NOTICE OF CONFIDENTIALITY RIGHTS: IF YOU ARE A NATURAL PERSON, YOU MAY REMOVE OR STRIKE ANY OF THE FOLLOWING INFORMATION FROM ANY INSTRUMENT THAT TRANSFERS AN INTEREST IN REAL PROPERTY BEFORE IT IS FILED FOR RECORD IN THE PUBLIC RECORDS: YOUR SOCIAL SECURITY NUMBER OR YOUR DRIVER'S LICENSE NUMBER.

After recording, return to:
LIECHTY & MCGINNIS, LLP
11910 Greenville Avenue, Suite 400
Dallas, Texas 75243
Attn: Hilary Tyson, Esq.

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

DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS FOR ENCHANTED CREEK HOMEOWNERS ASSOCIATION, INC.

This Declaration (herein so called) is executed effective as of January 9th, 2015, by CTMGT LUCAS 238, LLC, a Texas limited liability company (the "**Declarant**").

RECITALS:

A. The Declarant is the owner of the real property in Collin County, Texas, described on **Exhibit A** attached hereto (the "**Property**"). The Declarant has or is developing the Property as an addition to the City of Lucas and Collin County to be known as Enchanted Creek (the "**Subdivision**").

B. The Declarant desires to establish a residential community of single family residential detached homes on the Property and, accordingly, has executed this Declaration to impose the covenants, conditions, restrictions, and easements herein described upon the Property.

ARTICLE 1
ESTABLISHMENT

Section 1.1 Establishment of Covenants, Conditions and Restrictions. The Declarant hereby imposes upon the Property the covenants, conditions, restrictions, liens and easements set forth in this Declaration (the "**Covenants**") for the purposes of establishing a general scheme for development of the Property, enhancing the value of the Lots and Residences (defined below), and establishing restrictions for residential use for the benefit of the Declarant, Builders (defined below) and the Owners (defined below). The Declarant does not guarantee that all of these purposes will be accomplished through the creation and imposition of the Covenants. The Covenants touch and concern title to the Property, run with the land and shall be binding upon all persons hereafter acquiring any portion of the Property.

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Section 1.2 Definitions. The terms set forth below shall have the indicated meanings when used in this Declaration; other terms are defined elsewhere herein and shall have the meaning given to them in this Declaration.

"**ACC**" shall mean Architectural Control Committee.

"**Assessments**" means the Maintenance Assessments and Special Assessments provided for in Article 6.

"**Association**" means the Enchanted Creek Homeowners Association, Inc., a Texas non-profit corporation, or such other homeowners' association name selected and available at the time of formation and established as provided in this Declaration.

"**Association Documents**" means the Certificate of Formation (herein so called) and the Bylaws (herein so called) of the Association, as amended and modified from time to time, and the resolutions and certifications adopted by the Association from time to time.

"**Board**" means the Board of Directors of the Association. During the Development period, Declarant reserves the right to appoint and remove all members of the Board of Directors.

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

"**City**" means the City of Lucas, Texas.

"**Common Amenities**" means the following: (i) any community amenity center or facility constructed on the Property for the use and benefit of the Owners, (ii) any and all entry features (including, without limitation, entry gates and controlled access improvements), Subdivision signage and monuments, landscape areas and screening walls, and all landscape easements, other similar areas within the Subdivision whether or not shown on the Plat (as hereinafter defined), whether within or surrounding or along the boundaries of the Property, including, without limitation, the landscape features installed and screening walls constructed in the entry areas; (iii) any other property or improvements within or immediately surrounding the Subdivision for which the Association is or may hereafter become obligated to maintain, improve or preserve; (iv) any real and/or personal property, fixtures or improvements conveyed or dedicated to the Association for the common use and benefit of Owners within the Subdivision, and/or to be maintained by the Association; and (v) any and all other fixtures, Structures or other improvements installed by Declarant or the Association within the Subdivision, and all equipment, accessories, utilities and machinery used in the operation or maintenance of any such Common Amenities, and which are not expressly made the responsibility of the Lot Owner pursuant to the provisions of this Declaration. All Common Amenities shall be maintained by the Association. **Each Owner by acceptance of a Deed to a Lot acknowledges and agrees that notwithstanding anything to the contrary contained herein, the Declarant has no plans for construction of any community amenity center or**

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facility within the Property, and the Common Amenities shall primarily include only berms, entry ways, weir structure and easement(s) as shown on the Plat as well as any related landscaping, drainage and fencing improvements.

"**Common Area**" means those portions of the Property depicted or described as such in or on the Plat (defined below) that do not constitute Lots (defined below), including, without limitation, Streets (defined below), roads or other rights-of-way which are not part of a Lot and/or dedicated to and maintained by the City or other governmental authority as a public right-of-way, and/or any real property and/or lot within the Subdivision comprising or on which the Common Amenities are located. The Declarant shall at all times have and retain the right, but without obligation whatsoever, to effect minor redesigns or reconfigurations of the Common Area located on such Declarant's portion of the Property and to execute any open space declarations applicable to such Common Area which may be permitted in order to reduce property taxes, and to take whatever steps as may be appropriate to lawfully avoid or minimize the imposition of federal and state ad valorem and/or income taxes. All Common Area shall be maintained by the Association.

"**Declarant**" means CTMGT Lucas 238, LLC, and its successors or any assignee of Declarant to whom Declarant expressly assigns all of its rights and obligations as Declarant under this Declaration in accordance with Section 8.8 hereof.

"**Design Guidelines**" shall mean and refer to those particular standards, restrictions, guidelines, recommendations and specifications set forth on **Exhibit B** attached hereto and incorporated herein by reference, as may be supplemented, amended and/or modified from time to time, and which are applicable to any or all aspects of construction, placement, location, alteration, maintenance and design of any improvements within the Property, together with any interpretations thereof.

"**Development Period**" means the period of time commencing on the date of this Declaration and continuing through and including the later of (i) the date on which Declarant no longer owns any portion of the Property or Property Subject to Annexation (as hereinafter defined), or (ii) the date which is ten (10) years after recordation of this Declaration in the Official Public Records of Collin County, Texas, or (iii) the date of recording in the Official Public Records of Collin County, Texas, of a notice signed by the Declarant terminating the Development Period.

"**Lot**" means any of the individual platted building lots reflected, or to be reflected, on the Plat that are to be used for construction of a Residence (defined below) thereon as herein described. In the event any Common Area is conveyed to the Declarant or another third party to be used for construction of a Residence, then such conveyed property shall be included in the definition of a "Lot".

"**Managing Agent**" means any Person who has been engaged and designated by the Board to manage the daily affairs and operations of the Association.

"**Owner**" means any Person owning fee title to any Lot, but excluding any mortgagee or beneficiary under a deed of trust until such time as it acquires legal title to a Lot.

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"**Person**" means any individual, corporation, limited liability company, partnership or other entity of any kind or type whatsoever.

"**Phase**" means a particular area of the Property designated by the Declarant for development. The Declarant may impose, as provided in Section 3.3(d), additional or different restrictions on each Phase within such Declarant's portion of the Property. If the Declarant annexes additional property into the Property as provided in Sections 8.1 and/or 8.2, it may designate the area annexed as a particular Phase, and the Declarant may impose, as provided in Section 3.3(d), additional or different restrictions on such area.

"**Plat**" means (i) initially, the preliminary plat, and thereafter the final plat, for any Phase of the Property submitted to and approved by the City, or any other applicable governmental entity; (ii) after recordation thereof, the final Plat for any Phase of the Property as recorded in the Records of Collin County, Texas; and, (iii) any replat of, or amendment to, the foregoing made by the Declarant in accordance with applicable requirements of the City or other applicable governmental authority. The term "Plat" shall also include the final recorded plat of any additional property annexed into the Property pursuant to Sections 8.1 and/or 8.2.

"**Property**" shall have the meaning ascribed to such terms as set forth in the recitals of this Declaration.

"**Residence**" means an attached residence residing upon a Lot in conformance with this Declaration.

"**Special Assessments**" means collectively, the Special Purpose Assessments and Special Member Assessments, as such terms are defined in Article 6 hereof.

"**Street**" means any paved road, which is located within a right-of-way of the Subdivision.

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

"**Subdivision**" shall have the meaning ascribed to such terms as set forth in the recitals of this Declaration.

"**Vehicle**" means any vehicle of any kind or type whatsoever, including any automobile, truck, motorcycle, boat, mobile home, motor home, boat trailer, or other kind of trailer.

ARTICLE 2
USE PROVISIONS

Section 2.1 Permitted Uses.

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(a) Lots Limited to Residential Use. Except as otherwise provided in this Declaration, Lots shall be used only for private residential purposes and activities reasonably related thereto. Additional uses for purposes such as schools, churches, or similar activities may not be permitted within the Property, without the prior written approval from the Association and the Declarant.

(b) Common Area and Common Amenities Uses. The Common Area designated as the open space and/or to be maintained by the Association on the Plat and any Common Amenities shall be used only for recreational and other similar purposes as approved by the Declarant or the Association. The Common Area consisting of landscaping, maintenance, wall maintenance easements, or similar areas shall be used for such purposes or similar purposes as approved by the applicable Declarant or the Association. The Common Area consisting of sanitary sewer easements, drainage easements, utility easements or similar areas shall be used for such purposes or similar purposes as approved by the applicable Declarant or the Association.

(c) Sales Offices and Similar Uses. The Declarant or any Builder may maintain on its Property one or more signs, sales offices, or trailers on Lots for the purpose of facilitating sales of Lots and/or Residences on the Property. The Declarant or the ACC, may by written designation grant to Builder(s) constructing Residences on Lots within the Property the right to conduct their sales and marketing programs for the Property from any permanent or temporary sales buildings or trailers, and conduct improvement work and activities on portions of the Property owned by them and do all things reasonably necessary or convenient as required to expeditiously commence, continue and complete such improvement work, including, but not limited to, the provision of temporary buildings (including, without limitation, trailers), temporary storage of construction materials and equipment and the installation of temporary signage of such types, in such sizes and at such locations on portions of the Property owned by them as they deem appropriate and in accordance with any applicable governmental requirements.

Section 2.2 Prohibited Uses and Activities.

(a) No Further Subdivision. No Lot may be further subdivided without the written consent of the Declarant or the ACC; provided, however, this restriction shall not be applicable to Common Area conveyed to the Declarant by the Association. Lots may be combined for the purpose of constructing a single residence on more than one Lot only upon written approval of the Declarant or the ACC. Without regard to any such permitted subdivision or combination, the Lots involved shall continue to be treated as single individual Lots hereunder for all other purposes, including voting in the Association and assessing and collecting Assessments.

(b) Parking and Vehicle Restrictions. All Vehicles shall be parked, stored or placed so as not to be visible from any Street or from ground level view from an adjoining Lot, except for temporary parking in the driveway constructed on a Lot. On-street parking shall be limited to temporary parking of guests or invitees of Owners during parties, delivery of services, and similar limited (no more than forty-eight (48) hours) time periods. Trucks with tonnage in excess of one ton and Vehicles with signage or advertising displays shall not be permitted to park overnight on the Streets, driveways, or other areas within the Property. No inoperative or

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unlicensed Vehicles may be parked or stored, other than in an enclosed garage, within the Property. All work on Vehicles (other than routine maintenance) shall be performed only in an enclosed garage. The foregoing provisions shall not restrict the parking of trucks and other Vehicles as necessary in connection with construction of Residences or other permitted Structures on Lots.

(c) Specific Use Restrictions. No Lot or improvement shall be used for business, professional, commercial or manufacturing purposes of any kind. No activity, whether for profit or not, shall be conducted on the Property which is not related to single-family residential purposes. No noxious or offensive activity (as determined by the ACC) shall be undertaken on the Property, and nothing shall be done which is or may become an annoyance or nuisance to the neighborhood. Nothing in this subparagraph shall prohibit a Builder's temporary use of a Residence as a sales office until such Builder's last Residence on the Property is sold. Nothing in this subparagraph shall prohibit an Owner's use of a Residence for quiet, inoffensive activities such as tutoring or giving art or music lessons so long as such activities do not materially increase the number of cars parked on the street or interfere with adjoining homeowners' use and enjoyment of their Residences and yards.

(d) Pet and Animal Restrictions. Only regular household pets such as cats and dogs shall be permitted on the Property and then only for personal use and not for any business use such as breeding, kennel operations and the like. No other animals shall be permitted to be maintained upon the Property, including the following: cows, bees, hogs, sheep, goats, poultry, or skunks. No more than four (4) domesticated household pets are permitted in any Residence. Pets shall not be permitted to run free through the Property.

(e) Outdoor Burning Restrictions. Outdoor burning of trash, leaves, and other items is prohibited. This restriction shall not be construed as prohibiting outdoor cooking on barbecue grills in connection with use of a Residence.

(f) Trash/Garbage Disposal. Trash, garbage and other waste shall at all times be kept in clean, well maintained, sanitary containers for regular scheduled pickup for removal of such items. Trash, garbage or other waste shall not be dumped on the ground of any Lot or in any Common Area. Containers for trash, garbage and other waste shall be screened from view in accordance with Section 3.4(e)(4) hereof at all times except such containers may be brought to the curbside or other designated pick-up area with respect to a Lot twenty-four (24) hours in advance of scheduled pick-up and such containers must be returned to the screened area within twenty-four (24) hours after the scheduled pick-up time.

(g) Occupancy. Each Lot shall be improved with an attached Residence. No Person shall occupy any garage or other outbuilding as a dwelling unit at any time. No Structure of a temporary character, such as a trailer, basement, tent, shack, barn or other outbuilding, shall be used on any of the Property at any time as a dwelling house; provided, however, that any Builder may maintain and occupy model houses, sales offices and construction trailers during construction periods.

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(h) Projections from Structures. Window air conditioning units attached to a Residence and other similar projections visible from a street are prohibited. Any projection through the roof of any outbuilding on the Property shall require the prior written approval of the applicable Declarant or the ACC.

(i) Private Water/Septic Systems. Each Residence shall be connected to the City water system, and no private water well or storm sewer system is permitted within the Property unless constructed or caused to be constructed by the Declarant on the Declarant's Property. If the Declarant uses private drainage easements in areas that necessitate or contain a private sub-surface storm sewer drainage system, then such sewer lines are to be kept freely running and unobstructed at all times. If the lines become obstructed, all parties that benefit from their function shall be required to equally and promptly share in the cost of repair or replacement of the lines. **Each Residence will operate on an individual Septic System by which sewage and waste water shall be disposed of. No City sewage and waste water line shall be allowed or be connected directly to the central drainage system of the subdivision**. No part of the PROPERTY shall be used as dumping area for any waste matter at any time. Each dwelling unit shall properly keep and maintain a suitable and closed receptacle for dumping waste matter. Routine collection and / or disposal of waste matter by an appropriate public service entity are required.

(j) Changes in Grade. Except for such changes as are reasonably necessary to facilitate construction of a Residence on a Lot, no Owner shall change the grade of any Lot except in compliance with all applicable laws and the requirements of the grading plan. After the Declarant has developed the Lots on its portion of the Property, the general grading and slope of a Lot may not be altered, and no dams, berms, channels or swales may be constructed or excavated without the prior written approval of the Declarant (or the ACC), the City (if applicable) and other appropriate agencies having authority to grant such approval. Notwithstanding anything to the contrary contained herein, the drainage plan of a Lot shall not be altered in a manner which is inconsistent with the Lot Grading Plan, unless such alteration is first approved by the City in writing.

(k) Visible Activities - Outdoors. Outdoor drying of clothes and clothes lines are prohibited. When not in use, lawn mowers, rakes, carts, and other yard equipment shall be stored away from view of adjoining Lots and Streets.

(l) Structures and Storage. No temporary dwelling, shop, trailer, mobile home or above-ground swimming pools of any kind or any improvement of a temporary character shall be permitted on any Lot, except that a Builder or contractor may have temporary improvements (such as a sales office, parking lot and/or a construction trailer) on a Lot during construction of the Residence on that Lot. Upon approval of the ACC, an Owner may install and place a play structure in the fenced in area behind the Residence on a Lot. Except as otherwise expressly permitted in Section 3.7 hereof, no building material of any kind or character shall be placed or stored upon a Lot until the Owner thereof is ready to commence construction of improvements, and then such material shall be placed only within the property lines of the Lot upon which the improvements are to be erected during construction so long as construction progresses without undue delay. Unless approved in writing by the ACC or the Board, in the absence of the ACC,

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pursuant to this Declaration, no storage buildings shall be constructed on a Lot. In any event, storage buildings permitted to be constructed on a Lot hereunder or by subsequent written approval by the ACC or Board must match or complement the materials and color of the Residence on the Lot. Storage buildings may be permitted only with the prior written approval of the ACC or Board, in absence of the ACC, and each storage building shall not exceed six feet (6') in height or the applicable governmental requirements pertaining to the height of such Structure(s), whichever is less, and shall be screened from view from adjacent lots, Common Areas, and adjacent Streets using either (A) live evergreen screening plants which are a minimum of six feet (6') in height at installation, spaced no more than eighteen inches (18") apart, edge to edge, or (B) an opaque fence or wall at least six feet (6') high, constructed of masonry, stone or wooden materials consistent with materials used on the primary Residence, or otherwise approved in writing by the ACC.

