DECLARATION OF COVENANTS, CONDITIONS, RESTRICTIONS AND EASEMENTS FOR HAZELWOOD SOUTH ADDITION

A RESIDENTIAL SUBDIVISION IN COLLIN COUNTY, TEXAS

NOTICE: THIS DOCUMENT SUBSTANTIALLY AFFECTS YOUR RIGHT'S AND OBLIGATIONS AS AN OWNER OF PROPERTY IN THIS SUBDIVISION. READ IT CAREFULLY. WITHOUT LIMITATION, YOU ARE SPECIFICALLY ADVISED AS FOLLOWS: (i) ARTICLE III PROVIDES FOR MANDATORY MEMBERSHIP IN A HOMEOWNERS' ASSOCIATION, AND ARTICLE V PROVIDES FOR MANDATORY PAYMENT OF ASSESSMENTS TO THE ASSOCIATION AND A CONTINUING LIEN AGAINST YOUR PROPERTY TO SECURE PAYMENT OF ASSESSMENTS WHICH MAY BE FORECLOSED EVEN IF THE PROPERTY IS YOUR HOMESTEAD, (ii) DECLARANT RETAINS SUBSTANTIAL RIGHTS UNDER THE DECLARATION, INCLUDING AS PROVIDED IN EXHIBIT A ATTACHED TO THIS DECLARATION, AND INCORPORATED HEREIN BY THIS REFERENCE FOR ALL PURPOSES, AND ESPECIALLY DURING THE DEVELOPMENT PERIOD, THE UNILATERAL RIGHT TO SET RATES FOR REGULAR ASSESSMENTS AND IMPOSE SPECIAL ASSESSMENTS, AND, WITHOUT NOTICE TO OR CONSENT OF ANY OWNER, TO ANNEX ADDITIONAL PROPERTIES INTO THE SUBDIVISION, TO AMEND ANY PLAT AND TO AMEND THIS DOCUMENT AND ANY OTHER "GOVERNING DOCUMENTS", AND (iii) SECTION A10.01 OF EXHIBIT A HERETO SETS FORTH PROCEDURES REGARDING MANDATORY DISPUTE RESOLUTION, INCLUDING A REQUIREMENT THAT A DISPUTE NOTICE BE GIVEN TO DECLARANT WITHIN 120 DAYS AND ESTABLISHMENT OF A MAXIMUM TWO YEAR STATUTE OF LIMITATIONS. YOUR RIGHTS TO ASSERT A "DISPUTE" MAY BE LOST IF YOU FAIL TO COMPLY WITH SECTION A10.01.

AFTER RECORDING RETURN TO:

Hazelwood Single Family LLC
Attention: Abdul Mohammed
5851 Legacy Circle, 6th Floor
Plano, Texas 75024

DECLARATION OF COVENANTS, CONDITIONS, RESTRICTIONS AND EASEMENTS

FOR

HAZELWOOD SOUTH ADDITION

A RESIDENTIAL SUBDIVISION IN COLLIN COUNTY, TEXAS

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

WHEREAS, **HAZELWOOD SINGLE FAMILY LLC**, a Texas limited liability company (herein referred to as "Declarant") is the current owner of all that certain real property located in Collin County as more particularly described in **Section 1.01** hereof; and said Declarant desires to create and carry out a general and uniform plan for the improvement, development, maintenance, use and continuation of a residential community on the property as set forth in **Article I** hereof for the mutual benefit of the Owners and their successors in title which property will be conveyed subject to the covenants, conditions, restrictions, liens, charges and easements as set forth herein.

NOW, THEREFORE, in order to carry out a uniform plan for the improvement, development, maintenance, sale and use of the properties within the Subdivision as herein defined, it is hereby declared that all of the properties within the Subdivision shall be held, sold and conveyed subject to the following covenants, conditions, restrictions, easements, charges and liens (sometimes herein collectively referred to as "covenants and restrictions"), all of which are for the purposes of enhancing and protecting the value, desirability and attractiveness of said properties. These covenants and restrictions shall run with said real property and be binding upon all parties having or acquiring any right, title, or interest in said real property or any part thereof, their heirs, predecessors, successors and assigns, and shall inure to the benefit of each Owner thereof.

Article I
Property Subject to This Declaration; Easements

1.01 Property Subject to Declaration. The real property which, by the recording of this Declaration, will be held, transferred, sold, conveyed, used, occupied, and mortgaged or otherwise encumbered subject to this Declaration is that certain real property located in the City of Princeton, Collin County, Texas, which is more particularly described in **Exhibit B** attached hereto and incorporated herein by this reference for all purposes.

1.02 Annexation of Other Property. During the Development Period only Declarant may annex additional real property in to and make same a part of the Subdivision. Thereafter, the Owners may annex additional real property in to and make same a part of the Subdivision by amendment of this Declaration. Any annexation must be evidenced by the filing of, and is effective from the date of the filing of, an amendment evidencing the annexation in the Official Public Records of Real Property of Collin County, Texas.

Article II
Definitions

Unless the context otherwise prohibits and in addition to other defined terms set forth herein, the following words and substantive provisions regarding same when used in this Declaration shall apply, mean and refer to the following:

2.01 "Architectural Control Committee" or "ACC" means the committee established pursuant to **Article IV** of this Declaration.

2.02 "Architectural Guidelines" means minimum construction standards, including acceptable exterior materials, colors, finishes and similar standards, landscaping requirements and limitations, and any other procedural, aesthetic, environmental or architectural guidelines, rules, requirements, policies or procedures from time to time adopted by Declarant or the Architectural Control Committee as provided in **Article IV** hereof, regardless of nomenclature or manner of designation, and may include Rules and Regulations.

2.03 "Association" means HAZELWOOD VILLAS HOA PRINCETON, INC., a Texas nonprofit corporation, to be incorporated for the purposes contemplated by this Declaration, and its successors (by merger, consolidation or otherwise) and assigns.

2.04 "Board" or "Board of Directors" means the Board of Directors of the Association.

2.05 "Bylaws" means the bylaws of the Association adopted by the Board of Directors of the Association, which shall be one of the Governing Documents.

2.06 "Community Properties", subject to applicable provisions of **Exhibit A** hereto, means:

2.06.1 HOA Lot 1X, Block 1, Lot 2X, Block 4, and Lot 1X, Block 8, and inclusive of the sidewalk, if any, and landscaping located thereon, together will all other common areas so designated herein or by a Plat intended for the common use of Owners, which includes, but is not limited to, any open space, amenity lots and/or lots designated on the Plat as a HOA Lot;

2.06.2 all Subdivision Facilities, including, but not limited to, any improvements, landscaping, fences, irrigation, signage and any fixtures or personal property located on the Community Properties, and landscape buffers identified on the Plat, if any; and

2.06.3 all other properties, real or personal, conveyed to or dedicated for the use of, or otherwise acquired by the Association for the common use, enjoyment or benefit of, the Association, together with all improvements thereon or appurtenances thereto.

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2.07 "Declarant" means, **Hazelwood Single Family LLC**, a Texas limited liability company, and its successors and assigns if such successors or assigns: (i) acquire all or substantially all of the Lots then remaining in the Subdivision for purposes of development and completion of the initial sale of the Lots (as defined in **Section A2.01** of **Exhibit A** hereto); or (ii) are expressly designated in writings as a successor or assign of Declarant hereunder, in whole or in part.

2.08 "Declaration" means this Declaration of Covenants, Conditions, Restrictions and Easements for Hazelwood South Addition, and all lawful amendments thereto.

2.09 "Development Period" means the period of time beginning on the date of recordation of this Declaration in the Official Public Records of Real Property of Collin County, Texas, and expiring on the earlier occurrence of either of the following events:

2.09.1 the date Declarant does not own any real property within the Property, including any other real property annexed hereto; or

2.09.2 Six (6) months after completion of the initial sale (as defined in Section A2.01 of **Exhibit A** hereto) of the last Lot in the Subdivision; or

2.09.3 Upon the date of filing in the Official Public Records of Real Property of Collin County, Texas, of Declarant's notice of termination of the Development Period; provided that at any time prior to complete termination of the Development Period Declarant may file one or more statements of limited termination of the Development Period to apply only to the specific functions, rights and/or responsibilities as stated therein.

2.10 "Governing Documents" means all documents and applicable provisions thereof regarding the use, maintenance, repair, replacement, modification or appearance of any properties within the Subdivision, including each Lot, or any rights, responsibilities or obligations of any Owners pertaining thereto, or to the Association, the Board or the ACC, including without limitation this Declaration, the Bylaws and Certificate of Formation of the Association, Rules and Regulations, Architectural Guidelines, all written decisions and resolutions of the ACC and Board, and all lawful amendments to any of the foregoing.

2.11 "Lot" means each numbered plot of land shown upon any Plat upon which either a single family residence or a duplex residence is, or may be, built. The term "Lot" does not include Community Properties, and does not include commercial or other reserves so designated by a Plat, if any.

2.12 "Member" means every Person who is an Owner and holds a membership in the Association. Every Member, who is not a natural person, must designate a representative of such entity who is a natural person as provided in the Association's Bylaws.

2.13 "Owner" means, whether one or more Persons: the owner according to the Official Public Records of Real Property of Collin County, Texas, whether one or more Persons, of the fee

simple title to a Lot, including any mortgagee or other lien holder who acquires such ownership through judicial or non-judicial foreclosure or proceedings in lieu thereof, but excluding any Person holding a lien or other encumbrance, easement, mineral interest or royalty interest burdening title or otherwise having an interest merely as security for the performance of an obligation.

2.14 "Person" means any natural person, as well as a corporation, joint venture, partnership (general or limited), limited liability company, association, trust, or other entity.

2.15 "Plat" means the initial map or plat of all or any portion of the Property as described in Section 1.01 which initial map or plat is sometimes herein referred to as the "Final Plat", all maps or plats of properties made a part of the Property as provided in Article I, if any, hereafter filed in the Map Records of Collin County, Texas, and all lawful modifications, amendments and/or replats of any of the foregoing.

2.16 "Prevailing Community Standards" means those standards of aesthetics, environment, appearance, architectural design and style, maintenance, conduct and usage generally prevailing in the Subdivision as reasonably determined by the Board or ACC at any given pertinent time and from time to time, including as to each particular Regulated Modification and each other matter or circumstance considered as of the date of the evaluation (i) prevailing standards as to harmony and compatibility with surrounding aesthetics, appearance and patterns of maintenance and use, harmony and compatibility with surrounding buildings, structures and other improvements, and harmony and compatibility with surrounding grades, topography, finished ground elevations, locations, colors, finishes, styles, workmanship, type and quality of materials and designs, and (ii) compliance with this Declaration and other applicable Governing Documents, and with applicable governmental laws, ordinances and regulations.

2.17 "Property" means the real property described in Section 1.01 and more particularly described in **Exhibit B** attached hereto (other than areas dedicated to the City or County), the other property annexed hereto, and such additional property as is brought within the jurisdiction of the Association and made subject to this Declaration.

2.18 "Regulated Modification" means (without implication that any particular matter is permitted or prohibited by this Declaration and without limitation as to Article IV hereof) the commencement, placement, construction, reconstruction or erection on, below or above the surface of any Lot of, or modification, alteration, or addition to, any building, structure or improvement, and any usage thereof, whether temporary or permanent, which may affect, modify or alter the aesthetics, environment, architectural scheme, appearance or standards, patterns of usage, or grades or topography, or any other Prevailing Community Standards as of the date of establishment of the Regulated Modification.

2.19 "Related Parties" means and applies as follows:

2.19.1 Owners and Tenants. Tenants of each Owner are Related Parties of that Owner, and with respect to each such Owner and each such tenant, Related Parties of each

include (i) their respective family and other household members (including in particular but without limitation all children and other dependents), (ii) their respective guests, invitees, servants, agents, representatives and employees, and (iii) all other Persons over which each has a right of control or under the circumstances could exercise or obtain a right of control.

2.19.2 Association, ACC and Declarant. Related Parties of the Association, ACC and Declarant include their respective officers, directors, partners, co-venturers, committee members, servants, agents, representatives and employees regarding all acts or omissions related to any of the foregoing representative capacities.

2.20 "Rules and Regulations" means all rules, policies and procedures concerning or regulating the maintenance, operation, use or occupancy of the Subdivision, including the Lots and Community Properties, as from time to time adopted by Declarant or the Board of Directors in accordance with Section 7.12 hereof, regardless of nomenclature or manner of designation, and may include Architectural Guidelines.

2.21 "Street" means an open way to be used primarily for common vehicular travel, regardless of whether designated as a street, road, lane, common drive, common driveway, shared drive, shared driveway, private access easement or similar nomenclature.

2.22 "Subdivision" means the residential community as more particularly described in Section 1.01 hereof, and any other real property subjected to this Declaration as herein provided from time to time.

2.23 "Subdivision Facilities" means all facilities and services built, installed, maintained, operated or provided by or through the Association for the general benefit of the Subdivision, including without limitation:

2.23.1 All Subdivision Fencing (as defined in Section 8.06), including all Subdivision main entry fences, walls, and/or entry and other identification monuments;

2.23.2 Any patrol or access limiting type services, structures or devices specifically obtained and maintained by the Association for such purposes, including without limitation any controlled access gates, guardhouses and related structures or devices;

2.23.3 All mail box banks, and/or water meters, water meter banks or water meter vaults and/or electrical meter banks, and similar facilities or devices so designated by Declarant or the Board as permitted by Section 9.05, if any, including entry, access and exit areas regarding same;

2.23.4 "Drainage Devices" specifically designated as Subdivision Facilities as permitted by Section 8.04.5, if any;

2.23.5 Any trash, garbage or recycling collection, cable or satellite television, utilities, including any street lighting, and any other services provided by or through the Association, and any structures or devices related thereto; and

2.23.6 Any other facilities or services as from time to time so designated by Declarant during the Development Period or by the Board thereafter.

