws and as provided by law; and

(b) to provide an entity for the furtherance of the interests of the owners of property subject to the Declaration.

In furtherance of its purposes, the Corporation shall have the following powers, which, unless indicated otherwise by the Declaration or Bylaws, may be exercised by the Board of Directors:

(a) all of the powers conferred upon non-profit corporations by common law and the statutes of the State of Texas in effect from time to time;

(b) all of the powers necessary or desirable to perform the obligations and duties and to exercise the rights and powers set out in this Certificate, the Bylaws or the Declaration, including, without limitation, the following:

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(i) to fix, levy, and collect assessments and other charges to be levied against the property subject to the Declaration and to enforce payment thereof by any lawful means;

(ii) to manage, control, operate, maintain, preserve, repair and improve the common area and facilities, and any property subsequently acquired by the Corporation, or any property owned by another, for which the Corporation, by rule, regulation, Declaration or contract, has a right or duty to provide such services;

(iii) to enforce covenants, conditions or restrictions affecting any property to the extent the Association may be authorized to do so under the Declaration or Bylaws;

(iv) to engage in activities which will actively foster, promote and advance the common interests of all owners of property subject to the Declaration;

(v) to buy or otherwise acquire, sell or otherwise dispose of, mortgage, or otherwise encumber, exchange, lease, hold, use, operate and otherwise deal in and with real, personal, and mixed property of all kinds and any right or interest therein for any purpose of the Corporation, which shall include the power to foreclose its lien on any property subject to the Declaration by judicial or non-judicial means;

(vi) to borrow money for any purpose subject to such limitations as may be contained in the Bylaws;

(vii) to enter into, make, perform and enforce contracts of every kind and description and to do all other acts necessary, appropriate or advisable in carrying out any purpose of the Association, with or in concert with any other association, corporation or other entity or agency, public or private;

(viii) to act as agent, trustee or other representative of other corporations, firms or individuals and, as such, to advance the business or ownership interests in such corporations, firms or individuals;

(ix) to adopt, alter and amend or repeal such Bylaws as may be necessary or desirable for the proper management of the affairs of the Association; provided, however, such Bylaws may not be inconsistent with or contrary to any provisions of the Declaration; and

(x) to provide or contract for services benefiting the property subject to the Declaration, including, without limitation, garbage removal and any and all supplemental municipal services as may be necessary or desirable.

The foregoing enumeration of powers shall not limit or restrict in any manner the exercise of other and further rights and powers which may now or hereafter be allowed or permitted by law; provided, none of the objects or purposes herein set out shall be construed to

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authorize the Corporation to do any act in violation of the Texas Business Organizations Code, and all such objects or purposes are subject to said Code.

The powers specified in each of the paragraphs of this Article 4 are independent powers, not to be restricted by reference to or inference from the terms of any other paragraph or provision of this Article 4.

Article 5. Definitions. All capitalized terms used in this Certificate of Formation shall be defined in the same manner as defined in the Declaration, which definitions are incorporated herein by this reference.

Article 6. Membership. The Corporation shall be a membership corporation without certificates or shares of stock. All Owners (as defined in the Declaration), by virtue of their ownership of Lots subject to the Declaration, are members of the Association. The members shall be divided into classes and entitled to a vote in accordance with the Declaration and Bylaws.

Article 7. Board of Directors. The business and affairs of the Corporation shall be conducted, managed and controlled by a Board of Directors (the "Board"). The Board may delegate such operating authority to such companies, individuals or committees as it, in its discretion, may determine. The Board shall consist of no less than three (3) and no more than five (5) members. The initial Board shall consist of the following three (3) members:

Name	Address
Bruce Smith	5850 Granite Parkway, Suite 100 Plano, Texas 75024
Jim Williams, Jr.	5850 Granite Parkway, Suite 100 Plano, Texas 75024
Douglas Mousel	5850 Granite Parkway, Suite 100 Plano, Texas 75024

The method of election, removal and filling of vacancies, and the term of office and number of directors shall be as set forth in the Bylaws.

Article 8. Liability of Directors. To the fullest extent permitted by Texas statutes, as the same exist or as they may hereafter be amended (but, in the case of any such amendment, only to the extent that such amendment permits broader limitation than permitted prior to such amendment), a director of the Corporation shall not be liable to the Corporation for monetary damages for an act or omission in the director's capacity as a director. Any repeal or amendment of this Article 8 by the Corporation shall be prospective only and shall not adversely affect any limitation on the personal liability of a director of the Corporation existing at the time of such

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