(m) Recreational Vehicles. No boat, trailer, marine craft, hovercraft, aircraft, recreational vehicle, travel trailer, motor home, camper body or similar vehicle or equipment may be stored, parked or kept on any driveway, in the front yard or in the Street in front of a Lot for more than 48 hours nor more frequently than two times per month, nor shall any such vehicle or equipment be parked for storage in the side or rear yard of any Residence. No such vehicle or equipment shall be used as a residence or office temporarily or permanently. This restriction shall not apply to any vehicle, machinery or equipment temporarily parked and in use for the construction, maintenance or repair of a Residence in the immediate vicinity.

(n) Transportation of Hazardous Materials. No vehicle of any size which transports inflammatory or explosive cargo may be kept on the Property at any time.

(o) Drilling or Mining. No oil drilling, oil development operation, oil refining, quarrying or mining operations of any kind shall be permitted on the surface of the Property. No oil wells, tanks, tunnels, mineral excavations or shafts shall be permitted upon or in any part of the surface of the Property. No derrick or other structure designed for use in quarrying or boring for oil, natural gas or other minerals shall be erected, maintained or permitted on the surface of the Property.

(p) Utilities. Each Residence situated on a Lot shall be connected to the public water lines. **As referenced in Section 2.2(i) above, all Lots will operate on an individual Septic System by which sewage and waste water shall be disposed of. No above ground trailer or other sewage system shall be placed or maintained upon any Lot.** Portable toilets will be allowed during building construction only. The use of any propane, butane, LP Gas or other gas tank, bottle or cylinder of any type (except as reasonably required [not to exceed fifteen pounds] to operate portable gas grills or permanent gas grills which may be installed or used by an Owner to serve a Residence) is prohibited. Except as to street lighting (if any) all utility service facilities (including, but not limited to, water, sewer, gas, electricity and telephone) shall be buried underground (except meters, transformers, risers, service pedestals and other surface installations necessary to maintain or operate appropriate underground facilities). Electric utility transformers may be installed only in locations designated on the Plat for such purpose or otherwise approved in writing by the ACC, and all improvements on a Lot on which an electric transformer pad

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easement is located as shown on the Plat must be installed in compliance with all electric company guidelines for separations from pad-mounted transformers.

(q) Certain Exterior Lighting. Upon being given notice by the ACC that any exterior lighting is objectionable, as determined by the ACC in its sole and exclusive discretion, the Owner of the Lot on which same is located shall immediately remove any such lighting or shield the same in such a way that it is no longer objectionable to the ACC.

Section 2.3 General. No use shall be permitted on the Property which is not allowed under applicable public codes, ordinances and other laws either already adopted or as may be adopted by the City or other controlling public authorities. Each Owner, occupant or other user of any portion of the Property, shall at all times comply with this Declaration and with any and all laws, ordinances, policies, rules, regulations and orders of all federal, state, county and municipal governments, and other agencies having jurisdictional control over the Property, specifically including, but not limited to, applicable zoning restrictions placed upon the Property as they exist from time to time. IN SOME INSTANCES REQUIREMENTS UNDER THE GOVERNMENTAL REQUIREMENTS MAY BE MORE OR LESS RESTRICTIVE THAN THE PROVISIONS OF THIS DECLARATION. IN THE EVENT A CONFLICT EXISTS BETWEEN ANY SUCH REQUIREMENTS UNDER THE GOVERNMENTAL REQUIREMENT AND ANY REQUIREMENT OF THIS DECLARATION, THE MOST RESTRICTIVE REQUIREMENT SHALL PREVAIL, EXCEPT IN CIRCUMSTANCES WHERE COMPLIANCE WITH A MORE RESTRICTIVE PROVISION OF THE DECLARATION WOULD RESULT IN A VIOLATION OF MANDATORY APPLICABLE GOVERNMENTAL REQUIREMENTS, IN WHICH EVENT THOSE GOVERNMENTAL REQUIREMENTS SHALL APPLY. COMPLIANCE WITH MANDATORY GOVERNMENTAL REQUIREMENTS WILL NOT RESULT IN THE BREACH OF THIS DECLARATION EVEN THOUGH SUCH COMPLIANCE MAY RESULT IN NON-COMPLIANCE WITH PROVISIONS OF THIS DECLARATION. WHERE A GOVERNMENTAL REQUIREMENT DOES NOT CLEARLY CONFLICT WITH THE PROVISIONS OF THIS DECLARATION BUT PERMITS ACTION THAT IS DIFFERENT FROM THAT REQUIRED BY THIS DECLARATION, THE PROVISIONS OF THIS DECLARATION SHALL PREVAIL AND CONTROL. All Lots shall be developed in accordance with this Declaration as this Declaration may be amended or modified from time to time as herein provided.

ARTICLE 3
CONSTRUCTION PROVISIONS

Section 3.1 Plan Approval Required. No Residence or Structure shall be constructed within the Property until the plans have been approved in writing by the ACC or the Declarant as provided in this Article 3.

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Section 3.2 Establishment of the ACC.

(a) Initial Appointment. The ACC shall consist of three (3) members. The initial ACC members shall be appointed by the Declarant.

(b) Term and Subsequent Appointments. The members of the ACC shall serve until they resign or are removed by the party appointing them to the ACC (which the appointing party may do at any time). Subsequent appointments to the ACC shall be made by the appointing Declarant until such time as the appointing Declarant either relinquishes such power by written notice to the Board, or no longer owns any Lot; thereafter, appointments to and removals from the ACC shall be made by the Board. Both ACC and Declarant, individually or jointly, may engage the services of a third party to review plans and specifications pursuant to this Article.

(c) Compensation; Fee for Review. No member of the ACC shall be entitled to compensation for its services; provided that the ACC may charge a reasonable fee (no more than $200 per submission) to cover its costs in reviewing any plans and inspecting a Lot and/or improvements constructed thereon, which fee shall be paid by an Owner to the Association at the time of submission and/or resubmission of plans to the ACC for review and approval. Notwithstanding the foregoing or anything to the contrary contained herein, Builders shall not be liable for any charges of the ACC under this Section 3.2(c) with respect to the review and approval of the ACC of plans for the initial construction of a home on a Lot by such Builder.

Section 3.3 Approval Process.

(a) Submission of Plans. Any party wishing to construct a Residence or any Structure on the Property shall submit at least one (1) copy of complete plans and specifications to the ACC for its approval prior to commencing construction. Such plans and specifications shall include engineering information, landscaping description, and construction plans showing the location and elevations of the proposed Residence or Structure and the materials to be used in constructing the same, all in sufficient detail to enable the ACC to evaluate the proposed Structure or Residence. The ACC may request additional information, including samples of proposed materials to aid it in its decision process. After receipt of a complete set of plans and specifications, the ACC shall promptly review the same and notify the Person submitting whether it approves the plans or whether it requires changes thereto. Alternately, the ACC may disapprove a set of plans by so noting thereon and returning it to the Person submitting, accompanied by a statement of the reasons for disapproval. No construction shall be commenced on any portion of the Property unless and until the plans for the Residence or Structure in question have been approved in writing by the ACC or the Declarant.

(b) Time for Review/Approval. The ACC shall approve or disapprove all plans properly submitted to it for construction within thirty (30) days after the date it receives a complete set of plans and specifications; therefore, if the ACC fails to specifically approve or disapprove of any plans within such thirty (30) day period, then the ACC shall be deemed to have disapproved the plans submitted.

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(c) **Review Standards.** The ACC, in reviewing and approving plans for construction of Structures or Residences, shall use commercially reasonable efforts to promote and ensure a high level of taste, design quality, aesthetic harmony, and conformity throughout the Property, consistent with the standards established by this Declaration and the Design Guidelines.

(d) **Design Guidelines/Building Standards.** The Declarant during the Development Period, and thereafter the ACC may, but is not required to, from time to time, establish specific guidelines and building standards in addition to or to modify and amend the Design Guidelines attached hereto as **Exhibit B** and incorporated herein by reference, to assist Persons in determining the type of Structures and Residences which may be constructed on the Property. Pursuant to Sections 8.1 and 8.2, during the Development Period the Declarant may annex additional property to become a part of the Property in accordance with Sections 8.1 and/or 8.2 hereof, and the Declarant may develop its portion of the Property in various Phases. The Declarant may establish differing restrictions, guidelines and building standards for each such Phase of the Property, which may impose more restrictive or less onerous building standards with respect to a particular Phase. The Declarant during the Development Period, and thereafter the ACC, may amend or modify such guidelines or standards from time to time in its sole discretion. Such guidelines or standards shall supplement this Declaration and shall be general guides to permitted construction within the Declarant's Property, but shall not diminish the authority of the ACC and/or the Declarant to approve plans as otherwise herein provided.

(e) **Failure to Obtain Approval.** The construction, repair, replacement, installation, improvement or placement of any Structure or improvement of any type on a Lot or Residence without the prior written approval from the ACC shall constitute grounds for the imposition by the ACC or the Association of an automatic fine against the Owner of said Lot not to exceed Twenty-Five and No/100 Dollars ($25.00) per day commencing upon the date on which the unapproved construction, repair, replacement, installation or placement commenced and continuing until the earlier of the date on which such Owner has either (i) obtained ACC approval (or deemed approval) of such construction, repair, replacement, installation or placement of the offending Structure(s), or (ii) removed such offending Structures and restored its Lot to substantially the same condition as existed prior to commencement of such construction, repair, replacement, installation or placement thereof. A fine levied under this Section shall be charged to the Owner's assessment account, payable upon demand and secured by the Assessment Lien created in Article 6.

(f) **Limitation of Liability.** No Declarant, and none of Declarant's officers, directors, partners, agents, employees, representatives, parent or subsidiaries, nor the Association, the Board, or the ACC, including any of its respective members, shall be liable to any Person for any official act of the ACC in connection with submitted plans and specifications. Notwithstanding any approval by the Declarant or the ACC, neither the Declarant nor the ACC shall be responsible or liable to any Person with respect to any loss, liability, claim or expense which may arise by reason of such approval or the construction of a Residence or Structure related thereto. No Declarant, nor the Association, the Board nor the ACC shall be responsible in any way for any defects in any plans or specifications submitted, reviewed or approved in accordance with the provisions of this Declaration, nor for any structural or other defects in any work done according to such plans or specifications. No approval of any plans by either the ACC

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or the Declarant shall be construed to mean that the plans comply with any applicable law, building code, or governmental regulation, it being the responsibility of the Person submitting any plans to assure compliance with all applicable laws. Conversely, the issuance of a building permit or any approval from any governmental authority shall not, under any circumstance, constitute any evidence that construction of a Residence or a Structure complies with the terms and conditions contained in this Declaration or the Design Guidelines. No Declarant or members of the ACC shall have liability for decisions made by them regarding the approval or disapproval of plans, so long as the decisions are made in good faith and are not discriminatory, arbitrary, or capricious.

Section 3.4 Specific Construction Provisions.

(a) Setbacks. All Residences and other Structures shall be constructed in conformity with the setback requirements of the City and the building lines reflected on the Plat.

(b) Residence Size and Type. The minimum square footage of enclosed air-conditioned area of each Residence (exclusive of all porches, garages or breezeways) shall be the greater of (i) 1800 square feet or (ii) the minimum square footage required by the City for each Residence. Each Residence shall be of new construction on a Lot and no mobile homes or manufactured housing shall be permitted on the Property except as authorized by the Declarant on a temporary basis in connection with construction or sales activities on the Declarant's Property.

(c) Garage Requirements. Each Residence shall have at least a two (2) car attached or detached garage constructed as a part thereof, in compliance with the minimum applicable requirements established by the City. Each garage and garage door must match or complement the materials and color of the Residence on the Lot. Garage doors facing the street must have sectional doors with a style and color that compliments or enhances the overall aesthetic appearance of the home. Each single-family Residence erected on any Lot shall provide off-street parking space (inclusive of garage space) for a minimum of two (2) automobiles. No garage shall be modified or converted for use as living space or any use other than as a garage, except with regard to model homes or sales offices operated by Builders in the Subdivision for which the garage may be modified or converted to living space or for other uses during periods in which such Residence(s) are being operated as a model home or sales office of a Builder.

(d) Drive/Walkway Requirements. All driveways and sidewalks shall conform to applicable City and other governmental specifications and regulations. Each Lot must be accessible to an adjoining Street by a concrete driveway unless other materials are approved in writing by the ACC. If required by the City, concrete sidewalks shall be installed on each Lot by the Builder constructing the initial Residence on any Lot and in conformance with the requirements of the City.

(e) Ancillary Structure Provisions. All ancillary Structures (as described below) shall conform to the requirements of this Section:

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(1) **Antennas, Aerials and Satellite Dishes.**

(A) Any antenna or satellite dish less than one meter in diameter shall be installed so as to not be visible from any street or the ground level of any adjacent Lot or Common Area, and shall be integrated with the Residence and surrounding landscape.

(B) Any broadcast television antennas and any other antennas and aerials shall be located inside the attic of the Residence constructed on the Lot.

(C) One (1) satellite dish over one meter in diameter shall be permitted per Residence only if it is not visible from any street or the ground level of an adjoining Lot or Common Area, and does not extend above the height of the fence surrounding the Lot on which such satellite dish is located.

(D) With respect to any antenna or satellite dish covered by Section 47 C.F.R. Part I, Subpart S, Section 1.4000 (or any successor provision) promulgated under the Telecommunications Act of 1996, as amended from time to time, the provisions of Section 3.4(e)(1)(A) and 3.4(e)(1)(B) shall be applicable only to the extent that the requirements hereof do not (A) preclude reception of an acceptable quality signal, (B) unreasonably delay or prevent installation, maintenance and use of the antenna or satellite dish, or (C) unreasonably increase the cost of installation, maintenance and use of the antenna or satellite dish.

(2) **Fences and Walls.** All fences constructed within the Subdivision shall comply with the Design Guidelines attached hereto as **Exhibit B** and shall in any event be of a design approved by the ACC. Any transition between intersecting fences of differing heights shall occur over a slope a distance of two feet (2') from the point of intersection. No fence shall be constructed on a Lot nearer than five feet (5') from the front corner of the Residence on such Lot. No fences or walls shall be constructed on any lot, other than by the Builder or Declarant, unless approved in writing by the ACC or the Board in the absence of the ACC. **Lots 1, 2, 3, 4, 5, 8, and 9 of Block C, located within Enchanted Creek Phase 1B shall be required to have wood screening fencing along the back section of their Lots. Fences shall be pre-stained, eight (8) foot, board on board with steel posts mounted on the inside so as not to be visible, a 2 x 4 continuous Cap and a 1 x 4 continuous band.** Builder shall make every effort to use a stain color uniform in aesthetic appearance with other wood fences which may already be erected. ACC reserves the right to require a Builder to re-stain any fence in which the color does not match the aesthetic harmony of other existing fences along the Lots of Block C listed above.

(3) **Outbuildings.** Outbuildings must be approved by the ACC consistent with Section 2.2(l) herein.

(4) **Trash Containers.** All trash containers belonging to a specific residence shall be screened from view from Streets, except during the period commencing 24 hours

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prior to scheduled pick-up and ending 24 hours after scheduled pick-up as permitted under Section 2.2(f) hereof.

(5) Hedges. Hedges shall be maintained at a height that is no higher than twenty-four inches (24") above the height of fences and walls on a Lot. Each owner shall keep and maintain hedges on its Lots in a manner that preserves the structural integrity of the fence and/or wall, and ensures same is not compromised, and in a manner to prevent encroachment of such hedge onto any adjacent Lot. No hedge shall be maintained in a manner that obstructs any sidewalk or the visibility of intersections of Streets.

(6) Retaining Walls. No retaining walls shall be constructed on any lot, other than by the Builder or Declarant, unless approved in writing by the ACC or the Board in the absence of the ACC.

(7) Mailboxes. Mailboxes shall be of a design as set forth on **Exhibit C** attached hereto and incorporated herein by reference, or other design approved in writing by the ACC or Declarant, and be designed and constructed in accordance with any applicable guidelines and/or requirements of the City and/or United States Postal Service.

(8) Recreational Facilities. A swimming pool and/or other recreational facilities may be constructed within any Lot provided the plans are approved by the ACC prior to commencement of construction to ensure compliance with the requirements contained in the Design Guidelines with respect to location and screening. Above ground pools are prohibited. All pool service equipment shall be either screened with shrubbery or fenced and located in (A) a side yard between the front and rear boundaries of the Residence, or (B) in the rear yard, or (C) otherwise concealed in a location not visible from any Street, Common Area or adjacent Lot.