Article III
Hazelwood Villas HOA Princeton, Inc.

3.01 Organization. The Association has been or will be organized and formed as a nonprofit corporation under the laws of the State of Texas. The Association has full power, authority and standing to enforce all provisions of the Governing Documents. The principal purposes of the Association are the collection, expenditure and management of the funds and financial affairs of the Association, enforcement of all provisions of the Governing Documents, providing for maintenance, preservation and architectural control within the Subdivision, the providing of such Subdivision Facilities as herein permitted or required, and all other acts and undertakings reasonably incident to any of the foregoing or in furtherance thereof.

3.02 Board of Directors. The Association acts through a Board of Directors which manages the affairs of the Association as specified in this Declaration, the Bylaws and other applicable Governing Documents. Unless otherwise expressly required by law and except as otherwise provided in this Declaration, including **Exhibit A** hereto, the Board of Directors shall exercise and have all rights, powers, authority and responsibilities of the Association. The Board is specifically authorized to compromise and settle any and all claims, demands, liabilities and causes of action whatsoever held by or asserted against the Association upon such terms and conditions as the Board may determine, and the decisions of the Board as to any of the foregoing are final and conclusive. UNLESS OTHERWISE PROVIDED BY LAW, UNTIL THE DATE OF TRANSFER OF DECLARANT CONTROL, AS PROVIDED IN **EXHIBIT A** HERETO, DECLARANT WILL APPOINT ALL MEMBERS OF THE BOARD OF DIRECTORS, AND IS ENTITLED TO REMOVE AND REPLACE ANY OF SAME, AND IN ALL OTHER RESPECTS TO EXERCISE ALL RIGHTS AND AUTHORITY OF THE ASSOCIATION AS SET FORTH IN THIS DECLARATION AND ALL OTHER GOVERNING DOCUMENTS.

3.03 Membership. Every Owner must be and is a Member of the Association, and as such is subject to and shall have such rights, responsibilities and obligations as set forth in this Declaration and other applicable Governing Documents. The Association is entitled to rely on the Official Public Records of Real Property of Collin County, Texas in determining such status as an Owner, and may require submission to the Board of appropriate certified copies of such records as a condition precedent to recognition of status as an Owner. The foregoing is not intended to include Persons who hold an interest merely as security for the performance of an obligation, and the giving of a security interest shall not terminate any Owner's membership. No Owner, whether one or more Persons, shall have more than one membership per Lot. Memberships shall be appurtenant to and may not be separated from ownership of any Lot, and shall automatically pass with the title to the Lot.

3.04 Voting Rights of Members.

3.04.1 Development Period. During the Development Period there will be two classes of membership entitled to voting rights in the Association which are as follows:

(a) Class A: All Members of the Association other than the Declarant are Class A Members. DURING THE DEVELOPMENT PERIOD, CLASS A MEMBERS HAVE NO VOTING RIGHTS WHATSOEVER, EXCEPT AS PROVIDED IN SECTION A4.01 of **Exhibit A** hereto.

(b) Class B: Declarant (and Declarant's successors and assigns, in accordance with the terms hereof), shall be the sole Class B Member so long as Declarant, or any such successor or assign, owns a single Lot or any portion of the Property. **The Class B Member shall be entitled to: (i) ten (10) votes for each Lot it owns; (ii) four (4) votes for each acre of the Property owned by Declarant, regardless if the time of the vote is within or after the Development Period; and (iii) one (1) "At Large" vote**. The Class B Member shall cease to be a Class B Member upon the closing of the sale of the last Lot or portion of land within the Property owned by the Class B Member, and Class B shall cease to exist at such time; provided, however, upon inclusion of any other real property annexed by Declarant into the Property that is subject to this Declaration, the Class B voting rights of the Class B Member shall be automatically reinstated until the last Lot or portion of land within the Property, inclusive of the annexed other real property, is sold by Declarant or Class B Member.

(c) Owners Elected Director. During the Development Period, on or before the 120th day after the date seventy-five percent (75%) of the Lots owned by Declarant are conveyed to Owners other than the Declarant or builders, at least one-third (1/3) of the members of the Board must be elected by the majority of the Owners other than the Declarant and such vote shall be at a meeting of the Members called for such purpose.

3.04.2 Post Development Period. Upon termination of the Development Period, Declarant's one "at large" vote will automatically terminate and any remaining Class B membership will automatically convert to Class A membership. Thereafter there will be only one class of voting membership, and the Owner of each Lot, whether one or more, will be entitled to one vote on each matter coming before the membership.

3.04.3 Multiple Owners. When more than one Person holds an ownership interest in a Lot, all such Persons are Members, but no event will they be entitled to more than one vote with respect to each particular Lot owned. The single vote, approval, or consent of such joint Owners must be cast or given in accordance with the decision of a majority, or if such joint Owners cannot reach a majority decision, then none of the joint Owners will be permitted to vote, approve, or consent as to any such matter upon which a majority

decision cannot be reached. The vote, approval or consent of any single Owner from among such joint Owners is conclusively presumed to be cast or given in accordance with the decision of the majority of the joint Owners and with their full authority.

3.04.4 Cumulative Voting Prohibited. Cumulative voting is prohibited as to any matter placed before the membership for a vote, including election of Directors.

3.05 Inspection by Members of Books and Records. All books and records of the Association, including financial records, shall be open to and reasonably available for examination by Owners, or a person designated in a writing signed by an Owner as the Owner's agent, attorney or certified public accountant, in accordance with Section 209.005 of the Texas Property Code and the policies of the Association regarding the same. All such policies shall be adopted by Declarant during the Development Period or the Board at any time.

3.06 Limitation of Liability; Indemnification.

3.06.1 General.

(a) "Association Representative(s)" Defined. As used in this Section 3.06.1, "Association Representative(s)" means each current or former director, governing person, officer, delegate, employee and agent of the Association, as such terms are defined in the Texas Business Organizations Code.

(b) Limitation of Liability. To the fullest extent allowed by the Texas Business Organizations Code, including Chapters 7 and 8 thereof, an Association Representative is not liable to the Association, to any Owner or Member of the Association, or to any other Person for any act by the Association Representative in the Person's capacity as an Association Representative unless the Person's conduct was not exercised in good faith, with ordinary care, and in a manner the Association Representative reasonably believes to be in the best interests of the Association.

(c) Indemnification. To the fullest extent allowed by the Texas Business Organizations Code, including Chapter 8 thereof, the Association agrees to and is required to indemnify, defend, and hold harmless, and to advance expenses to, each Association Representative, INCLUDING, IN EACH CASE, FOR CLAIMS BASED ON OR ARISING FORM SUCH PERSON'S TOTAL, PARTIAL, OR CONCURRENT NEGLIGENCE, but excluding any such items incurred as a result of any act or omission for which the Association Representative is liable under the preceding subsection (b). The provisions of this subsection (c) constitute a determination that indemnification should be paid and a contract to indemnify as contemplated by Sections 8.103(c) and 8.15 1(d) (2) of the Texas Business Organizations Code.

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(d) Report to Members. So long as required by the Texas Business Organizations Code, any indemnification of or advance of expenses to an Association Representative must be reported in writing to all Owners upon the earlier to occur of (i) with or before the notice or waiver of notice of the next meeting of Members, or (ii) with or before the next submission to Members of a consent to action without a meeting, or (iii) within twelve (12) months after the date of the indemnification or advance.

3.06.2 Security Services. The Association may from time to time engage in activities or provide Subdivision Facilities, including activities, devices or services intended to or which may have the effect of enhancing safety or security, including activities, devices or services limiting or controlling Subdivision access, or providing of patrol services or otherwise monitor activities with the Subdivision (including Community Properties), and may from time to time provide information through newsletters or otherwise regarding same (all such matters and all activities, services or devices of a similar nature or incident thereto herein referred to as "Security Services"). Without limitation of Section 3.06.1, each Owner and their tenants covenant and agree regarding any and all security issues and/or criminal activities and/or conduct and/or any other "Criminal Matters" (as defined below) within or outside the Subdivision, and as to any and all Security Services provided directly or indirectly by or through the Association as follows:

SECURITY IS THE SOLE RESPONSIBILITY OF LOCAL LAW ENFORCEMENT AGENCIES AND INDIVIDUAL OWNERS AND THEIR TENANTS, AND THEIR RESPECTIVE RELATED PARTIES. Security Services may be provided at the sole discretion of the Board of Directors. The providing of any Security Services at any time will in no way prevent the Board from thereafter discontinuing, or from temporarily or permanently modifying, terminating or removing, any Security Services, in whole or in part.

Any third party providers of Security Services are independent contractors, the acts or omissions of which are not imputable to Declarant, the Association or any of their Related Parties.

Providing of any Security Services may never be construed as (i) an undertaking by Declarant, the Association or any of their Related Parties to provide personal security as to any Owner, tenant or their Related Parties, or as to any other Person, or (ii) a representation or undertaking that any Security Services will be continued, or (iii) a representation, guarantee or warranty that the presence of any Security Service will in any way increase personal safety or prevent personal injury or property damage due to negligence, criminal conduct or any other cause. WITHOUT LIMITATION OF THE FOREGOING, DECLARANT, THE ASSOCIATION AND THEIR RELATED PARTIES SHALL NOT HAVE ANY DUTY WHATSOEVER TO WARN, ADVISE OR INFORM ANY OWNER, TENANT OR THEIR RELATED PARTIES AS TO CRIMINAL CONDUCT OF ANY KIND OR AS TO ANY OTHER MATTERS REGARDING OR RELATING TO SECURITY SERVICES, PAST OR PRESENT. DECLARANT, THE

ASSOCIATION AND THEIR RELATED PARTIES ARE NOT LIABLE FOR, AND EACH OWNER, THEIR TENANTS, AND THEIR RESPECTIVE RELATED PARTIES, MUST INDEMNIFY, KEEP INDEMNIFIED AND HOLD DECLARANT, THE ASSOCIATION AND THEIR RELATED PARTIES HARMLESS AT ALL TIMES FROM, ANY INJURY, LOSS OR DAMAGES WHATSOEVER, INCLUDING WITHOUT LIMITATION ANY INJURY OR DAMAGES CAUSED BY THEFT, BURGLARY, TRESPASS, ASSAULT, VANDALISM OR ANY OTHER CRIME, TO ANY PERSON OR PROPERTY ARISING, DIRECTLY OR INDIRECTLY, FROM THE PROVIDING OR FAILURE TO PROVIDE ANY SECURITY SERVICES, OR THE DISCONTINUATION, MODIFICATION, DISRUPTION, DEFECT, MALFUNCTION, OPERATION, REPAIR, REPLACEMENT OR USE OF ANY SECURITY SERVICES.

DECLARANT, THE ASSOCIATION AND THEIR RELATED PARTIES, HAVE NO DUTY, OBLIGATION OR RESPONSIBILITY OF ANY KIND WHATSOEVER TO WARN, ADVISE OR IN ANY OTHER MANNER INFORM ANY OWNERS, TENANTS, OR THEIR RELATED PARTIES, OR ANY OTHER RESIDENTS OR OCCUPANTS OF ANY LOT OR COMMUNITY PROPERTIES, OR ANY LAW ENFORCEMENT AGENCY, OR ANY OTHER PERSON AS TO ANY ALLEGED, SUSPECTED OR KNOWN CRIMINAL ACTIVITIES OF ANY KIND, CRIMINAL HISTORY OR BACKGROUND OF ANY PERSON, OR CRIMINAL INVESTIGATIONS BY LAW ENFORCEMENT AGENCIES OR BY ANY OTHER PERSON (ALL SUCH MATTERS, ACTIVITIES AND INVESTIGATIONS HEREIN REFERRED TO AS "CRIMINAL MATTERS"), regardless of whether the Criminal Matters involve the Subdivision, other areas in the vicinity or any other place or lands. The Association may (but has no obligation to) from time to time disclose and/or transmit information concerning Criminal Matters to Owners, tenants, and any other occupants of Lots and/or any Community Properties, to any law enforcement agencies, and to any other Person which the Association's officers, directors, agents, employees and other Related Parties in their sole discretion deem advisable. Each Owner and tenant by acceptance of any right, title or interest in any Lot, and every Owner, tenant and occupant of a Lot or any Community Properties by virtue of such occupancy, hereby consents, on their behalf and on behalf of their respective Related Parties, and on behalf of all other Persons coming upon a Lot or any Community Properties at their invitation, or with their consent or permission, to any such disclosure and/or transmittal of information. Any such disclosure and/or transmittal of information shall in no way be deemed an undertaking to do so in the future, either as to the Criminal Matters then involved or as to any other current or future Criminal Matters. All other provisions of this Section apply to any disclosure and/or transmittal of information, and to any failure to disclose and/or transmit information, concerning Criminal Matters, including in particular but without limitation, the provisions of Section 3.06.1(d) regarding the indemnity obligations of Owners, their tenants and their respective Related Parties.

3.06.3 Liability Arising From Conduct of Owners. EACH OWNER, THEIR TENANTS, AND THEIR RESPECTIVE RELATED PARTIES MUST INDEMNIFY AND KEEP INDEMNIFIED, AND HOLD HARMLESS, DECLARANT, THE

ASSOCIATION AND THEIR RELATED PARTIES FROM AND AGAINST ALL CLAIMS, DAMAGES, SUITS, JUDGMENTS, COURT COSTS, ATTORNEY'S FEES, ATTACHMENTS AND ALL OTHER LEGAL ACTIONS CAUSED THROUGH THE WILLFUL OR NEGLIGENT ACT OR OMISSION OF AN OWNER, THE OWNER'S TENANTS, OR THEIR RESPECTIVE RELATED PARTIES.

3.06.4 Subsequent Statutory Authority. If the Texas Business Organizations Code, Texas Non-Profit Corporation Law, Texas Miscellaneous Corporation Laws Act, Chapter 84 of the Texas Civil Practice and Remedies Code or any other applicable statute, state or federal, is construed or amended to further eliminate or limit liability or authorizing further indemnification than as permitted or required by this Section 3.06, then liability will be eliminated or limited and right to indemnification will be expanded to the fullest extent permitted by such construction or amendment.