(9) Signage. No sign or signs of any kind or character shall be displayed to the Streets or otherwise to the public view on any Lot or Common Area, except for the Declarant's signs or Builders' signs approved by the Declarant for such Declarant's Property, and except that:

(A) Any Builder, during the applicable initial construction and sales period, may utilize two (2) professionally fabricated signs (of not more than six [6] square feet in size) per Lot for advertising and sales purposes, and two (2) professionally fabricated signs (of not more than thirty-two [32] square feet in size) in the Property advertising a model home or advertising the Subdivision, provided that such signs shall first have been approved in writing by the ACC;

(B) A professionally fabricated "for sale" or "for rent" or "for lease" sign (of not more than six [6] square feet in size) may be utilized by the Owner of a Lot for the applicable sale or rent situation, provided that such sign first shall have been approved in writing by the ACC;

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(C) Development related signs owned or erected by Declarant (or any builder with Declarant's prior written consent) shall be permitted;

(D) Signs displaying the name of a security company shall be permitted, provided that such signs are (i) ground mounted, (ii) limited to two (2) in number per Lot (one [1] in the front yard and one [l] in the back yard), and (iii) of a size not in excess of two (2) square feet in size;

(E) Each Owner may display flags on or at a Residence in conformity with the Design Guidelines attached hereto as **Exhibit B**, and in a manner otherwise consistent with the covenants, conditions and restrictions contained in this Declaration;

(F) Each Residence may display up to two (2) spirit signs or other signs in support of athletic events and/or teams during the applicable sport season which are not otherwise consistent with the covenants, conditions and restrictions contained in this Declaration; and

(G) Each Residence may display seasonal decorations (including lights, lawn ornamentation, flags and banners) for a duration of no longer than six (6) weeks during the applicable season and provided that such decoration is in any event consistent with the covenants, conditions and restrictions contained in this Declaration; and

(H) One (1) sign for each candidate and/or ballot item on advertising such political candidate(s) or ballot item(s) for an election shall be permitted in accordance with Section 202.009 of the Texas Property Code, provided that:

(i) such signs may not be displayed (A) prior to the date which is ninety (90) days before the date of the election to which the sign relates, and (B) after the date which is ten (10) days after that election date;

(ii) such signs must be ground-mounted; and

(iii) such signs shall in no event (A) contain roofing material, siding, paving materials, flora, one or more balloons or lights, or any other similar building, landscaping, or nonstandard decorative component, (B) be attached in any way to plant material, a traffic control device, a light, a trailer, a vehicle, or any other existing Structure or object, (C) include the painting of architectural surfaces, (D) threaten the public health or safety, (E) be larger than four feet (4') by six feet (6'), (F) violate a law, (G) contain language, graphics, or any display that would be offensive to the ordinary person, or (H) be accompanied by music or other sounds or by streamers or is otherwise distracting to motorists.

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All signs must be professionally produced and manufactured. Each Owner hereby grants permission to the ACC (or its duly authorized agents) to enter upon a Lot or any part of the Property and remove any sign, billboard or advertising structure that does not comply with the above requirements and, in doing so, the ACC (or its duly authorized agents) shall not be subject to any liability to any Person whatsoever for trespass, conversion, or any claim for damages in connection with such removal. The ACC's cost to remove any sign shall be added to the Owner's assessment account, be payable upon demand and secured by the Assessment Lien created in Article 6.

(f) **Construction Materials.** All construction materials shall conform to the following provisions:

(1) **Exterior Materials.** The exterior walls (excluding doors and windows) below the first floor ceiling plate, of each Residence constructed or placed on a Lot shall have the minimum City required coverage but not less than the required minimum coverage as set forth in the Design Guidelines attached hereto as **Exhibit B** and shall consist of brick or brick veneer, or stone or stone veneer, or other masonry material on the first floor and front façade of a residence (excluding openings) and otherwise in compliance with the Design Guidelines attached hereto as **Exhibit B**. All chimney and fireplace flues shall be enclosed and finished and portions located above the roof structure and roofing materials shall be finished as required by the Design Guidelines or applicable ordinances of the City, provided that in any event such exterior portions of the chimney shall be finished with an approved exterior grade siding material; exposed pre-fabricated metal flue piping is prohibited. No material on the exterior of any building or other improvement except wood, hardboard or stucco, shall be stained or painted without the prior written approval of the ACC. No materials other than the following may be used in the exterior construction of a Residence and/or other Structures constructed on a Lot (excluding roofing materials, window frames and exterior fixtures): brick, brick veneer, stone, stone veneer, wood, hardboard, stucco and/or masonry siding. All wood, hardboard or stucco used on the exterior of a Residence must be painted or stained in a color compatible with the exterior design and materials used in the exterior construction of such Residence, and as approved by the ACC.

(2) **Roof Materials.** Minimum thirty (30) year warranty shingle or equivalent is required, with a minimum weight of 220 pounds per square foot (100 square feet). The color of shingles shall be weathered brown or gray color. Other roofing material shall not be used without the express written approval of the ACC. All roofing materials must be fireproof and conform to City requirements, and are subject to approval of the ACC. Roof materials shall in any event be in compliance with the Design Guidelines attached hereto as **Exhibit B**. Dormers above roof structure and roofing materials may be finished with an approved exterior grade siding material.

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Section 3.5 **Height Restrictions.** All Residences and other Structures shall conform to the height restrictions of the City.

Section 3.6 **Roof Restrictions.** All Residences shall have a minimum roof pitch of 8:12 slope, unless otherwise approved in writing by the Architectural Control Committee and must comply with the restrictions as set forth in the Design Guidelines attached hereto as **Exhibit B**. The roof pitches of any permanent Structure(s) to be constructed and/or installed on any Lots shall be subject to the Architectural Control Committee's prior written approval.

Section 3.7 **Construction Period and Process.** All construction activities, temporary Structures, storage of materials and equipment, construction-related parking and temporary security fences shall be confined entirely on such Lot or, if applicable, (a) such other portion of the Property designated by Declarant for such use or (b) such other Lots owned by a Builder which may be used as staging, parking or storage areas with related temporary Structures and fencing thereon for purposes of such Builder's initial construction of homes on Lots owned by it. Each Owner is responsible for, and shall cause, through appropriate contractual provisions, all costs of cleaning up any debris or waste improperly disposed of anywhere on the Property. Each Owner and such Owner's contractors shall use reasonable diligence to maintain an attractive, clean, nuisance-free environment during the period of construction. Each Owner of a Lot on which improvements are being constructed shall keep all Streets reasonably cleared of mud and dirt left by construction vehicles for each Lot. Once commenced, all construction on a Lot of any Residence (including the initial Residence thereon) (a) shall be continued with due diligence and good faith until completion, and (b) shall be completed within three (3) months after commencement thereof. Construction of any other Structure shall be completed within the time periods specified in the plan approval process. All areas under construction shall be maintained in a clean, safe condition, and debris, trash, and rubble shall be stored in appropriate containers and promptly removed from the Property.

Section 3.8 **Landscaping.** Weather permitting, landscaping of a Lot must be completed (a) by the date on which any Residence on a Lot is ninety-five percent (95%) complete, with respect to the initial construction of a Residence on a Lot, or (b) the date on which an Owner commenced installation and/or construction of such landscaping improvements with respect to landscaping improvements and work on Lots with existing Residences. In any event, all landscaping requirements for Residences as set forth in the Design Guidelines attached as **Exhibit B** to this Declaration, and as such Design Guidelines may be amended from time to time by the Declarant, the Board, the ACC or the Association pursuant to the terms hereunder, shall be satisfied prior to occupancy of a Residence on a Lot, provided that in any event (i) all front and side yards of a Lot shall be fully sodded, (ii) all yard areas and required landscape shall be irrigated by a fully automated irrigation system with drip irrigation installed in the front yard planter beds and front yard trees, (iii) each Lot shall include at least three (3) canopy trees with a caliper of three inches (3") or greater (measured at breast height) within the front yard of each of the Lots and landscaping that otherwise complies with any requirements of the City or other applicable governmental authorities and the Design Guidelines promulgated by the Board, the ACC or the Association hereunder (collectively, the "**Minimum Landscaping Requirements**"). With respect to each and every fence installed at or near the side Lot line of any corner Lot running parallel to a Street, the Lot Owner shall be obligated to maintain all grass areas between

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the fence and the Street, as applicable (and if any Owner fails to do so, the Association shall have the right, but not the obligation to maintain same at the Owner's cost, and shall have all other rights and remedies as are provided for in this Declaration).

Section 3.9 Retaining Walls. Retaining walls may be installed to achieve even grades for pools, driveways or Residence foundations or to prevent storm water drainage to flow onto other Lots as required by Section 2.2(j) hereof. Such retaining walls must be constructed of such materials and height, and in a manner and location, approved in writing by the ACC and the City, if applicable. All retaining walls visible from any Street in front of a Lot, and, for corner Lots, from the adjacent side Street, shall be finished with landscape quality rock or stone. Any retaining walls built by Declarant or its affiliates on Common Area to be maintained by the Association shall be conveyed to and maintained by the Association as Common Areas and/or Common Amenities. Any retaining walls located within a Lot shall be maintained and repaired by the Owner of the Lot on which such retaining wall is located. In the event that a retaining wall is located on a shared property line between two Lots, the Owner of the high-side Lot shall be responsible for the maintenance and repair of such retaining wall.

Section 3.10 Right to Waive or Modify Specific Instruction Provisions. The ACC shall have the right, in its discretion, to grant reasonable waivers of the construction provisions set forth in this Declaration, and any such waiver shall not entitle any other Person to a similar waiver and shall only be granted with respect to portions of the Property for which such ACC is responsible in accordance with the terms of this Declaration.

Section 3.11 Declarant Rights. So long as the Declarant owns any Lot, such Declarant may exercise any of the rights of the ACC appointed by such Declarant under this Article 3 and supersede any decision or action of such ACC.

Section 3.12 Repairs, Replacements and Modifications. The provisions of this Article 3 shall apply to any and all repairs, replacements or modifications of any improvements placed upon any Lot and shall not be deemed or construed as being limited to initial or new construction.

ARTICLE 4
MAINTENANCE PROVISIONS

Section 4.1 Owner's Obligation to Maintain. Each Owner shall maintain its Lot and the Residence and other Structures thereon in a clean, first class condition. Each Owner shall keep all landscaping and sprinkler system on such Owner's Lot in a neat, orderly and well-maintained condition and shall keep the sidewalk on or in front of such Owner's Lot in good condition and repair. Each Owner shall regularly mow grass on its Lot so that at all times such Owner's Lot contains no weeds, grass or unsightly growth exceeding two inches (2") in height. Each Owner shall maintain the exterior of its Residences and Structures in good condition and shall make such repairs and replacements as necessary to maintain good order and the aesthetic harmony of the Property.

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Section 4.2 **Damaged Improvements.** If any Residence or Structure is damaged in any way, the Owner shall immediately repair such damage.

Section 4.3 **Declarant/Association Right to Perform.** If any Owner fails to maintain the condition of its Lot, the landscaping thereon, including the prompt removal of rotting or deceased trees and shrubs, or the Residence or other Structures thereon as contemplated by this Article 4 and fails to take action to correct such defect within ten (10) days after the Declarant or the Association has furnished written notice thereof to such Owner, then the Owner of such Lot hereby grants permission to such Declarant or Association (or its duly authorized agents) to enter upon such Lot and perform those duties which the Owner failed to perform without liability whatsoever to such Owner or any Person for trespass, conversion, or any claim for damages. The cost of performing such duties shall be added to the Owner's assessment account and shall bear interest at the maximum rate of interest permitted to be charged under applicable law, and shall be payable upon demand and secured by the Assessment Lien provided for in Article 6.

Section 4.4 **Easement Maintenance.**

(a) **Generally.** Each Owner grants to the Association, the Board, and the Declarant the right to access, repair, and maintain all facilities and improvements within any wall, entry, fence, landscape, or other similar easement as recorded on any Plat.

(b) **Drainage Easement.** By acquisition of a Lot, each Owner hereby grants, creates and conveys unto the Association, the other adjacent Owners and the Declarant (prior to the establishment of the Association, and thereafter, the Association) a perpetual non-exclusive easement (the "**Drainage Easement**") over (i) all drainage easements within such Owner's lot and shown on the Plat and (ii) an area five feet (5') on both sides of the shared property line of each Lot within the Property for the purpose of (a) access, ingress, egress, as is reasonably necessary to maintain, repair and/or restore the grading and/or drainage improvements serving the Lots and/or the Property, and (b) permitting runoff and/or storm water to drain from other adjacent Lots over, through, under and across the Owner's Lot(s) to the extent such drainage does not adversely affect any Residence; provided, however, in no event shall Declarant and/or the Association be liable to maintain, repair or restore any grading or drainage on or serving any Lot. Neither the Declarant nor Declarant's successors or assigns shall be liable for any loss of, or damage done to, any shrubbery, grass, flowers, improvements, fences, sidewalks, driveways or buildings of any type or the contents thereof on any Lot caused by any water levels, rising waters or drainage waters. Notwithstanding any of the foregoing rights of the Association or the Declarant, each Owner hereby agrees to maintain the Drainage Easement area at such Owner's sole cost and expense. If any structures or other obstructions are constructed, created or placed by any Owner within the Drainage Easement area without the prior written consent of the Association and/or the Declarant, the Declarant or the Association shall have the right to remove such structure or obstruction at the sole cost of such Owner.

ARTICLE 5
OWNERS' ASSOCIATION

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Section 5.1 **Establishment.** The Association has heretofore been or will hereafter be created as a Texas non-profit corporation. Each Owner of a Lot shall be a member of the Association and such membership is appurtenant to and shall not be separated from ownership of a Lot. Upon the transfer of a Lot, the new Owner shall automatically become a member of the Association. The term of existence of the Association and other matters pertaining to its operation are set forth in its Certificate of Formation and the By-Laws. The Association is established to enforce this Declaration and the Covenants, to promote the interests of the Owners as residents of the Property, and to enhance the value of the Lots as part of a harmonious, high quality, residential subdivision.

Section 5.2 **Membership; Voting Power.**

(a) **Generally; Classes of Members.** Every Owner (including Declarant) shall automatically be and must remain a Member of the Association so long as such Person is an Owner. The membership of a Person in the Association shall terminate automatically whenever such Person ceases to be an Owner, except that such termination shall not release or relieve such Person from any liability or obligation arising under this Declaration during such Person's period of ownership. Any transfer of title to a Lot shall operate automatically to transfer membership in the Association appurtenant to such Lot to the new Owner of such Lot. The Association shall have two classes of voting membership as follows:

(i) **Class A.** The Class A Member shall be all Owners other than the Declarant and shall be entitled to one vote for each Lot owned. If more than one person owns an interest in a Lot, they shall combine their vote in such a way as they see fit, but there shall be no fractional votes, and no more than one vote with respect to any Lot.

(ii) **Class B.** The Class B Member shall be the Declarant, who shall be entitled to ten (10) votes for each Lot owned by such Declarant. Subject to the conditions set forth in the remainder of this paragraph, the Class B membership applicable to the Declarant's Property shall be converted to Class A membership upon the earlier of (i) the total votes outstanding in the Class A membership applicable to the Declarant's portion of the Property equaling the total votes outstanding in the Class B membership applicable to such Declarant's portion of the Property, (ii) ten (10) years from this filing, or (iii) the recording in the Records of Collin County, Texas, of a notice signed by the Declarant terminating its Class B membership. In determining the number of Lots owned by the Declarant for the purpose of Class B membership status hereunder, the total number of Lots covered by this Declaration, including all Lots annexed thereto in accordance with Sections 8.1 and/or 8.2 herein shall be considered. In the event the Class B membership has previously lapsed as provided in (i) above, but annexation of additional property restores the ratio of Lots owned by the Declarant to the number required for Class B membership status, such Class B membership shall be reinstated until it expires pursuant to the terms hereof.

(b) **Members in Good Standing.** A Member shall be considered to be a "**Member in Good Standing**" (herein so called) and eligible to vote on Association related matters if such Member:

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(i) Has, at least ten (10) days prior to the taking of any vote by the Association, fully paid all Assessments or other charges levied by the Association, as such Assessments or charges are provided for hereunder;

(ii) Does not have a Notice of Unpaid Assessments filed by the Association against the Lot owned by such Owner;

(iii) Has not received any notice of a violation of this Declaration or any notice of violation of any design guidelines promulgated by the ACC, which violation is continuing and has not been cured by such Member in violation; and

(iv) Has discharged all other obligations to the Association as may be required of Members hereunder or under the Association Documents.

The Board shall have the right and authority, in the Board's sole and absolute discretion, to waive the ten (l0) day prior payment requirement in Section 5.2(b)(i) hereof and require only that such payment be made at any time before such vote is taken if the Board shall determine, in the Board's sole and exclusive judgment, that extenuating circumstances exist which have prevented prior payment. Any Member not conforming to the provisions of this Section shall be declared by the Board not to be a Member in Good Standing and any such Member shall not be entitled to vote on matters before the Association until such time as Member in Good Standing status is attained and so declared by the Board. Notwithstanding the foregoing or anything to the contrary contained herein, for as long as required under the Texas Residential Property Owners Protection Act, as amended from time to time (Texas Property Code, Section 209.001 *et seq.*), nothing contained in this Section 5.2(b) shall prohibit a Member (whether or not such Member is a Member in Good Standing) from voting at any meeting of the Members to elect directors of the Board or on matters that affect such Member's rights or responsibilities with respect to the Lot owned by it.

(c) Board of Directors Election. The Board shall be elected as provided in the Association Documents. The Board shall act by majority vote as provided in the Association Documents.

(d) Specific Powers of Board. Without limiting the authority granted to a board of directors under the Texas Business Organizations Code, the Board shall have the following specific powers on behalf of the Association:

(1) to enforce the provisions of this Declaration;

(2) to enter into contracts;

(3) to retain third parties, as necessary, to assist the Board in carrying on the Association's activities, including engineers, accountants, lawyers, architects, land planners, professional management, and other consultants;

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(4) to take such action as necessary to maintain the Common Area and Common Amenities in good order and condition;

(5) to acquire property, services and materials to carry out its duties;

(6) to purchase insurance covering potential liability for use of the Common Area and/or Common Amenities and for other risks;

(7) to borrow money for Association purposes;

(8) to initiate and defend litigation, arbitration and other similar proceedings;

(9) to promulgate reasonable rules and regulations for access to and use of Common Area and/or Common Amenities as well as a policy establishing a schedule and procedures by which the Board may assess fines against Owners for violations of the Covenants or the Design Guidelines;

(10) to establish and collect reasonable fees for the use of any Common Amenities within or on the Common Area; and

(11) to establish and collect a reasonable fee for copying and furnishing copies of the Association's governing documents and furnishing a Resale Certificate (as hereinafter defined) as and to the extent required by law. This function and the authority to collect and receive such fees may be delegated or assigned by the Board to the Association's Managing Agent.

Section 5.3 Officers. The Association will have such officers as are set forth in the Association Documents.

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Section 5.4 Quorum, Notice and Voting Requirements.

(a) Generally. Except as otherwise specifically provided in this Declaration, any action requiring the vote or approval of the Members or the Owners shall require the majority vote of the Members in Good Standing (both classes voting together), represented at a duly called meeting of the Members in person or by a legitimate proxy in form provided in the Association Documents or otherwise approved by the Board, at which a "Regular Quorum" or a "Special Quorum" is present. Written notice of a meeting must be given to all Members not less than ten (l0) days nor more than sixty (60) days in advance of any such meeting and shall set forth the purpose(s) of such meeting. No action may be taken at a meeting on any matter that is not described in the applicable meeting notice as being on the agenda for such meeting. Notwithstanding anything herein to the contrary, to the extent permitted by applicable law and in the Association Documents from time to time, any action may be taken by written consent of the Members in lieu of formal meetings.

(b) Special Quorum. The quorum (a "**Special Quorum**") required for any action referred to in Section 6.3(b) (maximum increase in Maintenance Assessments) hereof or Section 6.4(a) (Special Purpose Assessments) hereof:

Members in Good Standing, represented at a duly called meeting of the Members in person or by a legitimate proxy in form provided in the Association Documents or otherwise approved by the Board, entitled to cast thirty percent (30%) of all of the votes of Members in Good Standing (both classes of Members taken together) shall constitute a Special Quorum. If the required Special Quorum is not present at such meeting, that meeting may be adjourned, and an additional meeting may be called, subject to the notice requirement set forth herein, with the required Special Quorum at such second (2nd) meeting being reduced to one-half (1/2) of the required Special Quorum at the preceding meeting; provided, however, that such second (2nd) meeting must be held not later than thirty (30) days after the first (1st) meeting. Further, if the reduced required Special Quorum is not present at such second (2nd) called meeting, the adjournment of the meeting shall be continued, and one (1) additional meeting may be called, subject to the notice requirement set forth herein, with Declarant alone constituting the required Special Quorum at such third (3rd) meeting; provided that such third (3rd) meeting must be held not later than forty-five (45) days after the first (1st) meeting.

(c) Regular Quorum. The quorum (a "**Regular Quorum**") required for any action other than the action referred to in Section 5.4(b) hereof shall be as follows:

Members in Good Standing, represented at a duly called meeting of the Members in person or by a legitimate proxy in form provided in the Association Documents or otherwise approved by the Board, entitled to cast ten percent (10%) of all of the votes of Members in Good Standing (both classes of Members taken together) shall constitute a Regular Quorum. If the required Regular Quorum is not present at such meeting, that meeting may be adjourned, and an additional meeting may be called, subject to the notice requirement set forth herein, with the required Regular Quorum at such second (2nd) meeting being reduced to one-half (1/2) of the required Regular Quorum at the preceding meeting; provided, however, that such second (2nd) meeting must be held not later than thirty (30) days after the first (1st) meeting. Further, if the

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reduced required Regular Quorum is not present at such second (2nd) called meeting, the adjournment of the meeting shall be continued, and one (1) additional meeting may be called, subject to the notice requirement set forth herein, with Declarant alone constituting the required Regular Quorum at such third (3rd) meeting; provided that such third (3rd) meeting must be held not later than forty-five (45) days after the first (1st) meeting.

(d) Consent without a Meeting. As an alternative to the procedure set forth in this Section, any action may be taken without a meeting upon obtaining the assent given in writing and signed by Members in Good Standing who hold more than (i) ten percent (10%) of the outstanding votes eligible to be cast by Members in Good Standing (both classes of Members taken together) for actions referred to and requiring a Special Quorum as provided in Section 5.4(b) hereof, or (ii) thirty percent (30%) of the outstanding votes eligible to be cast by Members in Good Standing (both classes of Members taken together) for actions referred to and requiring a Regular Quorum as provided in Section 5.4(c) hereof.

(e) Controlling Provisions. Except as set forth in this Section, the notice, voting and quorum requirements for all action to be taken by the Association shall be as set forth in the Association Documents. In the event a conflict exists between any requirement in of this Section 5.4 and the requirements of any Association Documents, the terms of this Section 5.4 shall prevail.

Section 5.5 Dissolution. So long as the Declarant owns record title to any portion of the Property, the Association shall not be dissolved. Once the Declarant is divested of all ownership interest in the Property, the Association may be dissolved upon the written consent of Owners owning at least sixty-seven percent (67%) of the Lots, provided that (a) the assets of the Association shall be donated to a nonprofit organization selected by a majority of the Board and with purposes similar to the Association, and (b) such nonprofit organization must assume in writing the obligation to maintain the donated assets in accordance with the terms of this Declaration.

ARTICLE 6
ASSESSMENTS

Section 6.1 Power to Establish Assessments. The Association is empowered to establish and collect Assessments as provided in this Article 6 for the purpose of obtaining funds to maintain the Common Area and/or Common Amenities, perform its other duties, and otherwise preserve and further the operation of the Property as a first-class, quality residential subdivision. The purposes for which Assessments may be used include, without limitation, maintaining, operating, managing, repairing, replacing or improving the Common Area, Common Amenities or any improvements thereon; mowing grass and maintaining grades and signs; paying legal fees and expenses incurred in enforcing this Declaration; paying expenses incurred in collecting and administering assessments; paying insurance premiums for liability and fidelity coverage for the ACC, the Board and the Association; and satisfying any indemnity obligation under the Association Documents. The Board may reject partial payments and demand payment in full of all amounts due and owing the Association. The Board is specifically authorized to establish a policy governing how payments are to be applied.

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Section 6.2 Commencement of Assessments.

(a) Owner other than the Declarant. Unless otherwise provided by separate agreement by and between the Declarant and any Person, the Assessments shall commence, as to each Lot located in the Declarant's Property, upon conveyance of the Lot by the Declarant to any Person that is not an affiliate of the Declarant.

(b) Declarant. The Declarant shall not be liable for Assessments for any Lots that it owns. The Declarant may, but shall have no obligation to, subsidize the Association from time to time. In the event the Declarant decides to subsidize the Association and any shortfall in the operating budget of the Association is due in part to the failure of the Association to collect delinquent Assessments, then the Association shall immediately and vigorously pursue collection of such delinquent Assessments through foreclosure, if necessary, and shall reimburse the Declarant the amounts, if any, so collected.

Section 6.3 Regular Annual Maintenance Assessments.

(a) Annual Budget. For each calendar year or a part thereof during the term of this Declaration, the Board shall establish an estimated budget of the expenses to be incurred by the Association for the forthcoming year in performing its duties (collectively, the "**Common Expenses**"). Based upon such budget, the Association shall then assess each Lot an annual fee (the "**Maintenance Assessment**") which shall be paid by each Owner in advance as follows: semi-annually on the first day of each January and July, unless the Board determines a different schedule. The Association shall notify each Owner of the Maintenance Assessment for the ensuing year by December 31 of the preceding year, but failure to give such notice shall not relieve any Owner from its obligation to pay Maintenance Assessments. Any Maintenance Assessment not paid within thirty (30) days of the date due shall be delinquent and shall thereafter bear interest at the Default Interest Rate (as defined below) as provided in Section 6.5(f). As to any partial year, Maintenance Assessments on any Lot shall be appropriately prorated. Until and unless otherwise determined by the Board, the annual Maintenance Assessment shall be **Six Hundred and NO/Dollars ($600.00)** per Lot, per year.

(b) Limits on Maintenance Assessments. In addition to the right to increase Maintenance Assessments as set forth in Section 6.3(a) above, the Board may increase the Maintenance Assessment annually to meet the anticipated needs of the appropriate budget, but the Maintenance Assessment may not be increased in any year by an amount in excess of twenty-five percent (25%) above the previous year's Maintenance Assessment, unless such increase is approved by a majority vote of those members of the Association present at a meeting, in person or by proxy, where a Special Quorum exists. Notwithstanding the foregoing, in the event that the Board determines that due to unusual circumstances the maximum annual Maintenance Assessment even as increased by twenty-five percent (25.0%) will be insufficient to enable the Association to pay the Common Expenses, then in such event, the Board shall have the right to increase the maximum annual Maintenance Assessment by the amount necessary to provide sufficient funds to cover the Common Expenses without the approval of the Members as provided herein; provided, however, the Board shall only be allowed to make one (1) such

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increase per calendar year without obtaining approval of a Special Quorum of the Members as provided in this Section 6.3(b).

(c) Uniform Assessments. Maintenance Assessments for all Lots shall be uniform.

Section 6.4 Special Assessments.

(a) Special Purpose Assessments. The Association may impose special assessments ("**Special Purpose Assessments**") to make capital improvements to the Common Area and/or Common Amenities, to satisfy its indemnity obligations under the Association Documents, or for other similar purposes. Any Special Purpose Assessment proposed by the Association must be approved by a majority vote of those members of the Association present at a meeting, in person or by proxy, at which a Special Quorum exists. At least fifteen (15) days prior to any meeting of the Association called to consider any Special Assessment, the Board shall notify each Owner thereof by written notice specifying the total amount of the Special Purpose Assessment required, the amount thereof imposed on each Lot (which shall be uniform), the purpose for such Special Purpose Assessment, and the time and method of payment thereof. The time for paying any Special Purpose Assessment (which may be in installments) shall be as specified in the approved proposal.

(b) Special Member Assessments. The Board may levy a "**Special Member Assessment**" (herein so called) on any Member, to the extent any directly related insurance proceeds (if any) paid to the Association are not sufficient to pay all such costs, for the purpose of:

(i) Paying the cost of any damage or loss requiring maintenance, repairs or replacement of Common Amenities, which damage or loss has been determined by the Board to have been caused, either directly or indirectly, by the act(s) of such Member, or such Member's agent, employee, occupant or visitor;

(ii) Paying the maintenance costs, construction delay damages and fines imposed for violations of this Declaration, the Design Guidelines or any other rules and/or regulations promulgated thereby or other amounts chargeable to any Owner as otherwise set forth herein; and/or

(iii) Paying costs and expenses incurred by the ACC in connection with its review of a Member's plans and related inspections permitted pursuant to Section 3.2(c) hereof.

Section 6.5 Liability for and Enforcement of Assessments.

(a) Personal Liability. Each Owner shall be personally liable for all Assessments imposed against the Owner's Lot during the time it owns a Lot.

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(b) **Reservation, Subordination, and Enforcement of Assessment Lien.** Declarant hereby reserves for the benefit of itself and the Association, a continuing contractual lien (the "**Assessment Lien**") against each Lot located on such Declarant's portion of the Property to secure payment of (1) the Assessments imposed hereunder and (2) payment of any amounts expended by such Declarant or the Association in performing a defaulting Owner's obligations as provided for in Section 4.3. THE OBLIGATION TO PAY ASSESSMENTS IN THE MANNER PROVIDED FOR IN THIS ARTICLE, TOGETHER WITH INTEREST FROM SUCH DUE DATE AT THE DEFAULT INTEREST RATE SET FORTH IN SECTION 6.5(f) HEREOF, THE CHARGES MADE AS AUTHORIZED IN SECTION 6.5(e) HEREOF, ALL VIOLATION FINES AND THE COSTS OF COLLECTION, INCLUDING, BUT NOT LIMITED TO, REASONABLE ATTORNEYS' FEES, IS SECURED BY A CONTINUING CONTRACTUAL ASSESSMENT LIEN AND CHARGE ON THE LOT COVERED BY SUCH ASSESSMENT, WHICH SHALL BIND SUCH LOT AND THE OWNERS THEREOF AND THEIR HEIRS, SUCCESSORS, DEVISEES, PERSONAL REPRESENTATIVES AND ASSIGNEES. The continuing contractual Assessment Lien shall attach to the Lots as of the date of the recording of this Declaration in the Official Public Records of Collin County, Texas, and such Assessment Lien shall be superior to all other liens except as otherwise provided in this Section 6.5(b). Each Owner, by accepting conveyance of a Lot, shall be deemed to have agreed to pay the Assessments herein provided for and to the reservation of the Assessment Lien. The Assessment Lien shall be subordinate only to the liens of any valid first lien mortgage or deed of trust encumbering a particular Lot. Sale or transfer of any Lot shall not affect the Assessment Lien. However, the sale or transfer of any Lot pursuant to a first mortgage or deed of trust foreclosure (whether by exercise of power of sale or otherwise) or any proceeding in lieu thereof, shall only extinguish the Assessment Lien as to payments which became due prior to such sale or transfer. No sale or transfer shall relieve such Lot from liability and the Assessment Lien for any Assessments thereafter becoming due. The Assessment Lien may be non-judicially foreclosed by power of sale in accordance with the provisions of Section 51.002 of the Texas Property Code (or any successor provision) or may be enforced judicially. Each Owner, by accepting conveyance of a Lot, expressly grants the Association a power of sale in connection with the foreclosure of the Assessment Lien. The Board is empowered to appoint a trustee, who may be a member of the Board, to exercise the powers of the Association to non-judicially foreclose the Assessments Lien in the manner provided for in Section 51.002 of the Texas Property Code (or any successor statute). The Association, through duly authorized agents, shall have the power to bid on the Lot at foreclosure sale and to acquire and hold, lease, mortgage and convey the same. The rights and remedies set forth in this Section 6.5(b) are subject to the Texas Residential Property Owners Protection Act, as amended from time to time (Texas Property Code, Section 209.001 *et seq.*).

(c) **Notices of Delinquency or Payment.** The Association, the Association's attorney or the Declarant may file notice (a "**Notice of Unpaid Assessments**") of any delinquency in payment of any Assessment in the Records of Collin County, Texas. THE ASSESSMENT LIEN MAY BE ENFORCED BY FORECLOSURE OF THE ASSESSMENT LIEN UPON THE DEFAULTING OWNER'S LOT BY THE ASSOCIATION SUBSEQUENT TO THE RECORDING OF THE NOTICE OF UNPAID ASSESSMENTS EITHER BY JUDICIAL FORECLOSURE OR BY NONJUDICIAL FORECLOSURE THROUGH A PUBLIC SALE IN LIKE MANNER AS A MORTGAGE ON REAL PROPERTY IN ACCORDANCE WITH THE

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TEXAS PROPERTY CODE, AS SUCH MAY BE REVISED, AMENDED, SUPPLEMENTED OR REPLACED FROM TIME TO TIME. Upon the timely curing of any default for which a notice was recorded by the Association, the Association, through its attorney, is hereby authorized to file of record a release of such notice upon payment by the defaulting Owner of a fee, to be determined by the Association but not to exceed the actual cost of preparing and filing a release. Upon request of any Owner, any title company on behalf of such Owner or any Owner's mortgagee, the Board, through its agents, may also issue certificates evidencing the status of payments of Assessments as to any particular Lot (i.e., whether they are current or delinquent and if delinquent, the amount thereof). The Association or its Managing Agent may impose a reasonable fee for furnishing such certificates or statements.

(d) Suit to Recover. The Association may file suit to recover any unpaid Assessment and, in addition to collecting such Assessment and interest thereon, may also recover all expenses reasonably expended in enforcing such obligation, including reasonable attorneys' fees and court costs.

(e) Late Charges and Collection Fees. If any Assessment or any part thereof remains unpaid after thirty (30) calendar days from and after the due date established by the Board, a late charge shall be assessed against the non-paying Owner for each month or any part thereof, that any portion of any Assessment remains unpaid. Should any Assessment be payable in installments, the Association is authorized to accelerate the entire Assessment and demand immediate payment thereof. The late charge shall be in the amount of Twenty-five and No/100 Dollars ($25.00) per month and shall be payable to the Association. The Association's Managing Agent shall be entitled to charge an Owner a monthly collection fee to compensate Managing Agent for its administrative costs and efforts to collect and process the late payment of Assessments. A service charge in the amount of Twenty-Five and No/100 Dollars ($25.00) shall be charged for each check that is returned because of insufficient funds or any other reason. The amount of late charges and service charges may be adjusted, from time to time, by the Board consistent with any changes in the administrative costs to collect unpaid Assessments or the Association's bank charges. All late charges, collection fees, service charges and attorneys' fees assessed or incurred due to late payment of Assessments shall be charged to an Owner's Assessment account which shall be part of the delinquent Assessment and shall be payable and secured in the same manner as herein provided with regard to Assessments.

(f) Suspension of Voting Rights. To the extent permitted under applicable law, no Owner who is delinquent in paying its Assessments shall have the right to vote as a member of the Association while such delinquency continues; an Owner may cure a delinquency at a meeting to regain the right to vote by paying all outstanding amounts (including interest, fines, and penalties) by cashier's or certified check or other good funds acceptable to the Board.

(g) Suspension of Right to Use Common Area and/or Common Amenities. In addition to the other powers herein granted, the Board may suspend the right of an Owner to use any of the Common Area and/or Common Amenities during the time that such Owner is delinquent in paying any Assessment.