3.06.5 No Impairment. Any repeal, amendment or modification of this Section 3.06 may not adversely affect any rights or protection existing at the time of the amendment.

Article IV
Architectural Control Committee

4.01 Organization; Compensation. There is hereby established an Architectural Control Committee. DECLARANT WILL ACT AS THE ACC (AND AS THE DESIGNATED REPRESENTATIVE OF THE ACC) DURING THE DEVELOPMENT PERIOD. Thereafter, the Board of Directors shall act as the ACC. The act of a majority of the members of the ACC constitutes an act of the ACC; provided, the ACC may from time to time designate any one of its members to act in its stead. No person serving on the ACC is entitled to compensation for services performed, but may be reimbursed for reasonable expenses in such manner and amounts as may be approved by the Board of Directors.

4.02 Function and Powers.

4.02.1 Submission of Plans Required. Except as otherwise provided herein, no Regulated Modification may be commenced, constructed, erected, placed, maintained or made upon any Lot or within any part of the Subdivision unless and until complete plans and specifications covering all aspects of the Regulated Modification have been submitted to and approved in writing by the ACC as to compliance with applicable Architectural Review Criteria as set forth in Section 4.02.4. One complete set of plans and specifications must be submitted with each request for approval unless a greater number is required by applicable Architectural Guidelines. Any plans and specifications to be submitted must specify, as applicable and in such detail and form as the ACC may reasonably require:

(a) the location upon the Lot or within the Subdivision the Regulated Modification will occur or be placed;

(b) the dimensions, nature, kind, shape, height, and color scheme of all materials to be used in connection with the Regulated Modification;

(c) appropriate information concerning structural, mechanical, electrical, plumbing, grading, paving, decking and landscaping details; and

(d) intended uses.

4.02.2 Authorized Builder Plans. Notwithstanding anything to the contrary contained herein, any Authorized Builder who is constructing Regulated Modifications on multiple Lots shall have the option of submitting a master set of final plans and specifications for all of the residences it intends to construct within the Subdivision to the ACC in accordance with the provisions of this Articles. Once a particular set of plans and specifications submitted by an Authorized Builder has been approved by the ACC or deemed approved, such Authorized Builder may construct homes in the Subdivision on any Lot in accordance with such plans and specifications without the necessity of obtaining subsequent approvals therefor, so long as there are no major material changes in the plans and specifications and the ACC approves of the location of the plans and specifications to prevent unnecessary duplication thereof within the Subdivision.

4.02.3 Architectural Guidelines; Fees. Declarant during the Development Period and the ACC at any time may, from time to time, adopt, modify and delete such reasonable Architectural Guidelines applicable to the Subdivision, including Lots and Community Properties, as it deems appropriate to maintain or reasonably enhance Prevailing Community Standards of the Subdivision at the time of adoption. Without limitation of the foregoing, Architectural Guidelines may include the amount and manner of payment of any fees or charges reasonably anticipated to cover administrative costs, fees for architectural, engineering, construction, legal or other expert advice or consultation, and all other costs and expenses in connection with review and evaluation of an application (such costs and expenses herein referred to as the "Architectural Review Fee"). Architectural Guidelines shall be of equal dignity with, and shall be enforceable in the same manner as, the provisions of this Declaration, provided: (a) such Architectural Guidelines shall not be deemed a waiver, modification, or repeal of any of the provisions of this Declaration; and (b) such Architectural Guidelines shall not be enacted retroactively except that all repairs, modifications or maintenance performed subsequent to adoption shall be performed in such manner as to bring the Regulated Modification, so far as practicable, in compliance with all then applicable Architectural Guidelines.

4.02.4 Architectural Review Criteria. The ACC must evaluate all submitted applications for ACC approval on the individual merits of the particular application, and based on evaluation of the compatibility of the proposed Regulated Modification with Prevailing Community Standards (including compliance with this Declaration and all other applicable Governing Documents) as of the date of submission of an application. The ACC must also use reasonable efforts to achieve consistency in the approval or disapproval of specific types of Regulated Modifications, To this end, consideration will be given to (but

the ACC is not bound by) similar applications for architectural approval and the decisions and actions of the ACC with regard thereto.

4.02.5 Responses; No Waiver or Estoppel. The ACC shall have full and complete authority to approve, conditionally approve or disapprove any request for ACC approval in accordance with Section 4.02.4. THE ACC AND NO OTHER ACTION OR OMISSION OF THE ACC SHALL OTHERWISE CONSTITUTE A WAIVER AS TO ANY OTHER PROVISIONS OF THIS DECLARATION OR PRECLUDE BY ESTOPPEL OR OTHERWISE FULL ENFORCEMENT THEREOF.

4.03 Variances. The ACC may grant specific variances to Architectural Guidelines and to the architectural and use restrictions set forth in Articles VII and VIII of this Declaration. A variance may be granted only with respect to specific instances upon written request therefor, is not binding with respect to any other request for a variance whether or not similar in nature, and does not constitute a waiver, modification or repeal of any of the provisions of this Declaration or other Governing Documents except for the limited purpose of and to the extent of the specific variance expressly granted. A variance may be granted only upon specific findings (a) that the variance is necessary due to unusual circumstances which are reasonably beyond the control of the applicant to mitigate or rectify, or in other circumstances, such as due to topography or natural obstructions, as to which the ACC determines a variance will result in a material enhancement to the applicant's Lot and/or to the Subdivision, and (b) that the granting of a specific variance will not materially and adversely affect the architectural, aesthetic or environmental integrity of the Subdivision or the scheme of development therein, WHETHER OR NOT SO STATED IN A VARIANCE AND NOTWITHSTANDING ANYTHING IN A VARIANCE TO THE CONTRARY, A VARIANCE SHALL EXTEND ONLY FOR THE PERIOD OF TIME DURING WHICH AND TO THE EXTENT THAT THE CIRCUMSTANCES THAT FORMED THE BASIS THEREFORE CONTINUE TO EXIST. THE BOARD RETAINS FULL AUTHORITY AS TO ANY VARIANCE AT ANY TIME TO TERMINATE OR MODIFY SAME IN ACCORDANCE WITH ANY SUCH CHANGE IN CIRCUMSTANCES.

4.04 Records of Architectural Control Committee. The ACC is not required to maintain records of any of its meetings. The ACC must keep and maintain records evidencing the final decision(s) of the ACC regarding all requests for approval and requests for variance for not less than four (4) years. The ACC must also maintain a record of all current Architectural Guidelines, and must provide copies to Owners upon written request and at the Owner's expense.

4.05 Liability of Architectural Control Committee. Except as provided in Section 3.06, neither the Association nor the ACC, nor their respective Related Parties are liable to any Owner, the Owner's tenants, the Related Parties of either, or to any other Person for any actions or failure to act or in connection with any approval, conditional approval or disapproval of any application for approval or request for variance, including without limitation, mistakes in judgment, negligence, malfeasance, or nonfeasance. No approval or conditional approval of an application or related plans or specifications and no publication of Architectural Guidelines may ever be construed as representing or implying that, or as a covenant, representation, warranty or guaranty that, if followed, the Regulated Modification will comply with applicable legal requirements, or

as to any matters relating to the health, safety, workmanship or suitability for any purpose of the Regulated Modification. The provisions hereof are cumulative of the provisions of Section 3.06.

Article V
Assessments and Maintenance Fund

5.01 Obligation for Payments of Assessments.

5.01.1 Commencement and Proration; Personal Obligation; Transferees. The obligation to pay assessments shall commence as to each Lot upon completion of the initial sale of each Lot (as that phrase is defined in Section A2.01.4 of **Exhibit A** hereto). Assessments shall be prorated at the time of closing on said initial sale of each Lot from the first day of the month in which the closing occurs. In addition to the assessment lien herein established, each assessment is the personal obligation of each Owner of the Lot charged therewith at the time liability for the assessment accrued notwithstanding any subsequent transfer of ownership. Except as to statements of assessments as provided in Section 5.01.2 or as to a transferee pursuant to a lawful and valid foreclosure of a superior lien as provided in Section 5.08, each Owner's transferee, whether by purchase, gift, devise or otherwise, and whether voluntary or by operation of law, is also jointly and severally liable for payment of all unpaid assessments owed to the Association at the time of transfer without prejudice to the rights of the transferee to recover from the transferor the amounts paid by said transferee.

5.01.2 Statement of Assessments. Any transferee (or prospective transferee upon presentment of an executed earnest money contract or other writing satisfactory to the Board) shall be entitled to a statement from the Association setting forth all assessments due as of the date of the written request. The request must be in writing, must be addressed to the Association and must be delivered by registered or certified mail, return receipt requested, or by personal delivery with receipt acknowledged in writing. The Board may set a reasonable charge for providing a statement of indebtedness, the payment of which is a condition precedent to the Association's obligation to provide same. Except for fraud or misrepresentation, if the Association fails to respond to a proper written request for a statement of indebtedness within thirty (30) days after receipt of the request by the Association, and upon submission of a properly executed registered or certified mail return receipt or delivery receipt evidencing receipt of the request by the Association, upon transfer the transferee is not liable for, nor shall the Lot transferred be subject to a lien for, any unpaid assessments against the Lot accruing prior to the date of the written request.

5.02 Uniform Rates; Application of Payments. Subject to applicable provisions of **Exhibit A** hereto, regular and special assessments on all Lots must be fixed at a uniform rate, and must be determined on a per Lot basis. All payments made by or on behalf of an Owner for assessments (regular, special or specific) are deemed made upon the date of receipt of the payment by the Association or its designated representative. Except as otherwise required by Texas Property Code, Section 209.0063, all payments received, including payments received in consequence of judicial foreclosure, will be applied (i) first to payment of accrued interest, then to payment of

accrued late charges, then to payment of compliance costs (including attorney's fees), and then to payment of all other specific assessments listed in Section 5.06; (ii) then to payment of any special assessments; and (iii) finally to payment of all regular assessments. Application within each category shall be on a first in, first out basis.

5.03 Base Rate and Subsequent Computation of Regular Assessments.

5.03.1 Initial Base Rate of Regular Assessments; Due Dates. The initial full base rate of the regular annual assessment for 2024 per Lot (and continuing during 2024 and thereafter unless and until modified as herein provided) shall be determined by Declarant prior to completion of the initial sale of the first Lot to be sold in the Subdivision. The Board shall have the right to require regular annual assessments to be paid semi-annually, quarterly or monthly, in advance (instead of annually). If the Board does so, the semi-annual, quarterly or monthly installments of regular annual assessments, as the case may be, shall be rounded upward to the next dollar, and the regular annual assessment shall be automatically adjusted upward by the amount of such rounding. UNLESS AND UNTIL OTHERWISE DETERMINED BY THE BOARD AS AFORESAID, THE AMOUNT OF REGULAR ANNUAL ASSESSMENTS IS DUE AND PAYABLE ANNUALLY, IN ADVANCE, ON THE FIRST DAY OF JANUARY OF EACH CALENDAR YEAR.

5.03.2 Subsequent Computation of Regular Assessments. DURING THE DEVELOPMENT PERIOD, DECLARANT IS ENTITLED TO SET AND CHANGE THE ANNUAL RATE OF REGULAR ASSESSMENTS AS PROVIDED IN SECTION 5.10. Thereafter, the Board shall adopt a budget at least annually to determine sums necessary and adequate to provide for the expenses of the Association for the succeeding twelve (12) month period (including funding of capital, contingency and other reserves; such reserves to include a reserve fund to be established specifically for the continual and perpetual maintenance, repair and replacement of the Community Properties, as described in Section 6.01.1). The Board shall set the annual rate of regular assessments based on the budget. At least thirty (30) days written notice of such determinations must be given to Owners of all Lots if any change is made as to the amount of the annual rate of regular assessment.

5.04 No Waiver or Release. Notwithstanding anything to the contrary herein, the omission or failure for any reason of the Association to mail or deliver a notice of annual assessment or due date for payment thereof does not constitute a waiver, modification or release of an Owner's obligation to pay assessments as otherwise herein provided.

5.05 Special Assessments. In addition to the other assessments authorized herein, including other special assessments, the Board may levy special assessments at any time during each fiscal year for purposes of defraying, in whole or in part, any expenses not anticipated by the budget then in effect, or to replace part or all of any contingency, capital or other reserve fund, or for any other purpose as deemed necessary or appropriate by the Board. SO LONG AS THE TOTAL AMOUNT OF SPECIAL ASSESSMENTS IN ANY ONE FISCAL YEAR ALLOCABLE TO EACH LOT DOES NOT EXCEED FIFTY PERCENT (50%) OF THE

AMOUNT OF THE REGULAR ANNUAL ASSESSMENT THEN IN EFFECT, THE BOARD MAY IMPOSE THE SPECIAL ASSESSMENT WITHOUT VOTE OR APPROVAL OF ANY OWNER; PROVIDED, AT LEAST THIRTY (30) DAYS WRITTEN NOTICE MUST BE GIVEN TO THE OWNERS OF ALL LOTS OF ANY SUCH SPECIAL ASSESSMENT. Special assessments allocable to each Lot exceeding the foregoing limitation will be effective only if approved by the Owners of a majority of the Lots then contained within the Subdivision. The approval may be obtained in any manner as provided for approval of an amendment of this Declaration. Special assessments are payable as determined by the Board, and the Board may permit special assessments to be paid in installments extending beyond the fiscal year in which the special assessment is imposed.