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(h) Capital Reserve/Improvement Contribution. Upon sale of record title to a Lot by an Owner other than the Declarant to a Builder, a contribution of $200.00 shall be made by or on behalf of such Owner to the "**Capital Reserve/Improvement Fund**" (herein so called) of the Association. This amount is not refundable, shall be in addition to, not in lieu of, the Maintenance Assessment levied on the Lot and shall not be considered an advance payment of any portion thereof. This amount shall be deposited into escrow and disbursed therefrom to the Association or to the applicable Declarant if the Association is not yet established and shall be used for capital improvements made by the Association pursuant to the terms of this Declaration and the Association Documents. Such amount shall be reviewed yearly and may be increased; however, the increase is restricted to 25% over the previous year.

(i) Transfer Fees and Fees for Issuance of Resale Certificates. The Board may, at its sole discretion, enter into a contract with a Managing Agent to oversee the daily operation and management of the Association. The Managing Agent may, and probably will, have fees, which will be charged to an Owner for the transfer of a significant estate or fee simple title to a Lot and the issuance of a "**Resale Certificate**" (herein so called). The Association or its agent shall not be required to issue a Resale Certificate until payment for the cost thereof has been received by the Association or its agent. Transfer fees and fees for the issuance of a Resale Certificate shall in no event exceed the greater of (i) two-thirds (2/3rds) of the current annual rate of Maintenance Assessment applicable at the time of the transfer/sale, or (ii) $450.00 for each home being conveyed and are not refundable and may not be regarded as a prepayment of or credit against regular or special assessments, and are in addition to the contribution to the Capital Reserve/Improvement Fund in Section 6.5(i) above. This Section does not obligate the Board or any third party to levy such fees.

ARTICLE 7
COMMON AREA AND COMMON AMENITIES

Section 7.1

(a) Right to Use Common Area. Each Owner, the members of that Owner's immediate family, and the Owner's guests (provided guests are accompanied by an Owner) shall have the right to use the Common Area and/or Common Amenities for its intended purposes as herein provided. The Declarant and the Association shall have the right to enter on and use the Common Area and/or Common Amenities at all times to exercise their rights or (in the case of the Association) perform its duties hereunder.

(b) Access Easement Rights. Each Owner, the members of that owner's immediate family, and the Owner's visitors, invitees, licensees, lessees, tenants, subtenants, and/or guests, are hereby granted an easement for vehicular and pedestrian ingress to, egress from, and access between such Owner's Lot and the public rights-of-way adjacent to the Subdivision over the Streets located within the Subdivision.

Section 7.2 Common Amenities. Common Amenities, if any, to be located in the Common Area shall be determined by the Declarant. The Declarant and the Board may promulgate reasonable rules and regulations for use of these Common Amenities.

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Section 7.3 **Maintenance of Common Area and Common Amenities.** The Association shall be solely responsible for all maintenance, repair, replacement, and improvement of the Common Area and Common Amenities, utilizing the Assessments for such purposes as herein provided. The Declarant shall have no responsibility for maintenance, repair, replacement, or improvement of the Common Area or any Common Amenities after initial construction. The City or its lawful agents, after due notice to the Association, shall have the right and ability to remove any landscape systems, features or elements that cease to be maintained by the Association. The City reserves the right to perform the responsibilities of the Association and its Board of Directors if the Association fails to do so in compliance with the provisions of this Declaration or other agreement(s) existing which define applicable regulations or city codes for the Association. The City shall have the right to assess the Association with all costs incurred by the City in performing said responsibilities if the Association fails to do so and/or to avail itself to other enforcement actions available pursuant to state law, city codes or regulations.

Section 7.4 **Risk of Loss - Use of Common Area and Common Amenities.** Each Owner shall be individually responsible and assume all risk of loss associated with its use of the Common Area and/or Common Amenities, and use by its family members and guests. Neither the Association nor the Declarant shall have any liability to any Owner or their family members or guests, or to any other Person, arising out of or in connection with the use, in any manner whatsoever, of the Common Area, Common Amenities or any improvements comprising a part thereof from time to time.

Section 7.5 **Conveyance of Common Area to Association.** The Declarant shall convey to the Association the Common Area (which conveyance shall include the Common Amenities located thereon) located in Property, free and clear of any liens, claims or encumbrances, not later than sixty (60) days after the Declarant no longer owns a Lot in the Property.

ARTICLE 8
SPECIFIC DECLARANT RIGHTS

Section 8.1 **Declarant's Right to Annex Adjacent Property.** Declarant hereby reserves for itself and its affiliates and/or any of their respective successors and assigns the right to annex any real property located adjacent to or in the vicinity of the Property owned or subsequently acquired by Declarant (the "**Property Subject to Annexation**") into the scheme of this Declaration as provided in this Article 8 at any time during the Development Period. Notwithstanding anything herein or otherwise to the contrary, Declarant and/or such affiliates, successors and/or assigns shall have the exclusive unilateral right, privilege and option (but never an obligation), from time to time during the Development Period to annex (a) all or any portion of the Property Subject to Annexation owned by Declarant, and (b) subject to the provisions of this Declaration and the jurisdiction of the Association, any additional property located adjacent to or in the immediate vicinity of the Subdivision (collectively, the "**Annexed Land**"), by filing in the Official Public Records of Collin County, Texas, a Supplemental Declaration expressly annexing any such Annexed Land. Such Supplemental Declaration shall not require the vote of the Owners, the Members of the Association, or approval by the Board or other action of the Association or any other Person. Any such annexation shall be effective upon the filing of such

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Supplemental Declaration in the Official Public Records of Collin County, Texas. Declarant shall also have the unilateral right to transfer to any other Person Declarant's right, privilege and option to annex Annexed Land, provided that such transferee or assignee shall be the developer of at least a portion of the Annexed Land and shall be expressly designated by Declarant in writing to be the successor or assignee to all or any part of Declarant's rights hereunder.

Section 8.2 **Procedure for Annexation.** Any such annexation shall be accomplished by the execution and filing for record by Declarant (or the other owner of the property being added or annexed, to the extent such other owner has received a written assignment from Declarant of the right to annex hereunder) of a Supplemental Declaration which must set out and provide for the following:

(i) A legally sufficient description of the Annexed Land being added or annexed;

(ii) That the Annexed Land is being annexed in accordance with and subject to the provisions of this Declaration, and that the Annexed Land being annexed shall be developed, held, used, sold and conveyed in accordance with, and subject to, the provisions of this Declaration as theretofore and thereafter amended; provided, however, that if any Lots or portions thereof being so annexed are to be treated differently than any of the other Lots (whether such difference is applicable to other Lots included therein or to the Lots now subject to this Declaration), the Supplemental Declaration should specify the details of such differential treatment and a general statement of the rationale and reasons for the difference in treatment, and if applicable, any other special or unique covenants, conditions, restrictions, easements or other requirements as may be applicable to all or any of the Lots or other portions of Annexed Land being annexed;

(iii) That all of the provisions of this Declaration, as amended, shall apply to the Annexed Land being added or annexed with the same force and effect as if said Annexed Land were originally included in this Declaration as part of the Initial Property, with the total number of Lots increased accordingly;

(iv) That an Assessment Lien is therein created and reserved in favor of the Association to secure collection of the Assessments as provided in this Declaration, and as provided for, authorized or contemplated in the Supplemental Declaration, and setting forth the first year Maintenance Assessments and the amount of any other then applicable Assessments (if any) for the Lots within the Annexed Land being made subject to this Declaration; and

(v) Such other provisions as the Declarant therein shall deem appropriate.

Section 8.3 **Amendment.** The provisions of this Article 8, **Specific Declarant Rights** may not be amended without the express written consent of Declarant (and Declarant's successors and assigns in accordance with the terms hereof).

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Section 8.4 **No Duty to Annex.** Nothing herein contained shall establish any duty or obligation on the part of the Declarant or any member to annex any property to this Declaration and no owner of the property excluded from this Declaration shall have any right to have such property annexed thereto.

Section 8.5 **Effect of Annexation on Class B Membership.** In determining the number of Lots owned by the Declarant for the purpose of Class B membership status according to Section 5.2 hereof, the total number of Lots covered by this Declaration and located in such Declarant's portion of the Property, including all Lots acquired by the Declarant and annexed thereto, shall be considered. If Class B membership has previously lapsed but annexation of additional property restores the ratio of Lots owned by the Declarant to the number required by Class B membership, such Class B membership shall be reinstated until it expires pursuant to the terms of Section 5.2.

Section 8.6 **Specific Declarant Rights to Amend Declaration.** During the Development Period, the Declarant, without joinder of the Board, the Association, or the other Owners, may unilaterally amend this Declaration without the joinder or vote of any other party if such amendment is deemed necessary or desirable, in the Declarant's sole judgment for any purpose, including, without limitation, (i) to bring any provisions of this Declaration into compliance with any applicable governmental statute, rule, regulation or judicial determination; (ii) to enable any reputable title insurance company to issue title insurance coverage on the Lots; (iii) to enable any institutional or governmental lender, purchaser, insurer, or guarantor of mortgage loans, including, for example, the Federal National Mortgage Association or Federal Home Loan Mortgage Corporation, to purchase, insure, or guarantee mortgage loans on the Lots; (iv) to satisfy the requirements of any local, state or federal governmental agency; or (v) to correct or clarify errors, omissions, mistakes or ambiguities contained herein. No amendment pursuant to this paragraph, however, shall adversely affect the title to any Lot unless the Owner affected thereby shall consent in writing. Notwithstanding the above, prior written consent of the City may be required to amend certain provisions of the Declaration pertaining to the use, operation, maintenance of facilities, structures, systems, improvements to grounds or such other areas which is the sole responsibility of the Association to maintain.

Section 8.7 **Easement/Access Right.** The Declarant reserves a general easement over all Streets, roads, rights of way, utility, maintenance, landscaping, wall and other easements in the Property and over the balance of the Common Area as reasonably necessary for access for the purpose of finishing development of the Property as a subdivision and as otherwise reasonably necessary to affect each Declarant's rights hereunder. Such easements and rights shall expire upon expiration of the Development Period.

Section 8.8 **Assignment of Declarant Rights.** The Declarant may assign its rights to a successor Declarant hereunder by execution of a written document, recorded in the Official Public Records of Collin County, Texas, expressly and specifically stating that such Declarant has assigned its rights as such to a designated assignee and declaring such assignee to be a new "Declarant" hereunder. No Person purchasing or otherwise acquiring one (1) or more Lots shall be considered "Declarant" hereunder, unless Declarant makes an express and specific assignment referenced in and accordance with the terms of the immediately preceding sentence.

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Section 8.9 **Declarant's Right to Install Improvements in Setback and Other Areas.** The Declarant, in connection with development of the Property and construction of homes thereon, reserves the right, but shall have no obligation, to install or construct walls, fences, irrigation systems and other improvements in the setback areas (being the area on, along and/or between the boundary line of a Lot and the building or setback lines applicable to such Lot). If the Declarant exercises such right in a setback area, then such wall, fence, irrigation system, or other improvement shall be the property of the Owner(s) of the Lot(s) adjacent to such improvements or upon which such improvements are located, and such Owner(s) shall maintain and repair any such improvement unless the applicable Declarant or the Association, by and through the Board, shall advise the Owner(s) in writing of its intent to assume such maintenance and repair obligations. If the Declarant exercises such above-described right in the non-setback areas, then such wall, fence, irrigation system, or other improvement shall be the property of the Association. During the Development Period, the Declarant shall have the right, but not the obligation, to maintain and repair any such non-setback area improvements located on such Declarant's portion of the Property; otherwise, the Association shall assume the maintenance and repair or it may abandon such improvements at its discretion. If the City requires the maintenance, repair, or removal of any such non-setback area improvements, the Association shall assume such responsibility at its expense. If the Association so abandons such non-setback area improvements or is properly dissolved, then the Owner(s) of the Lot(s) adjacent to such improvements or on which such improvements are located shall assume maintenance and repair at its expense.

Section 8.10 **Replatting or Modification of Plat.** From time to time, the Declarant reserves the right to replat its Property or to amend or modify the Plat in order to assure harmonious and orderly development of the Property as herein provided. The Declarant may exercise such rights at any time during the Development Period and no joinder of any other Owner shall be required to give effect to such rights, each Owner consenting to the Declarant's execution of any replat on such Owner's behalf. However, any such replatting or amendment of the Plat shall be with the purpose of efficiently and economically developing the Property for the purposes herein provided or for compliance with any applicable governmental regulation. The Declarant's rights under this Section 8.10 shall expire upon expiration of the Development Period.

Section 8.11 **Limitation of Declarants' Liability.** The Declarant shall not be responsible or liable for any deficit in the Association's funds. The Declarant may, but is under no obligation to, subsidize any liabilities incurred by the Association, and the Declarant may, but is not obligated to, lend funds to the Association to enable it to defray its expenses, provided the terms of such loans are on reasonable market conditions at the time.

Section 8.12 **Termination of the Declarant's Responsibilities.** In consideration of the Declarant's deficit funding of the Association, if any, upon the occurrence of any of the following events: (i) conversion of the Declarant's Class B membership status to Class A membership status; (ii) completion of any facilities in the Common Area by the Declarant; (iii) assignment of the Declarant's rights hereunder pursuant to Section 8.8; or (iv) expiration of the Development Period, then and in such event the Declarant shall be fully released, relieved and forever discharged from any further duty or obligation to the Association or any of its members

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as the Declarant by reason of the terms and conditions of this Declaration including any amendments thereof or supplements thereto, save and except the duties and obligations, if any, of the Declarant as a Class A member by reason of the Declarant's continued ownership of one or more Lots, but not otherwise. Further, and without regard to whether or not the Declarant has been released from obligations and duties to the Association, during the Development Period or so long as the Declarant holds record title to at least one (1) Lot and holds same for sale in the ordinary course of business, neither the Association nor its Board, nor any member of the Association shall take any action that will impair or adversely affect the rights of the Declarant or cause the Declarant to suffer any financial, legal or other detriment, including but not limited to, any direct or indirect interference with the sale of Lots. In the event there is a breach of this Section, it is acknowledged that any monetary award which may be available would be an insufficient remedy and therefore, in addition to all other remedies, the Declarant shall be entitled to injunctive relief restraining the Association, its Board or any member of the Association from further breach of this Section.

ARTICLE 9
MISCELLANEOUS PROVISIONS

Section 9.1 **Term and Renewal.** These Covenants shall commence on the date hereof and shall continue in effect for a period of thirty (30) years. Thereafter these Covenants shall automatically renew for subsequent periods of (10) years each unless Owners owning at least seventy percent (70%) of the Lots elect to terminate these Covenants by written instrument recorded in the Records of Collin County, Texas.

Section 9.2 **Enforcement.** The terms, provisions and conditions of this Declaration and the Design Guidelines shall be enforceable by the Declarant, the ACC, the Association, and each Owner. The Board shall have the power and authority to impose reasonable fines (which shall not exceed $500.00 for each separate violation) for violation of this Declaration, the Design Guidelines or any rule or regulation of the Association, which shall constitute a lien upon the Lot of the violating Owner as provided in the Declaration, and to suspend the Owner's right to vote or any Person's right to use of the Common Area and/or Common Amenities. Each day the violation continues to exist shall constitute a separate violation. If any occupant, guest, or invitee of a Lot violates the Declaration, the Design Guidelines or a rule or regulation of the Association and a fine is imposed, the fine shall be assessed against such Owner, who shall pay the fine upon notice from the Association. No delay or failure on the part of Declarant, the Association or any Owner to invoke any available right, power or remedy with respect to a breach of this Declaration shall be held to be a waiver by that party (or estop that party from asserting) any right, power or remedy available to such party upon the recurrence or continuance of said breach or the occurrence of a different breach. Declarant, the Association and the Owners, shall not be under any obligation to take any action to enforce the terms of this Declaration. The failure by Declarant, the Association or any Owner to enforce any provision of this Declaration shall in no event subject Declarant, the Association or any Owner to any claims, liability, cost or expense; it being the express intent of this Declaration to provide Declarant, the Association or any Owner with the right (such right to be exercised at its sole and absolute discretion), but not the obligation to enforce the terms of this Declaration for the benefit of any Owner(s) of any Lot(s) in the Subdivision.

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Section 9.3 **General Easement for Encroachments, Access, Maintenance and Utilities.** Each Owner grants to the Association, the Board, the Declarant and the other Owners a general easement as reasonably necessary for the maintenance of any minor encroachments of Common Area and/or Common Amenities over adjoining Lots and for access to and from each Owner's Lot through driveways, rights of way and easements as reflected on the Plat for the purpose of giving effect to the provisions of these Covenants.

Section 9.4 **Amendment of Declaration.** These Covenants may be amended by the Declarant as provided in Section 8.6. In addition, the Declaration may be amended at any time and in any respect with the affirmative vote or written consent, or any combination thereof, of Members (both classes taken together) representing sixty-seven percent (67%) of the total Class A Member votes and Class B Member votes in the Association; provided, however, that no such amendment shall be effective unless joined in by the Declarant until such time as Declarant no longer owns any portion of the Property or Property Subject to Annexation. Notwithstanding the above, prior written consent of the City shall be required to amend certain provisions of the Declaration pertaining to the use, operation, maintenance of facilities, structures, systems, improvements to grounds or such other areas which is the sole responsibility of the Association to maintain.

Section 9.5 **City Provisions.** All construction within the Property shall also comply with all applicable City ordinances and regulations. If any ordinance or regulation imposed by the City imposes more demanding, extensive or restrictive requirements than those set forth in this Declaration, such requirements shall govern. No ordinance or regulations adopted by the City shall lessen the requirements set forth in these Covenants; and

(a) The right and ability of the City or its lawful agents, after due notice to the Homeowners' Association, to remove any landscape systems, features or elements that cease to be maintained by the Homeowners' Association; to perform the responsibilities of the Homeowners' Association and its Board of Directors if the Homeowners' Association fails to do so in compliance with any provisions of the agreements, covenants or restrictions of the Homeowners' Association or of any applicable City codes or regulations; to assess the Homeowners' Association for all costs incurred by the City in performing said responsibilities if the Homeowners' Association fails to do so; and/or to avail itself of any other enforcement actions available to the City pursuant to State law, City codes or regulations; and

(b) Provisions indemnifying and holding the City harmless from any and all costs, expenses, suits, demands, liabilities or damages including Attorney's fees and costs of suit, incurred or resulting from the City's removal of any landscape systems, features or elements that cease to be maintained by the Homeowners' Association or from the City's performance of the aforementioned operation, maintenance or supervision responsibilities of the Homeowners' Association due to the Homeowners' Association's failure to perform said responsibilities.

Section 9.6 **Management of the Association.** In the event that the Board elects to contract with a Managing Agent to perform any duties of the Board in accordance with Section 5.2

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hereof, the Board shall record or cause to be recorded in each county in which the Subdivision is located a management certificate, signed and acknowledged by an officer or the Managing Agent of the Association in accordance with the requirements of Section 209.004 of the Texas Property Code. An amended management certificate shall be recorded no later than the 30th day after the date on which the Association has notice of a change in any information pertaining to the Managing Agent applicable to the Association. Notwithstanding the foregoing or anything to the contrary contained herein, in no event shall the Declarant, the Association and/or their respective officers, directors, employees, and/or agents, or the Board be subject to liability to any Person for a delay in recording or failure to record a management certificate except as otherwise provided by law.

Section 9.7 Notices. Any notice required to be given to any Owner under the terms of this Declaration shall be deemed to have been properly delivered when deposited with the United States Postal Service, postage prepaid, properly addressed to the addressee. Each Owner's address for purposes of notice hereunder shall be deemed to be the Residence located on its Lot.

Section 9.8 Liability Limitations; Indemnification. No Declarant, Member, director, officer or representative of the Association or the Board or the ACC shall be personally liable for the debts, obligations or liabilities of the Association. The directors and officers of the Association shall not be liable for any mistake of judgment, whether negligent or otherwise, except for their own individual willful misfeasance or malfeasance, misconduct, bad faith, intentional wrongful acts or as otherwise expressly provided in the Association Documents. Declarant and directors, officers and ACC members shall have no personal liability with respect to any contract or other commitment made by them, in good faith, on behalf of the Association, and **THE ASSOCIATION, AS A COMMON EXPENSE OF THE ASSOCIATION, SHALL INDEMNIFY AND HOLD HARMLESS DECLARANT, DIRECTORS, OFFICERS AND MEMBERS OF THE ACC FROM ANY AND ALL EXPENSES, LOSS OR LIABILITY TO OTHERS ON ACCOUNT OF ANY SUCH CONTRACT OR COMMITMENT (TO THE EXTENT NOT COVERED BY INSURANCE PROCEEDS). IN ADDITION, EACH DIRECTOR AND EACH OFFICER OF THE ASSOCIATION AND EACH MEMBER OF THE ACC SHALL BE INDEMNIFIED AND HELD HARMLESS BY THE ASSOCIATION, AS A COMMON EXPENSE OF THE ASSOCIATION, FROM ANY EXPENSE, LOSS OR LIABILITY TO OTHERS (TO THE EXTENT NOT COVERED BY INSURANCE PROCEEDS) BY REASONS OF HAVING SERVED AS SUCH DIRECTOR, OFFICER OR ACC MEMBER AND AGAINST ALL EXPENSES, LOSSES AND LIABILITIES, INCLUDING, BUT NOT LIMITED TO, COURT COSTS AND REASONABLE ATTORNEYS' FEES, INCURRED BY OR IMPOSED UPON SUCH DIRECTOR, OFFICER OR ACC MEMBER IN CONNECTION WITH ANY PROCEEDING TO WHICH SUCH PERSON MAY BE A PARTY OR HAVE BECOME INVOLVED BY REASON OF BEING SUCH DIRECTOR, OFFICER OR ACC MEMBER AT THE TIME ANY SUCH EXPENSES, LOSSES OR LIABILITIES ARE INCURRED, SUBJECT TO ANY PROVISIONS REGARDING INDEMNITY CONTAINED IN THE ASSOCIATION DOCUMENTS, EXCEPT IN CASES WHEREIN THE EXPENSES, LOSSES AND LIABILITIES ARISE FROM A PROCEEDING IN WHICH SUCH DIRECTOR, OFFICER OR ACC MEMBER IS ADJUDICATED GUILTY OF WILLFUL MISFEASANCE OR MALFEASANCE, MISCONDUCT OR**

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BAD FAITH IN THE PERFORMANCE OF SUCH PERSON'S DUTIES OR INTENTIONAL WRONGFUL ACTS OR ANY ACT EXPRESSLY SPECIFIED IN THE ASSOCIATION DOCUMENTS AS AN ACT FOR WHICH ANY LIMITATION OF LIABILITY SET FORTH IN THE ASSOCIATION DOCUMENTS IS NOT APPLICABLE; PROVIDED, HOWEVER, THIS INDEMNITY DOES COVER LIABILITIES RESULTING FROM SUCH DIRECTOR'S, OFFICER'S OR ACC MEMBER'S NEGLIGENCE. Any right to indemnification provided herein shall not be exclusive of any other rights to which a director, officer or ACC member, or former director, officer or ACC member, may be entitled. The Association shall have the right to purchase and maintain, as a Common Expense, directors', officers', and ACC members', insurance on behalf of any Person who is or was a director or officer of the Association or the ACC member against any liability asserted against any such Person and incurred by any such Person in such capacity, or arising out of such Person's status as such.

Section 9.9 Severability. If any of the terms hereof shall be declared invalid by a court of competent jurisdiction, such invalidity shall not affect the other provisions of these Covenants, which shall be in full force and effect.

Section 9.10 Acceptance by Owners of Rights and Obligations. By the recording of a deed or other conveyance transferring all or part of an interest in a Lot subject to this Declaration, the person or entity to whom such Lot or interest is conveyed shall be deemed to accept and agree to be bound by and subject to all the provisions of the Declaration, the Design Guidelines, the Association Documents, including any rules or regulations adopted or promulgated by the Association, whether or not mention thereof is made in said deed.

Section 9.11 Notice and Hearing. (a) Prior to the imposition of any fine for a violation of this Declaration or the levying of any Special Member Assessment on an Owner, the Association will give notice to the Owner in compliance with Section 209.006 of the Texas Property Code (the "**Property Code**"), as the same may be hereafter amended. Such notice shall be as follows:

(i) Notice will be delivered by certified mail return receipt requested.

(ii) The notice must describe the violation or property damage that is the basis for the fine for such violation, and state any amount due the Association from the Owner.

(iii) The notice must inform the Owner that the Owner is entitled to a reasonable time to cure the violation and avoid the Violation Fine and that the Owner may request a hearing under this Section 9.11 and Section 209.007 of the Property Code on or before the 30th day after the Owner receives the notice.

(b) In compliance with Section 209.007 of the Property Code, if the Owner submits a written request for a hearing, the Association shall hold a hearing not later than the thirtieth (30^{th}) day after the date the Board receives the Owner's request, and shall notify the Owner of the date, time and place of the hearing not later than the tenth (10^{th}) day before the date of the hearing. The Board or the Owner may request a postponement, and, if requested, a postponement shall be granted for a period of not more than ten (10) days. Additional postponements may be granted

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by agreement of the parties. If the hearing is to be held before a committee appointed by the Board, the notice described in Section 9.11(a) hereof shall state that the Owner has the right to appeal the committee's decision to the Board by written notice to the Board.

Section 9.12 Arbitration of Disputes Involving the Declarant.

(a) Arbitration. ANY AND ALL DISPUTES ARISING HEREUNDER BETWEEN AN OWNER AND A DECLARANT SHALL BE SUBMITTED TO BINDING ARBITRATION AND NOT TO A COURT FOR DETERMINATION. ARBITRATION SHALL COMMENCE AFTER WRITTEN NOTICE IS GIVEN FROM EITHER PARTY TO THE OTHER, SUCH ARBITRATION SHALL BE ACCOMPLISHED EXPEDITIOUSLY IN COLLIN COUNTY AND SHALL BE CONDUCTED IN ACCORDANCE WITH THE RULES OF THE AMERICAN ARBITRATION ASSOCIATION ("**AAA**"). THE ARBITRATION SHALL BE CONDUCTED BY THREE (3) ARBITRATORS, ONE OF WHOM SHALL BE APPOINTED BY THE OWNER AND ONE OF WHOM SHALL BE APPOINTED BY THE DECLARANT. THE THIRD ARBITRATOR SHALL BE APPOINTED BY THE FIRST TWO ARBITRATORS. THE ARBITRATORS SHALL BE SELECTED FROM A LIST OF ARBITRATORS SUBMITTED BY THE AAA. JUDGMENT UPON THE AWARD RENDERED BY THE ARBITRATORS MAY BE ENTERED IN ANY COURT HAVING JURISDICTION THEREOF. ARBITRATION SHALL NOT COMMENCE UNTIL THE PARTY REQUESTING IT HAS DEPOSITED ONE THOUSAND FIVE HUNDRED AND NO/100 U. S. DOLLARS ($1,500.00) WITH THE ARBITRATORS AS A RETAINER FOR THE ARBITRATORS' FEES AND COSTS. THE PARTY REQUESTING ARBITRATION SHALL ADVANCE SUCH SUMS AS ARE REQUIRED FROM TIME TO TIME BY THE ARBITRATORS TO PAY THE ARBITRATORS' FEES AND COSTS, UNTIL THE PREVAILING PARTY IS DETERMINED OR THE PARTIES HAVE AGREED IN WRITING TO AN ALTERNATE ALLOCATION OF FEES AND COSTS. EACH PARTY SHALL PAY ITS OWN LEGAL FEES AND COSTS AND ANY OTHER FEES INCURRED IN CONNECTION WITH AN ARBITRATION PROCEEDING WHICH ARISES OUT OF OR RELATES IN any WAY TO THIS DECLARATION PROVIDED, HOWEVER, THAT THE ARBITRATION PANEL SHALL AWARD THE ARBITRATORS' FEES AND COSTS TO THE PREVAILING PARTY IN ITS ARBITRATION JUDGMENT.

(b) Notwithstanding the Declarant's and Owner's intent to submit any controversy or claim arising out of or relating to this Declaration to arbitration, in the event that a court of competent jurisdiction shall determine or a relevant law shall provide that a particular dispute is not subject to the arbitration provisions in this Section 9.12, then the parties agree to the following provisions: EACH OWNER ACKNOWLEDGES THAT THIS DECLARATION IS A SOPHISTICATED LEGAL DOCUMENT, ACCORDINGLY, JUSTICE WILL BEST BE SERVED IF ISSUES REGARDING THIS DECLARATION ARE HEARD BY A JUDGE IN A COURT PROCEEDING, AND NOT A JURY. EACH OWNER AGREES THAT ANY CLAIM, DEMAND, ACTION, OR CAUSE OF ACTION, WITH RESPECT TO ANY ACTION, PROCEEDING, CLAIM, COUNTERCLAIM, OR CROSSCLAIM, WHETHER IN CONTRACT AND/OR IN TORT (REGARDLESS IF THE TORT ACTION IS PRESENTLY RECOGNIZED OR NOT), BASED ON, ARISING OUT OF, IN CONNECTION WITH OR IN ANY WAY RELATED TO THIS DECLARATION, ANY COURSE OF CONDUCT, COURSE

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OF DEALING, VERBAL OR WRITTEN STATEMENT, VALIDATION, PROTECTION, ENFORCEMENT ACTION OR OMISSION OF ANY PARTY SHALL BE HEARD BY A JUDGE IN A COURT PROCEEDING AND NOT A JURY.

9.13 Liens/Validity and Severability; Mortgagees. Violation of or failure to comply with this Declaration shall not affect the validity of any mortgage, lien or other similar security instrument which may then be existing on any Lot. Invalidation of any one (l) or more of the provisions of this Declaration, or any portions thereof, by a judgment or court order shall not affect any of the other provisions or covenants herein contained, which such other provisions and covenants shall remain in full force and effect. No default by an Owner of a Lot under any provision of this Declaration shall affect any existing lien or mortgage on that Lot. A Mortgagee shall not be liable for Assessments made with respect to a Lot during any period in which its only interest in the Lot is that of a Mortgagee.

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EXECUTED as of the 9 day of Jan, 2015.

DECLARANT:

CTMGT LUCAS 238, LLC,
a Texas limited liability company

By: _____

Name: Mehrdad Moayedi

Title: _____

STATE OF TEXAS §
§
COUNTY OF DALLAS §

BEFORE ME, the undersigned authority, on this day personally appeared Mehrdad Moayedi, _____ of CTMGT LUCAS 238, LLC, a Texas limited liability company, and acknowledged to me that s/he executed the same for the purposes and consideration therein expressed, and as the act and deed of said limited liability company and in the capacity therein stated.

GIVEN UNDER MY HAND AND SEAL OF OFFICE, on this 9 day of Jan, 2015.

[SEAL]

LAURA L WAYLAND
My Commission Expires
July 14, 2018

_____
Notary Public, State of Texas

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EXHIBIT A
TO
DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS
FOR ENCHANTED CREEK HOMEOWNERS ASSOCIATION, INC.
AN ADDITION TO THE CITY OF LUCAS, COLLIN COUNTY, TEXAS

LEGAL DESCRIPTION AND/OR DEPICTION OF THE PROPERTY

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EXHIBIT "A"

238.714 ACRES
JAMES ANDERSON SURVEY, No. 17
JOHN McKINNEY SURVEY, ABSTRACT No. 596
I.&G.N. RY. CO. SURVEY, ABSTRACT No. 1060
COLLIN COUNTY, TEXAS

BEING a tract of land situated in the James Anderson Survey, Abstract No. 17, the John McKinney Survey, Abstract Number 596, and the I.&G.N. RY. CO. Survey, Abstract Number 1060, Collin County, Texas, and being part of a called 427.600 acre tract of land described in a deed to HHEC SpinCo, LLC, as recorded in Clerk's File Number 20080902001058900, of the Land Records of Collin County, Texas, and being more particularly described as follows:

BEGINNING at a 1/2-inch iron rod found on the northerly right-of-way line of Parker Road (FM No. 2514, a 100-foot wide public right-of-way) for the southerly common corner of the beforementioned 427.600 acre tract and Lot 29 of KIRKLAND ESTATES, an addition to the City of Lucas, Collin County, Texas, according to the plat thereof recorded in Cabinet A, Slide 46 of the Plat Records of Collin County, Texas;

THENCE leaving the northerly right-of-way line of Parker Road with the westerly line of the 427.600 acre tract, the following courses and distances to wit:

North 01°03'35" West, a distance of 1295.53 feet to a 1/2-inch iron rod found for the southeasterly corner of a called 15.00 acre tract of land described in deed to Young Dean Homestead, Inc., recorded in Volume 5167, Page 3443 of the Land Records of Collin County, Texas;

North 00°46'37" West, continuing with the westerly line of the 427.600 acre tract and partially with the easterly line of the 15.00 acre tract, a distance of 1615.78 feet to a 5/8-inch iron rod with "KHA" cap set for the easterly common corner of the 427.600 acre tract and a called 29.185 acre tract of land described in deed to Young Dean Homestead, Inc., recorded in Volume 5167, Page 3443 of the Land Records of Collin County, Texas;

South 89°15'01" West, with the common line of the 427.600 acre tract and the 29.185 acre tract, a distance of 482.00 feet to a 1/2-inch iron rod found for the southerly common corner of the 427.600 acre tract and a called 15.961 acre tract of land described in deed to Norris Ranch, Ltd., recorded in Volume 5878, Page 2019 of the Land Records of Collin County, Texas;

North 01°07'25" West, leaving the northerly line of the 29.185 acre tract, passing at a distance of 594.95 feet a 5/8-inch iron rod found for the easterly common corner of the 15.961 acre tract and a called 10.00 acre tract of land described in deed to Cortesano Brothers, LP (a.k.a. Outback Custom Homes), recorded under Instrument Number 20060823001212270 of the Official Public Records of Collin County, Texas, passing at a distance of 2000.06 feet a 1/2-inch iron rod found for the easterly common corner of a called 15.463 acre tract of land described in deed to Stinson 1415, LLC, recorded under Instrument Number 20050008569 of the Official Public Records of Collin County, Texas, and a called 10.185 acre tract of land described in deed to Richard G. Phillips et ux, recorded in County Clerk's File Number 96-0077102 of the Deed Records of Collin County, Texas, passing at a distance of 2370.06 feet a PK Nail found for the easterly common corner of the 10.185 acre tract and a called 9.973 acre tract of land described in deed to Roger A. Stevens et ux, recorded in Volume 5476, Page 4793 of the Deed Records of Collin County, Texas, continuing in all a distance of 2730.35 feet to a 1/2-inch iron rod found in the southerly line of a called 12.0 acre tract of land described as Tract 1 in deed to Venita Ellis, recorded in County Clerk's File Number 96-0025352 of the Deed Records of Collin County, Texas, for the northerly common corner of the 9.973 acre tract and the 427.600 acre tract;