5.06 Specific Assessments.

5.06.1 Types. Specific assessments must be assessed against individual Lots and the Owner(s) thereafter at the time liability for same accrues as follows:

(a) Working Capital Fund. The Association shall require each Owner (other than a Declarant) of any Lot who purchases that Lot from a previous Owner, to make a non-refundable contribution to the Association in an amount of Five Hundred and No/100 Dollars ($500.00). Said contribution shall be collected and transferred to the Association at the time of closing of the purchase and sale of the Lot and shall be for the use and benefit of the Association, including to meet expenditures or to purchase equipment, property or services. Such contribution to the working capital fund shall not relieve an Owner from making regular payments of assessments as the same become due.

(b) Interest. Interest compounded monthly from the due date at the rate of the lesser of eighteen percent (18%) per annum or the maximum legal rate will be charged on all delinquent assessments, regular, special or specific, which are not paid in full within thirty (30) days after the due date.

(c) Late Charges. A late charge in the amount of Twenty Five and No/100 Dollars ($25.00) per month, or such other reasonable amount as from time to time determined by the Board or as provided in applicable Association policies, is hereby imposed as to any regular, special or specific assessment which is not paid in full within thirty (30)days after payment of same is due.

(d) Compliance Costs. All expenses reasonably attributable to or incurred by reason of a breach or violation of or to obtain compliance with any provisions of this Declaration or other Governing Documents must be assessed against the Owner who occasioned the incurrence of such expenses, including reasonable attorney's fees whether incurred prior to, during the pendency of or after successful completion of any actions in a court of competent jurisdiction. The foregoing shall include, without limitation, all costs, expenses and reasonable attorney's fees incurred in connection with the judicial or non-judicial foreclosure

of the Association's assessment lien, including prosecution or defense of any claims or actions relating to any such foreclosure proceedings.

(e) Other Obligations (Including Transfer and ACC Fees). All other monetary obligations established by or pursuant to this Declaration or other Governing Documents or which are otherwise permitted or authorized by law, including without limitation as permitted or authorized by Chapter 204 of the Texas Property Code, and which are intended to apply to one or several but not all Lots must be assessed against the applicable Owner(s). Except for fines, the Board may from time to time contract with Managing Agents to provide statements of assessments or other charges or resale certificates, or to process changes of ownership or tenancy or applications for architectural approval, and in connection therewith (but subject to authority of the Board to waive any specific assessment as herein provided) may by contract or resolution assign to such Managing Agent the right to set the amount of fees or charges for any such services and to receive payment of the applicable charge.

5.06.2 Payment; Waiver. Specific assessments are due and payable immediately upon the occurrence of the event giving rise to liability for payment of same. Failure of the Association to impose or collect any specific assessment is not grounds for any action against the Association, or any Director, officer, agent or employee thereof, and does not constitute a waiver of the Association's right to exercise its authority to collect any specific assessments in the future. For good cause shown as determined in the sole opinion of the Board, the Board may waive, wholly or partially, imposition of any specific assessment; provided, any such waiver is conditioned upon payment in full of all remaining monetary obligations then owed to the Association or receipt of written commitment that same will be paid within a specified period of time.

5.07 Lien for Assessments.

5.07.1 Establishment. All sums assessed against each Lot pursuant to this Declaration, whether by regular, special or specific assessment, are secured by the said continuing lien on each Lot in favor of the Association.

5.07.2 Perfection of Lien. The recordation of this Declaration constitutes record notice and perfection of the Association's continuing lien, effective from the date of recordation. No further recordation of a claim of lien or other notice of any type or kind whatsoever is required to establish or perfect such lien. To further evidence such lien, the Association may, but is not required to, from time to time prepare and file in the Official Public Records of Real Property of Collin County, Texas, written notice of default in payment of assessments applicable to one or more Lots, in such form as the Board may direct.

5.07.3 Priority of Lien. The Association's continuing lien is superior to all other liens or encumbrances on each Lot except:

(a) a lien for real property taxes and other governmental assessments or charges on a Lot (a "Tax Lien") to the extent so required by law but not otherwise (it being the intent hereof that the Association's continuing lien is superior to any Tax Lien if permitted by law, including as provided in Section 32.05 of the Texas Tax Code);

(b) a first lien securing payment of purchase money for a Lot or a lien securing payment for work and materials used in constructing improvements on a Lot (a "First Lien") (i) as to and only as to assessments (regular, special or specific) the obligation for payment of which accrues from or after the applicable First Lien is duly recorded in the Official Public Records of Real Property of Collin County, Texas, and (ii) as to and only to the extent of unpaid sums secured by such First Lien;

(c) an extension of credit (commonly known as a home equity loan) made in accordance with and pursuant to Section 50(a)(6), Article XVI, of the Texas Constitution, as amended;

(d) a reverse mortgage made in accordance with and pursuant to Section 50(a)(7), Article XVI, of the Texas Constitution, as amended; and

(e) such other mortgages, deeds of trust, liens or other encumbrances to which the Board may from time to time by written agreement specifically and expressly agree, subject to such terms and conditions as set forth in the applicable written agreement.

5.07.4 Other Liens. Except as provided in Section 5.07.3 or as otherwise expressly provided herein, all other Persons acquiring liens or encumbrances on any Lot are deemed to consent that such liens or encumbrances are inferior to the Association's lien for assessments, as provided herein, whether or not consent is specifically set forth in, and notwithstanding any contrary provisions in, any instruments creating such liens or encumbrances.

5.08 Effect of Nonpayment of Assessments.

5.08.1 Delinquency Date. Any assessments, regular, special or specific, which are not paid by the due date are delinquent as of midnight of the due date.

5.08.2 Automatic Remedies. Except to the extent otherwise expressly agreed in writing by the Board, if any assessments are not paid by the due date, then for the period of time beginning on the day following the due date and continuing through the date of receipt by the Association of payment in full and through the date of completion of processing of the payment, including deposit and negotiation of any personal check:

(a) late charges, interest from the due date, and all compliance costs (including reasonable attorney's fees), all as set forth in Section 5.06, shall be added to and included in the amount of such assessment;

(b) the Association may notify any credit bureau and/or any mortgagee, or other lienholder with respect to the applicable Lot as to any default under the Governing Documents, including delinquency in payment of assessments and any other monetary amounts due to the Association; and/or

(c) the Association may exercise any other rights and remedies and institute and prosecute such other proceedings as it deems necessary to collect all amounts due.

5.08.3 Elective Remedies After Notice. If any assessments are not paid within thirty (30) days after the due date, then the Association may elect to exercise any or all of the following remedies, in addition to and not in lieu of the automatic remedies as above provided, and without prejudice to any other rights or remedies, provided that notice and opportunity to be heard is first given:

(a) Acceleration of Assessments. The Association may accelerate, through the end of the year in which notice of default and intent to accelerate is given and for an additional three (3) month period thereafter, all regular assessments and all special or specific assessments (including any installment payments) due or to become due during said period; provided, the maximum period of acceleration may not exceed twelve months after the first day of the month following the month in which notice of default and intent to accelerate is given.

(b) Suspension of Services. After notice and opportunity to be heard as provided in Section 209.006 of the Texas Property Code, the Association may suspend until all assessments (including all specific assessments) are paid in full, all other rights of the delinquent Owner, the Owner's tenants, and the Related Parties of either, to (i) receive any and all services provided to the applicable Lot and any improvements thereon, and/or (ii) use, employ or receive the benefits of any other Community Properties and/or Subdivision Facilities, including all rights to use of any and all recreational facilities, if any. Notwithstanding the foregoing, no Owner, Owner's tenant, or any of their Related Parties may be denied any rights of ingress, egress or regress to or from the Subdivision.

5.08.4 Action for Debt Foreclosure.

(a) Each Owner, by acquisition of any Lot within the Subdivision or any right, title or interest therein, expressly grants to and vests in the Association (i) the right and power to bring all actions against each Owner, personally for the collection of all delinquent assessments as a debt; (ii) the right and power to foreclose the Association's continuing lien for assessments by all methods available

for the enforcement of a mortgage, deed of trust or any other contractual lien, including foreclosure by an action brought in the name of the Association either judicially or non-judicially by power of sale; and (iii) a continuing power of sale in connection with the non-judicial foreclosure of the Association's continuing lien for assessments as herein provided. The foregoing is subject to applicable provisions of Section 5.09.1;

(b) The Board or the then President of the Association may appoint, in writing, at any time and from time to time, an officer, agent, trustee, or attorney of the Association (the "Trustee") to exercise the power of sale on behalf of and as the agent of the Association, including without limitation to deliver and file the notices required by Section 51.002 of the Texas Property Code (as amended), and to conduct the sale and to otherwise comply with said statute. The Board or the then President of the Association may, at any time and from time to time, remove any such Trustee and appoint a successor or substitute Trustee without further formality than an appointment and designation in writing. Except as otherwise provided by this Declaration, the Association will exercise its power of sale pursuant to Section 51.002 of the Texas Property Code (as amended). The Association has the right and power to bid on any Lot at any foreclosure sale, either judicial or non-judicial, and to acquire, hold, lease, mortgage, or convey the same.

(c) If directed by the Association to foreclose the Association's continuing lien, Trustee will, either personally or by agent, give notice of the foreclosure sale as required by the Texas Property Code as then in effect, and sell and convey all or part of the applicable property "AS IS", "WHERE IS", and WITH ALL FAULTS" to the highest bidder, subject to prior liens, encumbrances and any other matters of record and without representation or warranty, express or implied, by Trustee or the Association. The Association shall indemnify Trustee and hold Trustee harmless from and against all costs, expenses, and liabilities incurred by Trustee for acting in the execution or enforcement of the Association's lien or otherwise pursuant to this Declaration or other Governing Documents, including indemnification for all court and other costs, and attorney's fees incurred by Trustee in defense of any action or proceeding taken against Trustee regarding any of the foregoing.

(d) The filing of suit to collect any sums due hereunder or to foreclose the Association's confirming lien for assessments may never be considered an election so as to preclude exercise of any other rights or remedies, including without limitation foreclosure under power of sale before or after a final judgment. After foreclosure, either judicial or non-judicial, the former Owner and anyone claiming under the former Owner must immediately surrender possession to the purchaser. If not, the former Owner and anyone claiming under the former Owner will be mere tenants at sufferance of the purchaser, and the purchaser may obtain immediate possession pursuant to any actions or remedies permitted by law, including an action for forcible detainer or eviction to be maintainable by the purchaser.

(e) Each owner, by acquisition of any Lot within the Subdivision or right, title or interest therein, specifically covenants and stipulates as to each and every Trustee's foreclosure sale that the recitals in any appointment or designation of Trustee, any conveyance by the Trustee and any affidavit of the Trustee or the Association related thereto shall be full proof and evidence of the matters therein stated, that all prerequisites of the foreclosure sale shall be presumed to have been performed, and that the foreclosure sale made under the powers herein granted shall be a perpetual bar against the Owner(s) of the Lot(s) sold and their heirs, executors and administrators, successors and assigns, and any Persons whatsoever claiming or to claim thereunder.

(f) The provisions of this Section 5.08.4 are subject to Texas Property Code, Section 209.0092 regarding applications for expedited foreclosure and applicable rules of the Texas Supreme Court regarding the same, effective January 1, 2012. Without limitation of any other provisions of this Declaration or any other Governing Documents, Declarant during the Development Period or the Board at any time are hereby specifically authorized to amend Section 5.08 hereof in any manner it deems necessary or appropriate as regarding or to conform to applicable requirements of the Texas Property Code and/or applicable rules pertaining hereto without the joinder or consent of any Owner or any other Person.

5.08.5 Extinguishment of Inferior Liens. Foreclosure of the Association's continuing lien for assessments terminates, extinguishes and forever discharges all inferior or subordinate liens and encumbrances (being all liens and encumbrances except as provided by Section 5.07.3) as to the affected Lot. The foregoing applies to judicial and non-judicial foreclosure of the Association's continuing lien for assessments regardless of whether or not the holder of the inferior or subordinate lien or encumbrance is made a party to or given notice of any proceedings in connection therewith, including without limitation to the fullest extent permitted by law whether or not made a party to or given notice of any judicial foreclosure suit and any other proceedings in connection therewith.

5.09 Miscellaneous Provisions.

5.09.1 Effect of Foreclosure or Bankruptcy. The effect of judicial or non-judicial foreclosure of a lien which is superior to the Association's continuing assessment lien under this Declaration, or acceptance of a deed in lieu thereof and the effect of the discharge of an Owner in bankruptcy is determined as of the date of foreclosure, the date of signing of a deed in lieu which is accepted by the grantee or the date of filing of the bankruptcy in which the Owner is discharged, as the case may be (the "Discharge Date"). Foreclosure or acceptance of a deed in lieu as aforesaid does not relieve the former Owner from the personal obligation for payment of assessments due as of the Discharge Date, but does release the Association's continuing assessment lien as to and only as to assessments due prior to the Discharge Date. The purchaser at foreclosure or grantee under a deed in lieu and an Owner discharged in bankruptcy are also relieved from any obligation for payment

of assessments due prior to the Discharge Date, but are obligated to pay all assessments assessed or assessable from and after the Discharge Date and the Association's continuing assessment lien fully secures payment of said assessments. For purposes of the foregoing "assessments assessed or assessable" means (i) prorated regular annual assessments based on the number of months remaining in the calendar year in which the Discharge Date occurs regardless of whether the applicable regular annual assessment is payable in advance annually, semi-annually or quarterly, and (ii) any installments for special or specific assessments so payable which become due after the Discharge Date.

5.09.2 Revival of Assessment Lien. The Association's assessment lien is automatically revived as to any Owner who reacquires ownership of the applicable Lot within Subdivision within two (2) years after the Discharge Date (as defined in the immediately preceding Section) to the same effect as if none of the events causing the Discharge Date to occur had occurred if ownership is reacquired from the purchaser at foreclosure, the grantee under the deed in lieu of foreclosure, or any successor in title to such purchaser or grantee and the reacquisition of ownership constitutes a fraudulent transfer under Chapter 24 of the Texas Business and Commerce Code or under any other state or federal statutes or laws.

5.09.3 No Merger. The Association's assessment lien is not, by merger or otherwise, extinguished or otherwise effected by acquisition of ownership of a Lot at any time and in any manner by the Association except as otherwise expressly agreed in writing by the Association.

5.09.4 Assessments as Independent Covenant. The obligation to pay assessments is a separate and independent covenant and contractual obligation on the part of each Owner. No offset, credit, waiver, diminution or abatement may be claimed by any Owner to avoid or diminish the obligation for payment of assessments for any reason, including, by way of illustration but not limitation (i) by nonuse of any Community Properties or abandonment of a Lot, (ii) by reason of any alleged actions or failure to act by Declarant, the Association, the ACC, or any of their Related Parties, whether or not required under this Declaration or other Governing Documents, (iii) for inconvenience or discomfort arising from the making of repairs or improvements which may be or are the responsibility of Declarant, the Association, the ACC, or any of their Related. Parties, or (iv) by reason of any action taken by Declarant, the Association, the ACC, or any of their Related Parties, to comply with any law, ordinance, or any order or directive of any governmental authority, or pursuant to any judgment or order of a court of competent jurisdiction.

5.10 Declarant Authority and Exemption as to Assessments. NOTWITHSTANDING ANY OTHER PROVISIONS OF THIS DECLARATION OR ANY OTHER GOVERNING DOCUMENTS, ALL PROVISIONS SET FORTH IN **EXHIBIT A** HERETO APPLY REGARDING DECLARANT'S AUTHORITY AND EXEMPTIONS AS TO ASSESSMENTS.

Article VI
Maintenance; Casualty Losses

6.01 Association Maintenance Responsibilities.

6.01.1 General. The Association will ensure the continuous and perpetual maintenance, repair and replacement of the Community Properties, including all Subdivision Facilities, and keep same in good repair. This maintenance includes, without limitation, maintenance, repair, and replacement of all landscaping and improvements situated on the Community Properties. The Association shall establish and maintain a reserve fund out of the Regular Assessments relating to the obligations set forth in this Section.

6.01.2 Other Facilities or Services. The Association shall maintain such other properties, real or personal, and such other facilities, services and improvements as may be required by governmental authorities, any municipal utility districts or other utility providers, any special tax and development districts, and any other similar entities, such maintenance to be accordance with applicable contracts, agreements, ordinances, rules, regulations and decisions of such authorities. Declarant is specifically authorized to enter any such contracts or agreements on behalf of the Association, and to bind the Association thereto, and Declarant may amend this Declaration at any time either during or after the Development Period to the extent it deems necessary by reason of any such contract or agreement.

6.01.3 Access; Cooperation. Each Owner must afford to the Association and its Related Parties access upon, above, under and across the Owner's Lot and otherwise fully cooperate with the Association and its Related Parties to the fullest extent reasonably necessary for any maintenance, repair, reconstruction or replacement by the Association as permitted or required by this Article, this Declaration or any other Governing Documents. Without limitation of the foregoing, each Owner must promptly comply with all decisions and directives of the Board of Directors as to access and as to all other aspects reasonably necessary for the Association to promptly and properly perform any such maintenance, repair, reconstruction or replacement.

6.01.4 Liability for Costs. Each Owner, their tenants, and their respective Related Parties are expressly prohibited from doing anything which could or does cause damage to or increase costs of operation, management, maintenance, repair or replacement obligations regarding the Community Properties, or any other areas maintained by the Association. Regardless of availability of insurance coverage, the Board may charge to each responsible Owner, as a specific assessment, all increased costs of operation, management, maintenance, repair or replacement and all other damages resulting, directly or indirectly, from the acts or omissions of an Owner, their tenants, or their respective Related Parties in violation of the foregoing provisions.

6.01.5 Offsite Drainage and Detention Easements. As part of the Community Properties, the Association shall maintain at its cost and expense, collectively, any onsite and offsite drainage areas, storm water runoff areas, detention ponds, retention ponds, channels, and other similar areas, structures, and facilities located within the Easements as may be required to be built or constructed in connection with the development and construction of any Phase of the Subdivision; provided, however, that such improvements or areas are not located within a public right-of-way or any publicly dedicated street, facility, or other area. When the context so requires, the term Offsite Drainage and Detention Easements shall mean and include the offsite Drainage Easement and the offsite Detention Easement located adjacent to Block C, adjacent to the limits of this addition, as depicted on, and described in the Drainage Easement Statement and the Detention Area Easement Statement, of the Final Plat of Hazelwood South Addition.

6.02 Owner Maintenance Responsibilities.

6.02.1 General. Except for maintenance which is provided by the Association, all maintenance of each Lot and all improvements thereon is the sole responsibility of the owner thereof. Each Owner must maintain their Lot and all improvements thereon at all times in such manner as to obtain and maintain Prevailing Community Standards on a continuing basis as maybe more specifically determined by this Declaration and other Governing Documents, including as determined from time to time by duly adopted Architectural Guidelines and Rules and Regulations. MAINTENANCE WHICH AFFECTS THE EXTERIOR APPEARANCE OF A RESIDENCE OR GARAGE IS SUBJECT TO APPLICABLE PROVISIONS OF ARTICLE IV REGARDING ARCHITECTURAL CONTROL COMMITTEE APPROVAL.

6.02.2 Residences and Other Improvements. Each Owner shall maintain the exterior of each Owner's residence, garage, and all other buildings, structures, fences, walls, recreational equipment and improvements located upon each Owner's Lot, in an attractive, sound and well maintained condition, including proper maintenance and repair as needed of paint, staining, bricks, siding, roofs, exterior walls, driveways, parking areas and all other exterior portions of the Owner's residence and garage and any Lot Fencing. Without limitation of the foregoing, each Owner shall provide proper repair and maintenance as and when needed as follows (the term "residence" includes garage, as applicable):

(a) The exterior paint on each Owner's residence must be maintained so that no portion thereof peels, scales or cracks excessively, and all painted portions remain neat and free of mildew and discoloration. NO CHANGE IN THE EXTERIOR COLOR SCHEME OR SHEEN OF THE PAINT OF A RESIDENCE AS ORIGINALLY CONSTRUCTED (INCLUDING AS TO THE ORIGINAL PAINT COLOR OR COLORS USED, OR THE CONFIGURATION OF THE COLORS, OR THE SHEEN OF THE COLOR) OR THE STAIN COLOR OF ANY LOT FENCING IS PERMITTED WITHOUT PRIOR WRITTEN APPROVAL FROM THE ACC.

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(b) The windows must be maintained so that no caulking thereon is chipped or cracked and no window panes are cracked or broken.

(c) All exterior doors, including garage doors, must be maintained, repaired, replaced and/or repainted as needed to prevent an unkempt or unsightly appearance, to prevent leaning or listing, and such as to maintain same in proper working condition, including replacement as needed of damaged or dented garage door panels and any cracked or broken glass in any door.

(d) The exterior woodwork on each Owner's residence, and all windowsills, door jams and thresholds, framing, hinges, latches and locks, must be maintained so that it remains whole, sound, neat and fully operational.

(e) The roof on each Owner's residence must be maintained to prevent sagging, to prevent leaks, so that all shingles are properly secured, curled or damaged shingles are replaced and no worn areas or holes are permitted to remain, and such that the structural integrity and exterior appearance of the roof is maintained. The appearance of the roof shall not be changed by any such maintenance without the express written approval of the ACC.

(f) The rain gutters and downspouts on each Owner's residence, if any, must be maintained so that all are properly painted or treated to prevent rust and corrosion, are properly secured to roof, eaves, gables or exterior walls (as the case maybe), are maintained without holes, and are promptly repaired or replaced if dented or otherwise damaged.

(g) All concrete areas on each Owner's Lot, including sidewalks and driveway, must be maintained so that all cracks are appropriately patched or surfaced and expansion joints are maintained, repaired or replaced as needed, and all such areas must be kept free of weeds, grass or other vegetation.

(h) All Lot Fencing and living hedges located on each Owner's Lot, if any, must be maintained as provided in Section 8.06.

(i) All recreational equipment, which may be installed if and only if approved by the Architectural Control Committee, must be maintained to prevent any unsightly or unkempt condition, including for example but without limitation, proper maintenance of swing sets to prevent rust and corrosion.

(j) No Owner or their tenant will allow any condition to exist or fail or neglect to provide any maintenance which adversely affects any adjoining or adjacent Lot, any Community Properties, or any improvements on any such Lot or the Community Properties.

6.02.3 Duplex Residence Repairs. Each side of a duplex residence within the same duplex residence will be maintained with an eye towards uniformity and architectural harmony, including the following:

(a) The exterior of each side of a duplex residence must be maintained and repaired in a manner that is consistent for the entire duplex residence of which it is part.

(b) If an Owner desires to upgrade a component of the exterior, such as replacing aluminum windows with wood windows, the decision to change a standard component of the duplex residence must be approved by the Owners of the same duplex residence, in addition to the ACC.

(c) Unless a change of component has been approved, repairs, replacement, and additions to the exteriors of a duplex residence must conform to the original construction. For example, if the duplex residence was constructed with bronze colored window frames, replacement windows with white frames may not be used unless white frames have been approved as the new standard for the duplex residence. Similarly, the siding on one duplex residences may not be replaced with wood while another is replaced with vinyl or cement fiberboard.

6.02.4 Duplex Residence Foundation. Each Owner of a side of a duplex residence constructed on a Lot is solely responsible for the maintenance and repair of the foundation for its duplex residence. However, if a licensed structural engineer determines that the failure to repair the foundation under one side of a duplex residence may adversely affect the other side of the duplex residence, then the cost of the foundation repair will be divided between the Owners of the duplex residence, and the Owner of each side of the duplex residence will pay an equal share. If an Owner fails or refuses to pay its share of costs of repair of the foundation, the Owner advancing monies has a right to file a claim of lien for the monies advanced in the county's real property records, and has the right to foreclose the lien as if it were a mechanic's lien. The right of an Owner to contribution from another Owner under this Section is appurtenant to the land and passes to the Owner's successors in title.

6.02.5 Roofs of Duplex Residences. If a roofing professional determines that the failure to repair the structural components of the roof of one side of a duplex residence may adversely affect the other side of the duplex residence of which it is part, then the cost of the structural roof work will be divided between the Owners of the duplex residence, and the Owners of the duplex residence will pay an equal share. If an Owner fails or refuses to pay its share of costs of repair of the roof, the Owner advancing monies has a right to file a claim of lien for the monies advanced in the county's real property records, and has the right to foreclose the lien as if it were a mechanic's lien. The right of an Owner to contribution from another Owner under this Section is appurtenant to the land and passes to the Owner's successors in title. Should an Owner fail to maintain its side of the duplex residence and portions of the roof or roof attachments in a satisfactory manner and damages

affect other side of the duplex residence, the Owner responsible may be held solely liable for the damages and repairs for the other side of the duplex residence. ***The Association reserves the right to call out a roofing professional to inspect the damages and render an opinion as to the cause of any rooftop damages prior to initiating repairs. If the roofing professional finds that the cause of damages are the direct result of an Owners failure to maintain structural components of the roof as required within any section of this Declaration or if an Owner has installed an unauthorized apparatus of any kind which is determined to be the cause of any such damages, the Association shall provide to the Owner in writing a copy of the roofing professionals findings and the Owner shall be solely liable for the costs of all repairs to its unit or the other side of the duplex residence.***

6.02.6 Duplex Residence Cooperation. Each Owner of a duplex residence will endeavor to cooperate with the Owners of the other side of a duplex residence to affect the purposes and intent of the two preceding sections on foundations and roofs. If the Owners of a duplex residence cannot cooperate, they may ask the Association to coordinate the required repairs.

6.02.7 Duplex Residence Maintenance. Each Owner, at the Owner's expense, must maintain all improvements on the Lot, including but not limited to its side of a duplex residence, fences, sidewalks, and driveways, except any area designated as a Common Property. Maintenance includes preventative maintenance, repair as needed, and replacement as needed. Each Owner is expected to maintain its Lot's improvements at a level, to a standard, and with an appearance that is commensurate with the Subdivision. Specifically, each Owner must repair and replace worn, rotten, deteriorated, and unattractive materials with like materials and color, and must regularly repaint all painted surfaces.

6.02.8 Party Walls. Party shall be subject to the following:

(a) Encroachments and Easement. If the Party Wall is incorrectly located on a duplex residence Lot due to an error in construction, the Party Wall is nevertheless deemed to be on the dividing line for purposes of this Section. Each duplex residence sharing a Party Wall is subject to an easement for the existence and continuance of any encroachment by the Party Wall as a result of construction, repair, shifting, settlement, or movement in any portion of the Party Wall, so that the encroachment may remain undisturbed as long as the Party Wall stands. Each duplex residence Lot is subject to a reciprocal easement for the maintenance, repair, replacement, or reconstruction of the Party Wall.

(b) Right to Repair. If the Party Wall is damaged or destroyed from any cause, the Owner of either side of a duplex residence may repair or rebuild the Party Wall to its previous condition, and the Owners of the affected duplex residence, their successors and assigns, have the right to the full use of the repaired or rebuilt Party Wall.

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(c) Maintenance Costs. The Owners of a duplex residence will share equally the costs of repair, reconstruction, or replacement of the Party Wall, subject to the right of one Owner to call for larger contribution from the other under any rule of law regarding liability for negligence or willful acts or omissions. If an Owner is responsible for damage to or destruction of the Party Wall, that Owner will bear the entire cost of repair, reconstruction, or replacement. If an Owner fails or refuses to pay his share of costs of repair or replacement of the Party Wall, the Owner advancing monies has a right to file a claim of lien for the monies advanced in the county's Real Property Records, and has the right to foreclose the lien as if it were a mechanic's lien. The right of an Owner to contribution from another Owner under this Section is appurtenant to the land and passes to the Owner's successors in title.