THENCE with the northerly line of the 427.600 acre tract, the following courses and distances to wit:

South 89°17'35" East, passing at a distance of 156.96 feet a 1/2-inch iron rod found for the southerly common corner of the 12.0 acre tract and Lot 11 of BROOKHAVEN RANCH ESTATES, an addition to the City of Lucas, Collin County, Texas, according to the plat thereof recorded in Volume 6, Page 71 of the Deed Records of Collin County, Texas, continuing in all a distance of 1065.97 feet to a 5/8-inch iron rod with "KHA" cap set for corner;

North 84°12'23" East, a distance of 435.32 feet to a 5/8-inch iron rod found in the westerly line of a called 14.5 acre tract of land described as Tract I in deed to Guardian Mortgage Company, Inc., recorded in County Clerk's File Number 93-0046259 of the Deed Records of Collin County, Texas, for the easterly common corner of the 427.600 acre tract and Lot 15 of BROOKHAVEN RANCH ESTATES;

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EXHIBIT "A"

238.714 ACRES
JAMES ANDERSON SURVEY, No. 17
JOHN McKINNEY SURVEY, ABSTRACT No. 596
I.&G.N. RY. CO. SURVEY, ABSTRACT No. 1060
COLLIN COUNTY, TEXAS

THENCE South 00°38'53" East, with the common line of the 14.5 acre tract and the 427.600 acre tract, a distance of 352.45 feet to a 5/8-inch iron rod with "KHA" cap set for the westerly common corner of the 14.5 acre tract and the beforementioned 93.442 acre tract;

THENCE North 88°48'32" East, along the southerly line of the 14.5 acre tract, a distance of 273.45 feet to a 5/8-inch iron rod with "KHA" cap set;

THENCE through the 427.600 acre tract, the following courses and distances to wit:

South 01°11'29" East, a distance of 850.00 feet to a 5/8-inch iron rod with "KHA" cap set for corner;

South 15°26'35" East, a distance of 543.34 feet to a 5/8-inch iron rod with "KHA" cap set for corner;

South 55°39'13" East, a distance of 89.85 feet to a 5/8-inch iron rod with "KHA" cap set for corner;

South 27°45'23" East, a distance of 520.19 feet to a 5/8-inch iron rod with "KHA" cap set for corner;

South 14°50'56" East, a distance of 814.04 feet to a 5/8-inch iron rod with "KHA" cap set for corner;

South 00°21'11" East, a distance of 947.53 feet to a 5/8-inch iron rod with "KHA" cap set for corner;

South 15°18'07" West, a distance of 867.16 feet to a 5/8-inch iron rod with "KHA" cap set for corner;

South 10°48'07" West, a distance of 970.07 feet to a 5/8-inch iron rod with "KHA" cap set for corner on the northerly right-of-way line of said Parker Road (FM No. 2514);

THENCE along the northerly right-of-way line of said Parker Road (FM No. 2514), the following courses and distances to wit:

North 79°12'12" West, a distance of 356.46 feet to a 5/8-inch iron rod with "KHA" cap set for corner at the beginning of a curve to the left, through a central angle of 11°41'57", a radius of 1960.00 feet and a chord bearing and distance of North 85°03'12" West, 399.51 feet;

Along said curve to the left, an arc length of 400.21 feet to a 5/8-inch iron rod with "KHA" cap set for corner;

South 89°05'48" West, a distance of 729.50 feet to the POINT OF BEGINNING and containing 238.714 acres or 10,398,398 sq. ft. of land, more or less.

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EXHIBIT B
TO
DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS
FOR ENCHANTED CREEK PHASE 1A HOMEOWNERS ASSOCIATION, INC.
AN ADDITION TO THE CITY OF LUCAS, COLLIN COUNTY, TEXAS

DESIGN GUIDELINES

PART ONE: LANDSCAPING, FENCES AND EXTERIOR ELEMENTS

SECTION 1.1 LANDSCAPING:

Upon completion of each Residence, the following landscape elements shall be installed prior to occupancy of the Residence:

1.1.1 Sod/Irrigation: Each Lot shall have a minimum of fifty percent (50%) full sod installed on all non-paved areas of the Lot. The Declarant and / or Builder may, but is not obligated to sod up to one hundred percent (100%) of any lot or any portion thereof as long as the minimum fifty percent (50%) is met. All Lots must have underground irrigation systems installed providing coverage for all non-paved areas of the Lot.

1.1.2 Trees: All trees installed on a Lot to meet the Minimum Landscaping Requirements for such Lot shall be selected from the list of "Approved Shade Trees" as identified in paragraph 1.1.6 below. Trees should have a minimum of a three inch (3") caliper measured from breast height from grade or (4') above ground level. Requirements for replacement trees must follow the guidelines as set forth in 1.1.4 below. All Tree wells or bases of trees must have a drip irrigation system.

1.1.3 Shrubbery and Planting Beds: Each Lot shall have a minimum of twenty (20) three (3) gallon shrubs planted in a mulched planting bed; the planting bed shall have edging materials to separate the sod and bed mulch areas. Planting beds are required to have drip irrigation systems. The homeowner shall be responsible for the maintenance a preservation of the shrubs and planting bed, and shall promptly replace dead plants within thirty (30) days if favorable weather permits or ninety (90) days of loss occurrence if unfavorable weather conditions exist.

1.1.4 Initial Installations and Maintenance. Upon completion of any Residence within the Property and prior to the final inspection, the Builder must install the street trees according to the specifications outlined in these Design Guidelines (Exceptions as to timing may be granted at the sole discretion of the Declarant and/or the Association due to inclement weather). After the property has transferred to an Owner, the Owner is responsible for maintaining the trees. In the event the tree needs to be replaced, as determined in the sole discretion of the Declarant and/or the Association, the Owner is responsible for replacing the trees

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within thirty (30) days in favorable weather or ninety (90) days of notice when unfavorable weather conditions exist. The Declarant and/or the Association shall have the right but not the obligation, to be exercised at its sole option, to remove and replace dead trees and landscaping and charge the costs thereof to the Owner's account as a special individual assessment under Section 6.4(b) of the Declaration. All the trees in the common areas are the responsibility of the Association to maintain at the sole discretion of the Association. The minimum clearance of any overhanging vegetation over any sidewalk shall be eight (8) feet.

1.1.4 Replacement Trees Required: It shall be the responsibility of any Owner obtaining a tree removal permit for a protected tree under applicable ordinances of the City to provide replacement with trees having a total caliper width equivalent to 1-1/2 times that of the trees to be removed. Total caliper width for replacement trees shall be measured as follows: For single-trunk trees, the width shall be measured at four feet above ground level; for multitrunk trees, total caliper width shall be calculated by combining the caliper width of the largest stem or branch with one-half of the caliper width of each additional stem or branch, all measured at four feet above ground level. An example: If a six-inch protected tree is removed, then that tree must be replaced by trees with a total caliper width of nine inches. This total caliper width could be satisfied by one nine-inch-caliper replacement tree, or three three-inch-caliper width replacement trees, or any other combination providing a total caliper width of nine inches. Such replacement trees shall be container-grown and have a minimum caliper width of 2-1/2 inches to three inches, measured at six inches above ground level. Alternatively, container-grown replacement trees may have a minimum caliper width of four inches (4") measured at twelve inches (12") above ground level. In any event, replacement trees shall have a minimum height of at least six feet (6'), and shall be planted in locations approved by the City's tree preservation and enforcement officer or his authorized designee.

1.1.6 List of Allowed Landscaping: All landscaping installed on a Lot (other than sod) shall be selected from the following is the list of approved trees, shrubs ground cover, vines perennial and annual flowers:

(a) Approved Shade Trees:

Afghan Pine

American Elm

Arizona Cypress

Bald Cypress

Bigelow Oak

Bur Oak

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Caddo Maple

Cedar Elm

Chinquapin Oak

Durrand Oak

Lacebrook Elm

Lacy Oak

Live Oak

Pecan

Shumard Oak

Southern Live Oak

Southern Magnolia

Texas Ash

Texas Red Oak

Western Soapberry

(b) Approved Accent trees (range from 10 to 20 feet):

Blackhaw, Rusty

Buckeye, Mexican

Buckthorn, Carolina

Chitalpa

Crab Apple

Crepe Myrtle

Deciduous Holly

Dogwood, Rough-leaf

Flameleaf Sumac

Hawthorn, Downy

Unofficial

Hawthorn, Washington

Maple, Japanese

Mesquite

Persimmon, Texas

Plum, Mexican

Redbud

Smoke tree

Texas Sophora (Eve's Necklace)

Wild Plum

Willow, Desert

Yaupon Holly

(c) Approved Shrubs (range from 3 to 5 feet):

Beautyberry

Dwarf Buford Holly

Dwarf Chinese Holly

Dwarf Crepe Myrtle

Dwarf Yaupon Holly

Fountain Grass

Juniper supp.

Purple Leaf Japanese Barberry

Purple Sage

Sumac species

Yucca, Red

(d) Approved Ground cover (range from 18 inches):

Asian Jasmine

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Buffalo Grass

Confederate Star Jasmine

Juniper supp.

Liriope

Monkey Grass

Periwinkle

Thyme, Creeping

Wood Fern

(e) Approved Vines:

Boston Ivy

Carolina Yellow Jasmine (Jessamine)

Coral Honeysuckle

Mandevilla

Virginia Creeper

(f) Approved Perennial and annual flowers:

Caladium

Canna

Chrysanthemum

Copper Leaf

Gayfeather

Iris

Lantana

Marigold

Moss Rose or Portulaca

Periwinkle

Unofficial

Petunia

Plumbago

Salvia

Tulip

Wild Flowers

Zinnia

SECTION 1.2 FENCES:

1.2.1 Screening Fence: Lots 1, 2, 3, 4, 5, 8, and 9 of Block C, located within Enchanted Creek Phase 1B shall be required to have wood screening fencing along the back section of their Lots. Fences shall be pre-stained, eight (8) foot board on board board on board with steel posts mounted on the inside so as not to be visible, with a 2 x 4 continuous Cap and a 1 x 4 continuous band. Builder shall make every effort to use a stain color uniform in aesthetic appearance with other wood fences which may already be erected. ACC reserves the right to require a Builder to re-stain any fence in which the color does not match the aesthetic harmony of other existing fences along the Lots of Block C listed above.

1.2.2 Wrought Iron Fencing: **All other fencing shall be wrought iron only**, painted black with a rust resistent paint designed for long lasting outdoor use. All wrought iron fencing shall be a minimum of four feet (4') and the maximum height allowed shall be six feet (6'). No variation of design shall be permitted without the express written approval of the ACC or the Board in their absence. Fence areas shall be unobstructed by screening or other materials unless specifically approved by the Association.

1.2.3 Fences Facing Street (front or side): Fencing may not be required on all perimeters of a Lot however, Owners desiring to remove current fencing or install new fencing are required to submit an application to the ACC or the Board in the absence of an ACC for the proper written approval. All front or side fencing shall be wrought iron and conform to height and color requirements as specified above at Section 1.2.1.

1.2.4 Standard Side and Rear Yard Fences – Interior Lots: Fencing may not be required on all perimeters of a Lot however, Owners desiring to remove current fencing or install new fencing are required to submit an application to the ACC or the Board in the absence of an ACC for the proper written approval. All side and rear yard fencing shall be wrought iron and conform to height and color requirements as specified above at Section 1.2.1.

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1.2.5 Fences Adjacent to Common Areas: All fencing adjacent to Common Areas shall be wrought iron and conform to the height and color requirements as specified above at Section 1.2.1.

SECTION 1.3 MAIL BOXES:

1.3.1 Standard Mail Boxes: With respect to the Lots, a mail box is required and shall comply with the details indicated in **Exhibit C**.

1.3.2 Mail Box Location: Mail boxes serving Residences on Lots shall be located on the common property line of each Lot as required by the terms of the Declaration.

SECTION 1.4 GARAGES

1.4.1 Refer to Article III, Section 3.4 of this Declaration.

SECTION 1.5 FLAGS AND FLAGPOLES

1.5.1 The only flags which may be displayed are: (i) the flag of the United States of America; (ii) the flag of the State of Texas; and (iii) an official or replica flag of any branch of the United States armed forces. No other types of flags, pennants, banners, kits or similar types of displays are permitted on a Lot if the display is visible from a street or Common Area.

1.5.2 The flag of the United States must be displayed in accordance with 4 U.S.C. Sections 5-10.

1.5.3 The flag of the State of Texas must be displayed in accordance with Chapter 3100 of the Texas Government Code.

1.5.4 Any freestanding flagpole, or flagpole attached to a Residence, shall be constructed of permanent, long-lasting materials. The materials used for the flagpole shall be harmonious with the Residence, and must have a silver finish with a gold or silver ball at the top. The flagpole must not exceed three (3) inches in diameter.

1.5.5 The display of a flag, or the location and construction of the supporting flagpole, shall comply with applicable zoning ordinances, easements, and setbacks of record.

1.5.6 A displayed flag, and the flagpole on which it is flown, shall be maintained in good condition at all times. Any flag that is deteriorated must be replaced or removed. Any flagpole that is structurally unsafe or deteriorated shall be repaired, replaced, or removed.

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1.5.7 Only one flagpole will be allowed per Lot. A flagpole can either be securely attached to the face of the Residence (no other Structure) or be a freestanding flagpole. A flagpole attached to the Residence may not exceed 4 feet in length. A freestanding flagpole may not exceed 20 feet in height. Any freestanding flagpole must be located in either the front yard or backyard of a Lot, and there must be a distance of at least 5 feet between the flagpole and the property line.

1.5.8 Any flag flown or displayed on a freestanding flagpole may be no smaller than 3'x5' and no larger than 4'x6'.

1.5.9 Any flag flown or displayed on a flagpole attached to the Residence may be no larger than 3'x5'.

1.5.10 Any freestanding flagpole must be equipped to minimize halyard noise. The preferred method is through the use of an internal halyard system. Alternatively, swivel snap hooks must be covered or "Quiet Halyard" Flag snaps installed. Neighbor complaints of noisy halyards are a basis to have flagpole removed until Owner resolves the noise complaint.

1.5.11 The illumination of a flag is allowed so long as it does not create a disturbance to other residents in the community. Solar powered, pole mounted light fixtures are preferred as opposed to ground mounted light fixtures. Compliance with all municipal requirements for electrical ground mounted installations must be certified by Owner. Flag illumination may not shine into another Residence. Neighbor complaints regarding flag illumination are a basis to prohibit further illumination until Owner resolves complaint.

1.5.12 Flagpoles shall not be installed in Common Area or property maintained by the Association.

1.5.13 All freestanding flagpole installations must receive prior written approval from the ACC.

SECTION 1.6 GUTTERING, RAIN BARRELS OR RAINWATER HARVESTING SYTEMS

1.6.1 All Residences shall be fully guttered. This requirement applies regardless of whether rain barrels or rain water harvesting systems are installed on the Lot.

1.6.2 Rain barrels or rain water harvesting systems and related system components (collectively, "**Rain Barrels**") may only be installed after receiving the written approval of the ACC.

1.6.3 Rain barrels may not be installed upon or within the Common Areas.

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1.6.4 Under no circumstances shall rain barrels be installed or located in or on any area within a Lot that is in-between the front of the Owner's Residence and an adjoining or adjacent street.

1.6.5 The rain barrel must be of color that is consistent with the color scheme of the Owner's Residence and may not contain or display any language or other content that is not typically displayed on such rain barrels as manufactured.

1.6.6 Rain barrels may be located in the side-yard or back-yard of Lot so long as such rain barrel(s) may not be seen from a street, another Lot or any Common Area of the Subdivision.

1.6.7 In the event the installation of Rain Barrels in the side-yard or back-yard of an owner's property in compliance with paragraph e above is impossible, the Reviewing Body may impose limitations or further requirements regarding the size, number and screening of Rain Barrels with the objective of screening the Rain Barrels from public view to the greatest extent possible. The owner must have sufficient area on their Lot to accommodate the Rain Barrels.

1.6.8 Rain Barrels must be properly maintained at all times or removed by the owner.

1.6.9 Rain Barrels must be enclosed or covered.

1.6.10 Rain Barrels which are not properly maintained, become unsightly or could serve as a breeding pool for mosquitos must be removed by the owner from the Lot.

SECTION 1.7 CERTAIN RELIGIOUS DISPLAYS

1.7.1 By statute, an Owner is allowed to display or affix on the entry to the Owner's Residence one or more religious items, the display of which is motivated by the Owner's or occupant's sincere religious belief. Such display is limited according to the provisions contained herein.

1.7.2 If displaying or affixing of a religious item on the entry to the Owner's or occupant's Residence violates any of the following covenants, the Association may remove the item displayed:

(1) threatens the public health or safety;
(2) violates a law;
(3) contains language, graphics, or any display that is patently offensive to a passerby;
(4) is permanently installed in a location other than the entry door or door frame or extends past the outer edge of the door frame of the Owner's or occupant's Residence; or

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(5) individually or in combination with each other religious item displayed or affixed on the entry door or door frame has a total size of greater than 25 square inches

1.7.3 No owner or resident is authorized to use a material or color for an entry door or door frame of the Owner's or occupant's Residence or make an alteration to the entry door or door frame that is not authorized by the Declaration or otherwise expressly approved by the ACC.