(d) Alterations. The Owner of a duplex residence sharing a Party Wall may not cut openings in the Party Wall or alter or change the Party Wall in any manner that affects the use, condition, or appearance of the Party Wall to the adjoining side of the duplex residence. Unless both Owners reach a mutual decision to the contrary, the Party Wall will always remain in the same location as where initially erected.

6.02.9 Utilities. The Owner of each Lot must maintain, in proper working order and on a continuing basis, and must properly repair and replace as needed all sanitary sewer lines and facilities, drainage or storm water lines and facilities, water pipelines, water sprinkler system, water meters and related water lines and facilities, electrical and gas lines, meters and facilities, telephone and any other telecommunication lines, devices or facilities, and all other facilities, utilities and services which service each Lot (the "Owner Utilities"), regardless of the location of the Owner Utilities, save and except to the extent the Association is expressly required by this Declaration to provide such maintenance or to the extent maintenance of any Owner Utilities is provided and actually performed by any governmental entity or utility company. Utilities which service more than one Lot must be maintained, repaired and replaced by all of the Owners of the multiple Lots served, pro rata, or in such other proportions as determined by the Board upon written request when the circumstances clearly demonstrate that a different manner of allocation is required. The Association may provide maintenance, repair and/or replacement regarding any Owner Utilities to the extent and in such manner as from time to time determined by the Board, but all costs thereof shall be specifically assessed to the applicable Owner(s). UTILITY LINES, DEVICES AND RELATED FACILITIES FOR OWNER UTILITIES WHICH SERVICE EACH LOT MAY BE LOCATED UPON MULTIPLE LOTS AND/OR COMMUNITY PROPERTIES BY OR WITH THE CONSENT OF DECLARANT DURING THE DEVELOPMENT PERIOD OR THE BOARD THEREAFTER. ALL SUCH UTILITY LINES, DEVICES AND RELATED FACILITIES ARE DEEMED TO BE A PART OF THE OWNER UTILITIES FOR THE APPLICABLE LOT OR LOTS SERVICED BY SAME. SUBJECT TO APPLICABLE PROVISIONS OF SECTION 9.03 REGARDING NOTICE, DURATION, USAGE AND RESTORATION, EACH LOT

AND THE COMMUNITY PROPERTIES ARE SUBJECT TO BLANKET EASEMENTS FOR PURPOSES OF CONTINUING MAINTENANCE OF ALL SUCH UTILITY LINES, DEVICES AND RELATED FACILITIES, INCLUDING "A/C UNITS" AND AS OTHERWISE PROVIDED IN SECTION 9.05, FOR MAINTENANCE, REPAIR, RECONSTRUCTION AND REPLACEMENT OF SAME BY THE APPLICABLE OWNER AND SUCH OWNER'S RELATED PARTIES.

6.02.10 Landscaping and Lawn Maintenance.

(a) All grass, shrubbery, trees, flower beds, vegetation and all other landscaping, either natural or artificial, on each Lot which is not maintained by the Association must be maintained at all times in accordance with the seasons as reasonably necessary to obtain and maintain on a consistent and continuing basis Prevailing Community Standards, including as reasonably necessary to maintain on a consistent and continuing basis a sanitary, healthful and attractive condition and appearance and to eliminate any condition which may create any unsanitary condition or become a harborage for rodents, vermin or other pests. IN ANY CASE WHERE A LOT IS LOCATED ADJACENT TO A STREET BUT THE LOT LINE DOES NOT EXTEND TO THE STREET CURB, THE OWNER SHALL MAINTAIN ALL LANDSCAPING BETWEEN THE OWNER' S LOT LINE AND THE STREET CURB UNLESS AND ONLY TO THE EXTENT THE ASSOCIATION IS OTHERWISE REQUIRED HEREBY OR THE BOARD OTHERWISE ELECTS TO MAINTAIN ANY SUCH AREA.

(b) In addition to the foregoing, the Association shall be responsible for mowing only the front lawn of each duplex residence Lot; provided, however, the Association shall not be responsible for mowing the front lawn of any single family residence Lot. An Owner of a single family residence lot shall be responsible for mowing its lawn and not the Association.

6.02.11 Annual Observations and Maintenance. Without limitation of an Owner's obligation for continuing maintenance as otherwise provided herein, each Owner is responsible for conducting at least annual observations and inspections of the Owner's Lot and all improvements thereon to ascertain all maintenance and other work needed to obtain and maintain Prevailing Community Standards, including full compliance with this Section 6.02.11. The observations and inspections must include without limitation (i) foundations and flatworks, (ii) roofs, (iii) all wood works, including window and door frames, and (iv) all guttering, downspouts, grading and all other matters needed to ensure positive drainage from foundations to promote rapid runoff, to avoid collecting ponded water near any structure which could migrate down any soil/foundation interface and to minimize infiltration of water from rain and lawn watering, and to prevent drainage from one Lot to another Lot or to Community Properties. Each Owner must promptly perform all work which each annual observation and inspection indicates is reasonably necessary.

6.02.12 Adjacent or Adjoining Owners. No Owner or their tenant will allow any condition to exist or fail or neglect to provide any maintenance which materially and adversely affects any adjoining or adjacent Lot, any Community Properties, or any improvements on any such Lot or the Community Properties.

6.02.13 Disturbance of Community Properties. In the event the performance by an Owner of any maintenance responsibility requires that any portion of the Community Properties be modified, removed or disturbed, then such Owner must first obtain the written consent of the ACC as to same. All such work must be performed, at the option of the Association, either under the supervision of the Association in accordance with plans and specifications approved by the ACC, or by the Association at the reasonable expense of the Owner. If the Association performs the work at the expense of the Owner, the ACC may require a security deposit or advance payment of all of the estimated expenses which the Owner must pay upon demand. Such indebtedness will be added to and become a part of the specific assessment to which such Owner and the Owner's Lot are subject, and is secured by the continuing lien hereby established against such Owner's Lot.

6.02.14 Dispute Resolution Among Owners

(a) Any disputes among Owners regarding any rights or responsibilities pursuant to this Article may be submitted to the Board for resolution. The Owner requesting dispute resolution (and/or all Owners to the dispute) must submit a written request for dispute resolution to the Board and include with the request (i) a statement of the nature of the dispute and efforts by the Owner(s) to resolve the dispute in sufficient detail to permit the Board to fully evaluate the dispute, (ii) any supporting or related plans, specifications or other documents, and (iii) such other information and/or documentation as requested by the Board. The Board shall provide notice and opportunity to be heard to all Owners involved in the dispute, and all such Owners must fully comply with all directives of the Board regarding procedures, attendance at meetings, on-site inspections and all related matters for resolution of the dispute. In the same manner, the Board also has full authority to direct submission of any dispute to the Board. After notice and opportunity to be heard, the Board has full authority to resolve all such disputes, and its decisions as to same are final.

(b) The Board's dispute resolution authority includes without limitation the right and authority (i) to direct the completion of any maintenance, repair or replacement and to allocates costs thereof among the disputing Owners; (ii) to authorize one of the disputing Owners or a third party to control the completion of the maintenance, repair or replacement, (iii) to order the disputing Owners to mediation or arbitration through a county dispute resolution center or similar organization, or under the Rules of the American Arbitration Association, and (iv) to allocate among the disputing Owners all costs of the maintenance, repair or replacement and all costs (including attorney's fees) incurred in the dispute resolution process.

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(c) Each disputing Owner must pay their allocated share of compliance costs (including attorney's fees) within thirty (30) days after receipt of a statement for payment thereof. A final costs statement may be submitted by the Board or may be submitted by disputing Owners to the Board for resolution as above provided. If any Owner has prepaid allocated costs of another, the Board may direct that the other Owner(s) reimburse the prepaying Owner directly or that the other Owner(s) pay the reimbursement directly to the Association which will in turn reimburse the prepaying Owner. If any Owner fails to pay their allocated costs, including any reimbursement, as aforesaid, all such costs shall automatically be assessed as a specific assessment against the defaulting Owner as provided in Section 5.06. All rights and remedies under this Section are cumulative.

6.03 Right of Entry and Inspection; Owner's Default. In the event the Board or ACC determine that (i) an Owner may have or has failed or refused to discharge properly the Owner's maintenance obligations as provided in this Article, or (ii) the need for maintenance, repair, or replacement which is the responsibility of the Association hereunder may have or has been caused through the willful or negligent act or omission of an Owner, the Owner's tenants, or their respective Related Parties, then the Board or ACC may conduct inspections of any affected Lot, the exterior of the residence and all other buildings thereon, and all other structures and improvements thereon (a "Compliance Inspection") and/or perform the repair, replacement or maintenance (the "Required Work") in accordance with this Section. The Board or ACC must give written notice of intent to conduct a Compliance Inspection and/or to perform Required Work. The notice may be given by posting on the front door of the residence at the applicable Lot regardless of any other address maintained by the Owner, or in any other manner permitted by Section 10.05. Except in the case of an emergency, the notice shall give the applicable Owner ten (10) days to schedule a Compliance Inspection and/or perform Required Work (or to commence and thereafter proceed with diligence to completion of Required Work which cannot be reasonably completed in ten (10) days), failing which the Board or ACC may proceed without further notice. In the case of an emergency the Board or ACC may proceed immediately with any Required Work required to abate the emergency but shall thereafter proceed as aforesaid. All costs and expenses of conducting a Compliance Inspection as to which a violation is determined to exist and all costs and expenses of Required Work performed by the Board or ACC shall be assessed against the applicable Lot and the Owner thereof as a specific assessment which must be paid within ten (10) days after notice of same is given to the applicable Owner. The good faith determination by the Board or ACC as to the need for a Compliance Inspection and as to all aspects of Required Work is final and conclusive, and extends to any thing or condition as to such Lot or which adversely affects any other Lot or Community Properties. The Association, the Board or ACC and their Related Parties are not liable for trespass or any other tort or claim for damages in connection with any actions or failure to act pursuant to this Section. In the event the Association fails to enforce compliance by an Owner, the City shall have the right take corrective measures to enforce these covenants and restrictions and bill the Association for the compliance costs incurred by the City and/or file liens against the Lots of the Owners in violation of the covenants and restrictions. In the event the Association reimburses the City for the compliance costs incurred by the City, the Association may assess a specific assessment against the applicable Lot for the amount advanced.

6.04 Casualty Losses - Association Responsibilities. Except as hereafter provided, in the event of damage by fire or other casualty to the Community Properties or regarding any other matters as to which the Association has an obligation to maintain pursuant to this Declaration or other Governing Documents, or if any governmental authority requires any repair, reconstruction or replacement as to same, the Association must perform all repairs, reconstruction or replacement necessitated thereby (the "Casualty Work"). The Casualty Work must be such as will substantially restore the Community Properties to its condition prior to the casualty or as required by the governmental authority. Any insurance proceeds payable as to the Casualty Work must be paid to the Association. Except for Casualty Work, which is required by any governmental authority, the Owners may agree not to perform any Casualty Work. Any decision not to perform Casualty Work must be submitted to the Owners at a special meeting of Members called for that purpose, and must be approved by affirmative vote of the Owners of not less than a majority of all Lots then contained in the Subdivision.

6.05 Casualty Losses - Owner Responsibilities.

6.05.1 Required Repair; Permitted Removal. Whether or not insured, in the event of damage, casualty loss or other destruction to all or any portion of a residence, garage, building, structure or other improvement (the "Damaged Improvement"), the Damaged Improvement must be repaired, reconstructed or replaced in its entirety, or it must be demolished and removed as hereafter provided.

6.05.2 Manner of Repair or Removal. All repair, reconstruction or replacement of a Damaged Improvement must be performed in such manner as to restore the Damaged Improvement to substantially the same exterior dimensions and appearance (including as to color, type and quality of materials and architectural style and details) as, and must be located in substantially the same location as, when the Damaged Improvement was originally constructed, or to such other appearance and condition as approved by the ACC. If a Damaged Improvement is not repaired, reconstructed or replaced as aforesaid, then the Damaged Improvement must be removed from the Subdivision in its entirety, including removal of any foundation, and all other restoration work must be performed, including grading and sodding, as is required such that after demolition and removal Prevailing Community Standards are maintained as determined by the ACC.

6.05.3 Time Limits. All work regarding a Damaged Improvement must be completed within ninety (90) days as to a residence, including appurtenant garage, and within sixty (60) days as to any other Damaged Improvement after the date of occurrence of the damage, casualty loss or other destruction; or, where such work cannot be completed within the applicable period of time, the work must be commenced within such period and completed within a reasonable time thereafter. In all events, all such work must be completed within one hundred eighty (180) days as to any residence, including appurtenant garage, and within one hundred twenty (120) days as to any other Damaged Improvement after the date of occurrence of the damage, casualty loss or other destruction unless, for good cause shown, a longer period is approved in writing by the ACC.

6.05.4 Utilities. Notwithstanding any other provisions hereof to the contrary, and whether or not insured, any damage or destruction to utility lines or other facilities which disrupt or interfere with utility services to any other Lot, residence or Community Properties must be repaired or replaced as soon as practical. All due diligence must be exercised to complete all such repairs or replacements, and the ACC may require installation of temporary utility lines or other temporary facilities pending completion of the repairs and/or replacements.

6.05.5 ACC Approval Required. The provisions of Article IV apply to all work and any other activities pursuant to the requirements of this Section.

6.06 Owner Insurance.

6.06.1 General. The Owner of each Lot must maintain personal liability insurance and all-risk property and casualty insurance as required by this Section, and of such types and forms, in such amounts and with such deductibles, limits and other terms as from time to time established by applicable Rules and Regulations. In order to more fully effectuate the provisions hereof, the Board is also specifically authorized by applicable Rules and Regulations to alter, amend, repeal or revise any provisions of this Section (including all subparts) without the joinder or consent of any Owner or any other Persons. NOTWITHSTANDING THE FOREGOING OR ANY OTHER PROVISIONS OF THIS SECTION, THIS DECLARATION OR ANY OTHER GOVERNING DOCUMENTS (I) OBTAINING OF LIABILITY AND PROPERTY INSURANCE REGARDING AND FOR EACH LOT AND ALL IMPROVEMENTS THEREON (INCLUDING RESIDENCES AND APPURTENANT STRUCTURES AND THE CONTENTS THEREOF) IS THE SOLE RESPONSIBILITY OF THE OWNER THEREOF, (II) DECLARANT, THE ASSOCIATION, THE BOARD AND THEIR RELATED PARTIES MAKE NO REPRESENTATION WHATSOEVER THAT THE LIMITS OR FORMS OF INSURANCE REQUIRED BY THIS SECTION OR THAT COMPLIANCE IN ANY OTHER RESPECT WITH THE PROVISIONS HEREOF WILL BE ADEQUATE FOR ANY PURPOSE, AND (III) DECLARANT, THE ASSOCIATION, THE BOARD AND THEIR RELATED PARTIES HAVE NO OBLIGATION WHATSOEVER TO CONFIRM COMPLIANCE BY ANY OWNER WITH ANY PROVISIONS OF THIS SECTION, OR TO ACT ON BEHALF OF ANY OWNER AS TO OBTAINING OF ANY INSURANCE OR OTHERWISE COMPLYING WITH ANY PROVISIONS OF THIS SECTION OR TO OTHERWISE ASSUME ANY RESPONSIBILITY REGARDING THE FOREGOING.

6.06.2 Required Coverage. At a minimum, the Owner of each Lot must obtain property insurance to insure the residential dwelling thereon, and all fixtures, equipment and other improvements pertaining thereto. Said dwelling coverage must be on a current replacement cost basis in an amount of not less than ninety percent (90%) of the insurable value against risks of loss or damage by fire and other hazards as are covered by standard extended all-risk coverage, with demolition endorsement (or equivalent), and must include

coverage against (i) fire and lightning, (ii) smoke, (iii) windstorm, hurricane and hail, (iv) explosion, (v) aircraft and vehicles, (vi) vandalism, malicious mischief and theft, (vii) riot and civil commotion, (viii) collapse of building in whole or in part, (ix) accidental discharge, leakage or overflow of water or steam from within a plumbing, heating or air conditioning system or household appliance, (x) falling objects, (xi) freezing and (xii) flood insurance, if applicable.

6.06.3 Coverage Periods, Policy Provisions. Dwelling coverage as required by this Section must be obtained effective as of the date of acquisition of ownership by an Owner, and must remain continuously in effect through the date of acquisition of ownership by each succeeding Owner. Each policy must to the extent obtainable (i) waive any rights of the insurer to subrogation against Declarant, the Association and their Related Parties, (ii) provide primary coverage in the event of any other coverage under other insurance carried by Declarant, the Association or their Related Parties, and (iii) upon written request by the Association, provide that the insurer may not cancel or refuse to renew the policy until at least thirty (30) days written notice is given to the Association.

6.07 Association Insurance. To the extent reasonably available, the Association shall maintain property insurance on all insurable Community Properties insuring against all risk of direct physical loss commonly insured against, including fire and extended coverage, in a total amount of at least eighty percent of the replacement cost or actual cast value of the insured property, comprehensive liability insurance, including medical payments insurance; libel, slander, false arrest and invasion of privacy coverage, and errors and omissions coverage, in amounts determined by the Board and covering all occurrences commonly insured against for death, bodily injury, and property damage, and such other insurance as the Board deems appropriate. The Board shall determine appropriate deductibles for all insurance policies. THE ASSOCIATION, THE BOARD, THE ACC AND THEIR RELATED PARTIES ARE NOT LIABLE FOR FAILURE TO OBTAIN ANY INSURANCE COVERAGE OR TO OTHERWISE COMPLY WITH ANY OTHER PROVISIONS OF THIS ARTICLE VI REGARDING SAME IF SUCH FAILURE IS DUE TO UNAVAILABILITY OR TO EXCESSIVE COSTS AS DETERMINED IN THE SOLE GOOD FAITH OPINION OF THE BOARD, OR FOR ANY OTHER REASON BEYOND THE REASONABLE CONTROL OF THE BOARD. The Board is specifically authorized from time to time to adopt and amend policies, procedures and any other Rules and Regulations to more fully effectuate the purposes and intent of the provisions of this Article VI.

Article VII
Use Restrictions

7.01 Residential Use; Group Homes; Treatment Facilities.

7.01.1 General. Each and every Lot is hereby restricted to single family residential use or duplex residence use only, as applicable. No residence, whether single family residence or duplex residence, may be occupied by more than one single family. For purposes of this Declaration, a single family residence or a duplex residence may be referred to as either a "residence" or the "residences".

7.01.2 No Business, Professional, Commercial or Manufacturing Use. No business, professional, commercial or manufacturing use may be made of any Lot or any improvement located thereon, even though such business, professional, commercial or manufacturing use be subordinate or incident to use of the premises as a residence, and regardless of whether or not done for profit or remuneration. Notwithstanding the foregoing, a residence may be used for maintenance of a personal professional library, keeping of personal or professional records or accounts, or handling personal business or professional telephone calls, or for other business activity, but if and only if such business activity (i) is limited to the business of the Owner or the Owner's tenant (but not both), and is secondary to use of the residence as residence, (ii) is not detectable by sight, sound or smell from outside the residence, and there is no other external evidence thereof (including signs), (ill) does not involve the storage of any equipment, materials or devices which are hazardous or constitute any type of threat to health or safety or other nuisance, and (iv) complies with all applicable governmental ordinances (including zoning ordinances), and with any other governmental laws, rules, regulations and permitting or licensing requirements applicable to same.

7.01.3 Residential Use Only. Without limitation of the foregoing, as used in this Declaration the term "residential use" shall be construed to prohibit: (a) the use of any Lot or the residence thereon for apartment houses or other type of dwelling designed for multi-family dwelling; (b) the use for or operation of a boarding or rooming house or residence for transients; (c) the use of any permitted outbuilding as an apartment or residential living quarters; or (d) prohibit short-term rentals of or transient stays at a residence, i.e., any term less than twelve (12) months.

7.01.4 Single Family Defined. As used in this Declaration the term "single family" means either: (i) husband and wife, their dependent children and their dependent parents, grandparents, grandchildren, brothers and sisters who are maintaining a common household and who are members of a single family related by blood, marriage or adoption; or (ii) one or more natural persons not so related but who are maintaining a common household in either a single family residence or a duplex residence on a noncommercial basis with a common kitchen and dining area; and (iii) the bona fide domestic servants of either.

7.01.5 Group Homes; Day-Care Center; Treatment Facilities. To the fullest extent allowed by law, no Lot or any part of a residence thereon may be used for the operation of a group home, halfway house, day-care center, rehabilitation center, treatment facility, or residence of unrelated individuals who are engaging in, undertaking, or participating in any group living, rehabilitation, treatment, therapy, or training with respect to previous or continuing criminal activities or convictions, alleged criminal activities, alcohol or drug dependency, physical or mental handicaps or illness, or other similar matters. The foregoing does not include a "community home" established and maintained pursuant to and in strict compliance with Chapter 123 of the Texas Health and Safety Code, and all applicable governmental licensing requirements, rules and regulations.

7.02 Pets, Animals and Livestock.

7.02.1 Permitted Pets; Leashing Required.

(a) No animals, hogs, horses, livestock, reptiles, fish or poultry of any kind may be raised, bred, kept or maintained on any Lot at any time except "Permitted Pets" which are dogs, cats and other usual and customary household pets. Not more than two Permitted Pets are allowed per Lot unless authorized in writing by the Board or applicable Rules and Regulations, and no Permitted Pets may be raised, bred, kept or maintained for commercial purposes. Subject to Section 7.04, the foregoing limitation on the number of Permitted Pets does not apply to hamsters, small birds, fish or other similar usual and customary household animals, birds or fish which are continuously kept completely within a residence, nor shall it apply to require the removal of any litter born to a Permitted Pet prior to the time that the animals in such litter are three (3) months old. Notwithstanding the foregoing, the following are hereby excluded as Permitted Pets and shall not be allowed within any residence, upon any Lot or at any other place within the Subdivision: (i) any dog or other animal owned by or within the custody of an Owner, tenant or their Related Parties known to be vicious or which is otherwise is a risk to the health or safety of others, and (ii) any animal of any kind that has venom or poisonous or capture mechanisms, or if let loose would constitute vermin.

(b) All Permitted Pets must be kept on a leash or carried, and must otherwise be maintained under the control of their owner when outside the owner's residence or when not maintained in an enclosed yard from which the Permitted Pet cannot escape.

(c) Owners of a Permitted Pet must immediately remove and dispose of, in a sanitary manner, feces and any other excretions left by any Permitted Pet at any location in the Subdivision outside of the Owner's Lot Owners of a Permitted Pet must periodically remove and dispose of, in a sanitary manner, feces and any other excretions left by any Permitted Pet at any location upon the Owner's Lot and/or within the Owner's residence as necessary to prevent any unsafe, unsanitary or odorous conditions. No Permitted Pet shall be allowed to cause or create any nuisance, annoyance, or unreasonable disturbance or noise. Owners must also fully comply with all applicable laws, statutes and ordinances of the City and other governmental agencies regarding each and all of each Owner's Permitted Pets, including without limitation all licensing and vaccination requirements.

(d) The Board may adopt Rules and Regulations to further regulate Permitted Pets, including without limitation a mandatory program for registration of all Permitted Pets with the Association, regulations to further specify types of usual and customary household pets to be included or excluded as Permitted Pets, regulations as to maximum permitted size or weight of any Permitted Pet,

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regulations as to number or type of animals, birds or fish which may be kept within a residence and/or other conditions or limitations as to same, and regulations as to areas outside a residence where Permitted Pets are permitted or from which they are excluded. NO PETS OF ANY KIND ARE PERMITTED UPON ANY COMMUNITY PROPERTIES EXCEPT TO THE EXTENT OTHERWISE EXPRESSLY PERMITTED BY APPLICABLE RULES AND REGULATIONS AND THEN ONLY IN STRICT COMPLIANCE THEREWITH, AND EXCEPT AS TO LEGITIMATE SEEING-EYE DOGS.

7.02.2 Removal. As to any animals or livestock not permitted by this Section, and as to any Permitted Pet which is allowed to roam free, or which in the sole opinion of the Board endanger health or safety, make objectionable noise, or constitute a nuisance, annoyance or inconvenience to the Owners or occupants of other Lots, the Community Properties or any property located adjacent to or in the vicinity of the Subdivision, or which is otherwise raised, bred, kept or maintained in violation of this Declaration or applicable Rules and Regulations, the Board may cause any such animal, livestock or Permitted Pet to be removed from the Subdivision and may prohibit the return of any such Permitted Pet to the Subdivision. Removal as aforesaid will be at the sole expense of the responsible Owner or Owner's tenant and without liability of any kind whatsoever to the Association, including the ACC, their Related Parties, or any Person which the Board may direct to remove any such animal, livestock or Permitted Pet.

7.03 Vehicles; Parking.

7.03.1 Prohibited Vehicles; Covers Prohibited. No boat, mobile home, trailer, boat or truck rigging, truck larger than a three-quarter ton pick-up, recreational vehicle, bus, unused vehicle, inoperable vehicle of any kind (including any vehicle requiring same which does not have both a current and valid license plate and current and valid state-inspection sticker), no over-sized vehicle, and no unsightly vehicle or vehicle (including without limitation, any motor bikes, motorcycles, motor scooters, go-carts, golf carts or other similar vehicles) which by reason of noise, fumes emitted, or by reason of manner of use or operation, constitute a nuisance, as may be determined in the sole opinion of the Board, may be parked, stored or kept at any time at any location within the Subdivision, including without limitation upon any street or upon any other part of any Lot, unless such vehicle is stored completely within a garage. "Oversized vehicle" means any vehicle which exceeds in size six feet six inches (6'6") in height, seven feet six inches (7'6") in width, and/or twenty-one feet (21) in length. Use of vehicle covers of any kind (except for vehicles parked completely in a garage) is prohibited.

7.03.2 Prohibited Parking - General. No vehicle of any kind may be parked, stored or otherwise permitted to remain at any time (i) on grass or any other similar portion of any Lot or any other place within the Subdivision not intended customarily for use for parking of vehicles, or (ii) in a slanted or diagonal manner across any driveway or other designated parking space, or in any other manner other than as is customary for the type of parking space being used, or (ii) in such manner as to obstruct or impede sidewalk, driveway or

street access or usage, or in such manner that any part of the vehicle extends in to any part of any street or common drive. No Owner or resident is permitted to park or store any vehicle on the Lot of another Owner or resident.

7.03.3 Repair, Rental or Sale of Vehicles Prohibited. No work on any vehicle within the Subdivision, including on any street, or on any Community Properties, or on any Lot, may be performed at any time other than temporary emergency repairs or other work required in order to promptly remove an inoperable or disabled vehicle from the Subdivision or to and completely within a garage. Repair work on any vehicle within a garage is limited to occasional minor repairs on Occupant Vehicles (herein defined) (such as oil changes, headlight bulb replacements and similar minor repairs). Extensive or frequent work (such as in connection with an auto repair or racing hobby or profession) on any vehicles, including any Occupant Vehicles, is prohibited. Without limitation of the foregoing and except for the limited purposes expressly permitted by the foregoing, no vehicle repair, rental or sales business or activities of any kind, whether or not for profit, may be conducted at any time at any location upon any Lot or elsewhere within the Subdivision.

7.03.4 Vehicle Defined. As used in this Section, "vehicle" means a device in, on, or by which a person or property may be transported, including an operable or inoperable automobile, track, motorcycle, recreational vehicle, trailer, and such other devices as from time to time specified by applicable Rules and Regulations; and "Occupant Vehicle" means any vehicles as to each Lot which are owned and/or operated by (i) any single family member of the residents of each Lot, and (ii) any other person visiting or staying at the Lot who parks the vehicle within the subdivision at any time more than three (3) days in any week or more than five (5) days in any consecutive thirty (30) day period.