PART TWO: DWELLING UNITS

SECTION 2.1 ROOFS

2.1.1 Roof Pitch: All Roof Pitches shall have a minimum of 8-in-12 slopes.

2.1.2 Roofing Materials: Roofing materials shall be asphalt shingles with a 30 year rated shingle and have a weathered brown or gray color. Other roofing materials shall not be used without written approval from the ACC.

2.1.3 Dormers & Above Roof Chimneys: Dormers and chimney chases, above roof structure and roofing materials, may be finished with an approved exterior grade siding material. All fireplace flues shall be enclosed and finished, exposed pre-fabricated metal flue piping is prohibited.

SECTION 2.2 CERTAIN ROOFING MATERIALS

2.2.1 Roofing shingles covered by this Section are exclusively those designed primarily to: (i) be wind and hail resistant, (ii) provide heating and cooling efficiencies greater than those provided by customary composite shingles; or (iii) provide solar generation capabilities (collectively, "**Roofing Shingles**").

2.2.2 Roofing Shingles allowed under these Guidelines shall:

(1) resemble the shingles used or otherwise authorized for use in Subdivision;
(2) be more durable than and are of equal or superior quality to the shingles used or otherwise authorized for use in Subdivision; and
(3) match the aesthetics of the property surrounding the property of the owner requesting permission to install the Roofing Shingles.

2.2.3 The Owner requesting permission to install the Roofing Shingles will be solely responsible for accrediting, certifying and demonstrating to the ACC that the proposed installation is in full compliance with paragraphs a and b above.

2.2.4 Roofing Shingles shall be installed after receiving the written approval of the ACC.

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2.2.5 Owners are hereby placed on notice that the installation of Roofing Shingles may void or adversely affect other warranties.

SECTION 2.3 SOLAR PANELS

2.3.1 Solar energy devices, including any related equipment or system components (collectively, "**Solar Panels**") may only be installed after receiving the written approval of the ACC.

2.3.2 Solar Panels may not be installed upon or within Common Areas or any area which is maintained by the Association.

2.3.3 Solar Panels may only be installed on designated locations on the roof of a Residence, on any structure allowed under any Subdivision or Association dedicatory instrument, or within any fenced rear-yard or fenced-in patio of an Owner's Lot, but only as allowed by the ACC. Solar Panels may not be installed on the front elevation of the Residence.

2.3.4 If located on the roof of a Residence, Solar Panels shall:

(1) not extend higher than or beyond the roofline;
(2) conform to the slope of the roof;
(3) have a top edge that is parallel to the roofline; and
(4) have a frame, support bracket, or wiring that is black or painted to match the color of the roof tiles or shingles of the roof. Piping must be painted to match the surface to which it is attached, i.e. the soffit and wall. Panels must blend with the color of the roof to the greatest extent possible.

2.3.5 If located in the fenced rear-yard or patio, Solar Panels shall not be taller than the fence line or visible from any adjacent Lot, Common Area or street.

2.3.6 The ACC may deny a request for the installation of Solar Panels if it determines that the placement of the Solar Panels, as proposed by the Owner, will create an interference with the use and enjoyment of any adjacent Lot or Common Area.

2.3.7 Owners are hereby placed on notice that the installation of Solar Panels may void or adversely affect roof warranties. Any installation of Solar Panels which voids material warranties is not permitted and will be cause for the Solar Panels to be removed by the Owner.

2.3.8 Solar Panels must be properly maintained at all times or removed by the Owner.

2.3.9 Solar Panels which become non-functioning or inoperable must be removed by the Owner.

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SECTION 2.4 EXTERIOR WALLS

2.4.1 Exterior Wall Materials: Exterior walls shall be masonry and exterior-grade siding materials as approved by the Architectural Control Committee:

2.4.1.1 Front Walls: All front wall surfaces shall be one hundred percent (100%) masonry consisting of not less than eighty percent (80%) in brick, brick veneer, stone, stone veneer or other masonry materials and twenty percent (20%) in stucco board and/or hardy plank style siding. Stucco Board or siding may also be used for hidden or concealed wall surfaces not directly visible from the Lot front property line as well as for upper gable areas that would create a "brick-on-wood" condition; **this provision is not intended to reduce the essential 100% masonry requirement for the front wall areas** and approval of the use of this provision is at the sole discretion of the ACC.

2.4.1.2 Side and Rear Walls: Side wall surfaces of the first floor must be constructed using a mixture of masonry and exterior-grade siding as required to comply with the minimum seventy five percent (75%) masonry overall requirement. Rear wall surfaces of the first floor must be constructed using a mixture of masonry and exterior grade siding as required to comply with the minimum seventy five percent (75%) masonry overall requirement; sercond floor wall surfaces of the side and rear walls may be stucco board or exterior-grade siding materials.

2.4.1.3 Chimneys: Chimney wall structures that are a direct extension of an exterior wall shall match the requirement of said wall.

SECTION 2.5 ELEVATION AND BRICK USAGE

2.5.1 Same Plan with Same Elevation: The repeat of the same floor plan with the same elevation design shall be governed by the following provisions:

2.5.1.1 Same Side of Street: When Residences, using the same floor plan and same elevation, are constructed on the same side of the street; they shall be separated by a minimum of two (2) Lots. A one (1) Lot separation will be permitted when a street intersection occurs, the street right-of-way serves as a Lot equivalent.

2.5.1.2 Opposite Side of Street: When Residences, using the same floor plan and same elevation, are constructed on opposite sides of the street; they shall not be constructed directly or diagonally across from each other.

2.5.2 Repeat Brick Usage: All plans for the construction of Residences submitted to the ACC for review and approval shall calculate the percentage coverage for each material as follows:

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2.5.2.1 Same Side of Street: No combination of brick color, mortar color, and sand color shall be repeated for adjacent Residences. Street and alley intersections are acceptable separation elements.

2.5.2.2 Opposite Side of Street: There are no restrictions for the use of brick color, mortar color, and sand color for Residences on opposing sides of the street.

2.5.2 Exterior Material Area Calculations: All dwelling submittals for the construction of Residences submitted to the ACC for review and approval shall calculate the percentage coverage for each material as follows:

2.5.2.1 Calculation Method: Calculations for material coverage percentages shall include all exposed areas of the wall surface, excluding window and door openings.

2.5.2.2 Calculation Format: Calculations shall indicate the area coverage for front, side, and rear wall areas. Calculations shall be submitted in the following format:

Brick Calculations

Overall	
Total Wall Area	0 sf
Total Brick Area	0 sf
Total Brick Percentage	0%
Front	
Total Wall Area	0 sf
Total Brick Area	0 sf
Total Brick Percentage	0%
Left	
Total Wall Area	0 sf
Total Brick Area	0 sf
Total Brick Percentage	0%
Right	
Total Wall Area	0 sf
Total Brick Area	0 sf
Total Brick Percentage	0%
Rear	
Total Wall Area	0 sf
Total Brick Area	0 sf
Total Brick Percentage	0%

** Openings removed from areas in all calculations

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EXHIBIT C
TO
DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS
FOR ENCHANTED CREEK PHASE 1A HOMEOWNERS ASSOCIATION, INC.
AN ADDITION TO THE CITY OF LUCAS, COLLIN COUNTY, TEXAS

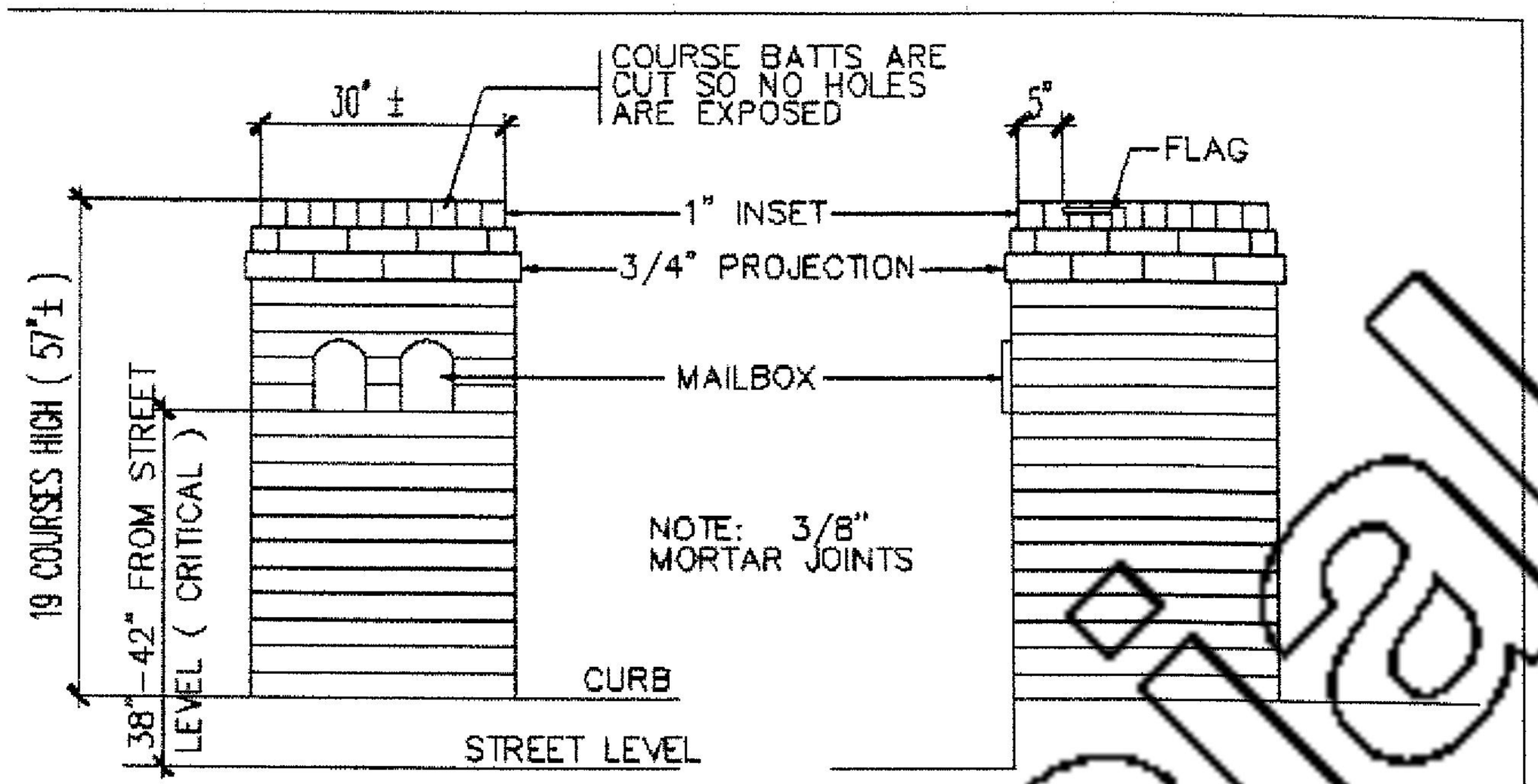
STANDARD MAILBOX DESIGN

[see attached]

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EXHIBIT C COVER PAGE

Standard Mail Boxes Design



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Records Production, Copying and Retention Policies
Enchanted Creek Homeowners Association, Inc.

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RECORDS PRODUCTION AND COPYING POLICY
FOR
Enchanted Creek
(the "Association")

WHEREAS Texas Property Code § 209.005(i) Requires associations to file a records production and copying policy that prescribes the costs the Association will charge for compilation, production, and reproduction of information requested by a Member.

WHEREAS, failing the existence of such a policy, the Association shall be liable to compile and produce such records, but shall not be entitled to charge for same.

BE IT RESOLVED, that the following shall be the Association's policy for records production and copying:

Upon receipt of a proper request for information, by a proper party pursuant to Texas Property Code § 209.005(c), the Association shall make the records described by § 209.005 available pursuant to the terms thereof, within the time allotted therein, and shall otherwise comply with such provisions of Texas Property Code § 209.005, including the withholding of certain information described therein.

Further, the Association itself or by and through its agent or manager, shall charge as follows when it is required to produce records accordingly:

a. $15 per hour for any labor associated with the compilation or production of any requested information.
b. $.l0 per page for photocopies.
c. $1.00 per CD or $3.00 for DVD.
d. To the extent that the aforementioned charges may exceed those allowed by current or future law, the charges shall be reduced to the legal maximum limit.
e. Members may be required to pay an estimated cost in advance of the compilation/production and copying process with a final reconciliation to be prepared after the compilation/production and copying is performed. Any costs over the amount prepaid by the member may be charged to the member's account as an assessment. Any overpayment by the member shall be promptly refunded.

To the extent these guidelines contradict with any previous guidelines, rules, covenants, or restrictions, these guidelines shall control.

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RECORDS RETENTION POLICY
FOR
Enchanted Creek
(the "Association")

WHEREAS Texas Property Code § 209.005(m) requires associations to adopt policies to retain certain records for minimum periods of time.

BE IT RESOLVED, that the following is the Association's policy for records retention:

1. Formation documents, bylaws, CCRs — permanently
2. Financials — 7 years
3. Owner account records — 5 years
4. Contracts with a one year term or more — 4 years from the date of termination.
5. Board meeting minutes — 7 years
6. Tax returns and audits — 7 years

To the extent these guidelines contradict with any previous guidelines, rules, covenants, or restrictions, these guidelines shall control.

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Certificate of Formation
Enchanted Creek Homeowners Association, Inc.

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Form 205
(Revised 05/11)

Submit in duplicate to:
Secretary of State
P.O. Box 13697
Austin, TX 78711-3697
512 463-5555
FAX: 512 463-5709
Filing Fee: $300

This space reserved for office use.

Certificate of Formation
Limited Liability Company

Article 1 – Entity Name and Type

The filing entity being formed is a limited liability company. The name of the entity is:

CTMGT Lucas 238, LLC

The name must contain the words "limited liability company," "limited company," or an abbreviation of one of these phrases.

Article 2 – Registered Agent and Registered Office

(See instructions. Select and complete either A or B and complete C.)

☐ A. The initial registered agent is an organization (cannot be entity named above) by the name of:

OR

☒ B. The initial registered agent is an individual resident of the state whose name is set forth below:

Mehrdad		Moayedi	
First Name	*M.I.*	*Last Name*	*Suffix*

C. The business address of the registered agent and the registered office address is:

1221 N. I-35E, Ste. 200	Carrollton	TX	75006
Street Address	*City*	*State*	*Zip Code*

Article 3—Governing Authority

(Select and complete either A or B and provide the name and address of each governing person.)

☒ A. The limited liability company will have managers. The name and address of each initial manager are set forth below.

☐ B. The limited liability company will not have managers. The company will be governed by its members, and the name and address of each initial member are set forth below.

GOVERNING PERSON 1

NAME (Enter the name of either an individual or an organization, but not both.)

IF INDIVIDUAL

First Name	*M.I.*	*Last Name*	*Suffix*

OR

IF ORGANIZATION

Centamtar Terras, LLC, a Texas limited liability company

Organization Name

ADDRESS

1221 N. I-35 E, Ste. 200	Carrollton	TX	US	75006
Street or Mailing Address	*City*	*State*	*Country*	*Zip Code*

Sample

GOVERNING PERSON 2

NAME (Enter the name of either an individual or an organization, but not both.)

IF INDIVIDUAL

First Name *M.I.* *Last Name* *Suffix*

OR

IF ORGANIZATION

Organization Name

ADDRESS

Street or Mailing Address *City* *State* *Country* *Zip Code*

GOVERNING PERSON 3

NAME (Enter the name of either an individual or an organization, but not both.)

IF INDIVIDUAL

First Name *M.I.* *Last Name* *Suffix*

OR

IF ORGANIZATION

Organization Name

ADDRESS

Street or Mailing Address *City* *State* *Country* *Zip Code*

Article 4 – Purpose

The purpose for which the company is formed is for the transaction of any and all lawful purposes for which a limited liability company may be organized under the Texas Business Organizations Code.

Supplemental Provisions/Information

Text Area: [The attached addendum, if any, is incorporated herein by reference.]

Real Estate Development

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Organizer

The name and address of the organizer:

Mehrdad Moayedi
Name

1221 N. I-35E, Ste. 200	Carrollton	TX	75006
Street or Mailing Address	*City*	*State*	*Zip Code*

Effectiveness of Filing (Select either A, B, or C.)

A. ☒ This document becomes effective when the document is filed by the secretary of state.

B. ☐ This document becomes effective at a later date, which is not more than ninety (90) days from the date of signing. The delayed effective date is: _____

C. ☐ This document takes effect upon the occurrence of the future event or fact, other than the passage of time. The 90th day after the date of signing is: _____

The following event or fact will cause the document to take effect in the manner described below:

Execution

The undersigned affirms that the person designated as registered agent has consented to the appointment. The undersigned signs this document subject to the penalties imposed by law for the submission of a materially false or fraudulent instrument and certifies under penalty of perjury that the undersigned is authorized to execute the filing instrument.

Date: 8/8/13

_____
Signature of organizer

MEHRDAD MOAYEDI
Printed or typed name of organizer

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Filed and Recorded
Official Public Records
Stacey Kemp, County Clerk
Collin County, TEXAS
01/12/2015 12:22:08 PM
$278.00 SCAPELA
20150112000032890