7.03.5 Presumptive Violations. Repairs or other work extended over a period exceeding eight (8) hours is conclusively presumed not to be "temporary". Any vehicle is conclusively presumed to be "unused" or "inoperable" if the vehicle has not been operated outside the Subdivision for seven (7) or more consecutive days or the vehicle has not been operated outside the Subdivision more than twice in any fourteen (14) day period. The provisions hereof do not prejudice the right of the Association to otherwise establish a violation. The foregoing provisions do not apply to any vehicle completely stored within a garage. The Board may grant reasonable exceptions to the foregoing upon receipt of written request from an Owner or their tenant.

7.03.6 Towing; Other Remedies. The Board or its designated representative may, after two (2) written warnings, cause any vehicle which is parked, stored or maintained in violation of this Declaration or other Governing Documents, or in violation of any ordinance, statute or other governmental regulation, to be removed from the Subdivision to any vehicle storage facility within Collin County, Texas at the sole cost and expense of the Person owning such vehicle (whether or not such Person is an Owner) and/or the Owner as to whom such Person is a tenant, visitor, guest, invitee or other Related Party. Any such

removal may be in accordance with any applicable statute or ordinance, including Chapter 684 of the Texas Transportation Code, as amended.

7.03.7 LIMITATION OF LIABILITY. DECLARANT, THE ASSOCIATION, THEIR RELATED PARTIES, AND ANY PERSON REMOVING ANY VEHICLE AS HEREIN PROVIDED (THE "INDEMNITEES") HAVE NO LIABILITY WHATSOEVER IN CONSEQUENCE OF REMOVAL OF ANY VEHICLE AS HEREIN PROVIDED. THE PERSON OWNING EACH TOWED VEHICLE (WHETHER OR NOT SUCH PERSON IS AN OWNER) AND THE OWNER AND OWNER'S TENANT AS TO WHOM SUCH PERSON IS A VISITOR, GUEST, INVITEE, OR OTHER RELATED PARTY, SHALL HOLD ALL SUCH INDEMNITEES HARMLESS FROM ANY AND ALL CLAIMS, SUITS, ACTIONS, LIABILITIES OR DAMAGES ARISING, DIRECTLY OR INDIRECTLY, AS RESULT OF SUCH REMOVAL. THE PROVISIONS HEREOF ARE CUMULATIVE OF THE PROVISIONS OF SECTION 3.06.

7.04 Nuisance; Unsightly or Unkempt Conditions.

7.04.1 General. It is the continuing responsibility of each Owner to prevent the development of any unclean, unhealthy, unsightly, or unkempt condition on such Owner's Lot. No Lot may be used, in whole or in part, for the storage of any property or thing that will cause such Lot to appear to be in an unclean or untidy condition, or that will be obnoxious to the eye. No hobbies or activities which will cause disorderly, unsightly, or unkempt conditions, including without limitation the assembly or disassembly of or repair work on motor vehicles or other mechanical devices, may be performed within the Subdivision. There may not be maintained any plants, animals, devices, thing, use or activities of any sort which in any way is noxious, dangerous, unsightly, unpleasant, or of a nature as may diminish or destroy the enjoyment of the residents of the Subdivision.

7.04.2 Nuisance or Annoyance. No substance, thing, or material may be kept upon any Lot that will emit foul or obnoxious odors, or that will cause any noise or other condition that will or might disturb the peace, quiet, safety, comfort, or serenity of the occupants of surrounding property. No noxious or offensive trade or activity may be carried on. upon any Lot, nor may anything be done thereon tending to cause embarrassment, discomfort, annoyance, or a nuisance to any residents of the Subdivision or to any Person using any property adjacent to the Lot. No spirituous, vinous, malt, medicated bitters, alcohol, drugs or other intoxicants may be sold or offered for sale on any part of any Lot or any other place within the Subdivision. No Lot or any part thereof may be used for any immoral or illegal purposes.

7.04.3 Pollutants Hazardous Materials. Without limitation of any other provisions of this Section, no Owner or tenant, and Related Parties of either, shall dump grass clippings; leaves or other debris, detergents, petroleum products, fertilizers, or other pollutants or potentially hazardous or toxic substances, in. any sewer system, water system, drainage ditch, stream; pond or lake within the Subdivision, or do anything or maintain or

permit any condition in violation of applicable environmental, toxic or hazardous waste or similar laws, rules or regulations. Storage of gasoline, heating or other fuels, or of any hazardous or toxic materials upon any Lot is strictly prohibited (except that up to five (5) gallons of fuel may be stored upon a Lot for emergency purposes and operation of lawn mowers and similar tools or equipment if properly kept and stored in a safe and non-hazardous manner), THE FOREGOING DOES NOT PLACE UPON DECLARANT, THE ASSOCIATION, THE ACC OR ANY OF THEIR RELATED PARTIES ANY OBLIGATION FOR ENFORCEMENT OF ANY APPLICABLE ENVIRONMENTAL, TOXIC OR HAZARDOUS WASTE OR SIMILAR LAWS, RULES OR REGULATIONS.

7.05 Disposal of Trash. No trash, rubbish, garbage, manure, debris or offensive material of any kind maybe kept or allowed to remain on any Lot, nor may any Lot be used or maintained as a dumping ground for such materials. No incinerator maybe maintained on any portion of the Subdivision, and disposal of any materials by incineration within the Subdivision is strictly prohibited. All trash and similar matter to be disposed of must be placed in cans or similar receptacles with tight fitting lids or plastic bags tied or otherwise tightly secured, and must be placed in an area adequately screened by planting or fencing from public view or within a garage except when placed for regular pickup as herein provided. Equipment used for the temporary storage and/or disposal of such material prior to removal must be kept in a clean and sanitary condition, and must comply with all applicable federal, state, county, municipal or other governmental laws and regulations. All such prohibited matter must be removed from each Lot at regular intervals if not removed or removable by a regular garbage and sanitation service. Trash and garbage for pickup by a regular service must be placed in such area or areas as the Board may from time to time direct, or as the applicable garbage and sanitation service or provider may require; provided trash and garbage may not be placed for pickup earlier than ten (10) hours prior to a scheduled pickup day, and all receptacles therefor and any remaining trash and garbage must be removed from the pickup site by midnight of the pickup day. Any of the foregoing provisions may be modified, added to or deleted by applicable Rules and Regulations.

7.06 Firearms and Fireworks Prohibited. The use of firearms in the Subdivision is strictly prohibited. The term "firearms" includes without limitation "B-B" guns, pellet guns, and small or large firearms of all types. Fireworks of any type are strictly prohibited upon any Lot or at any other location within the Subdivision.

7.07 Leases.

7.07.1 Restrictions. No Lot may be leased other than for use as a single family residence as herein provided and defined. No Owner may lease a Lot and attendant use of the residence and improvements thereon for transient or hotel purposes. No more than ten percent (10%) of the residences, whether single family residence or duplex residence, within the Subdivision may be leased at one time, unless otherwise provided by law. No Owner may lease less than an entire Lot and attendant use of the residence and improvements thereon. All leases: (i) must be in writing and for a term of at least twelve (12) months; and (ii) are specifically subject in all respects to all provisions of this

Declaration and all other Governing Documents (whether or not expressly stated in the lease), and any failure by lessee to comply with this Declaration or any other Governing Documents will be a default under the lease. Notice of any lease, together with such additional information as may be required by the Board, will be remitted to the Association by the Owner on or before the expiration of ten (10) days after the effective date of the lease. Each lease must provide, or be deemed to provide, that the Board shall have the right to terminate the lease upon default by the tenant in observing any provisions of the Declaration. Regardless of whether or not expressed in the applicable lease, all Owners shall be jointly and severally liable with the tenants of such Lot to the Association for any amount which is required by the Association to effect such repairs or to pay any claim for any injury or damage to property caused by the negligence of the tenant of such Lot or for the acts or omissions of the tenant(s) of such Lot which constitute a violation of, or non-compliance with, the provisions of the Documents. All leases shall comply with and be subject to the provisions of the Declaration and the provisions of same shall be deemed expressly incorporated into any lease of a Lot. This Section 7.07.1 shall also apply to assignments and renewals of leases.

7.07.2 Default. In the event of default under any lease due to violation of this Declaration or any other Governing Documents, the Board may (but has no obligation to) initiate any proceedings, actions or litigation under the lease to enforce compliance or to terminate the lease and/or for evictions.

7.07.3 Joint and Several Liabilities. Lessor(s) and lessee(s) are jointly and severally liable for the observance and performance of all of the terms and provisions of this Declaration and all other Governing Documents, including without limitation joint and several liability for all damages, costs and expenses resulting from any violation, by either, or by their respective Related Parties, all fuses and assessments imposed hereby and with respect to all other rights and remedies regarding enforcement of this Declaration and all other Governing Documents.

7.08 Garage Usage. No portion of any garage may be diverted to any use other than the parking of vehicles and other generally accepted and customary usage of a garage. In particular but not in limitation of the foregoing, no portion of any garage maybe used as a residence or a game room, or for any similar use as living quarters.

7.09 Children and Other Dependents. All Owners and tenants shall insure that their children and other dependents, and the children and other dependents of any of their Related Parties, are properly supervised at all times, and shall not permit their children or other dependents to engage in any activity or conduct in violation of this Declaration or other Governing Documents. Owners and tenants are liable for all consequences of any lack of supervision or violations.

7.10 Use of Streets. All Streets in the Subdivision are restricted to use for vehicular ingress, egress and regress, or for incidental pedestrian ingress, egress and regress. No object, thing or device shall be placed, stored or maintained within or upon any Street, and no activities are permitted thereon which would impede or impair the aforesaid intended uses. Without

limitation of the foregoing, no Street may be used as a play area or for any other recreational use, no toys, barbeque or other cooking equipment, or any recreational equipment shall be placed, maintained or stored within or upon any Street, and no persons are permitted to play, loiter, congregate, or roam about within or upon any Street. ALL OWNERS AND TENANTS, AND THEIR RELATED PARTIES, ASSUME SOLE RESPONSIBILITY FOR ALL CONSEQUENCES OF ANY VIOLATIONS OF THE FOREGOING, INCLUDING AS TO ALL DAMAGES FOR PERSONAL INJURY OR OTHERWISE, AND MUST INDEMNIFY AND HOLD DECLARANT, THE ASSOCIATION AND THEIR RELATED PARTIES HARMLESS AS TO ANY AND ALL SUCH CONSEQUENCES.

7.11 Mineral Production. No drilling, development operations, refining, quarrying or mining operations of any kind shall be permitted upon any Lot, nor shall oil wells, tanks, tunnels, mineral excavation or shafts be permitted upon any Lot. No derrick or other structure designed for use in boring for oil or natural gas shall be permitted upon any Lot.

7.12 Rules and Regulations. Declarant during the Development Period or the Board at any time are hereby specifically authorized to promulgate, amend, modify and delete such reasonable Rules and Regulations applicable to the operation, use and occupancy of the Subdivision, including all Lots and Community Properties, as Declarant or the Board may from time to time deem beneficial to the Subdivision. Such authority includes but is not limited to: (i) the right to limit, in addition to the provisions of Section 7.03, the type and size of vehicles permitted within the Subdivision, traffic and parking regulations, speed limits (other than on public streets otherwise regulated by a governmental authority), and other traffic control procedures, and the maximum permissible noise levels of vehicles within the Subdivision; (ii) procedures and reasonable restrictions and limitations on the right to use Community Properties; (iii) all procedural and substantive provisions regarding levy, collection and payment of assessments, including payment plans pursuant to Section 209.0062 of the Texas Property Code; (iv) all procedural and substantive aspects for the establishment, levy, collection and payment of fines for any violations of the Governing Documents; and (v) all procedural and substantive provisions regarding inspection and copying of Association documents and regarding records retention pursuant to Section 209.005 of the Texas Property Code. Rules and Regulations are of equal dignity with and may be enforceable in the same manner as the provisions of this Declaration; provided: (x) Rules and Regulations may not be enacted retroactively (except that if any activity is subsequently covered by Rules and Regulations and such activity ceases after enactment of the Rules and Regulations covering same, then the Rules and Regulations will apply to the activity thereafter); (y) Rules and Regulations may not be irreconcilable with the provisions of this Declaration; and (z) Rules and Regulations will not become effective until filed in the Official Public Records of Real Property of Collin County, Texas, or such later date as stated in the same.

Article VIII
Architectural Restrictions

8.01 Type of Residence.

8.01.1 Single Family Residence and Duplex Residence. No other building other than either one single family residence or one duplex residence not to exceed two stories and which is to be occupied as a residence by one single family (for a single family residence) or by one single family in each side of a duplex residence (for a duplex residence), an appurtenant garage and such outbuildings if and as maybe approved in writing by the ACC may be constructed, placed or permitted to remain on each Lot. One detached single family residence may be constructed on each Lot designated as a single family lot at a location as permitted by Section 8.03. One detached duplex residence may be constructed on each Lot designated as a duplex lot at a location as permitted by Section 8.03. Without limitation of the foregoing, the term "single family residence" or "duplex residence" shall be construed to prohibit garage apartments, apartment houses, and any other multi-family dwelling besides a duplex/townhome.

8.01.2 Garages and Garage Doors.

(a) General. All residences must have an enclosed attached garage for parking of not less than two or more than three cars. Each such garage must contain a minimum of three hundred fifty (350) square feet of interior floor space. Carports are prohibited on Lots. All garages must be enclosed with permanent walls and their fronts enclosed with standard type overhead doors customarily used in the building industry which garage doors must be maintained in good working order at all times. All garage doors must be equipped with an automatic garage door opener which must be functional and otherwise properly maintained at all times. Garage doors and garage door openers of such type shall be used as to, and same shall be installed and maintained in such manner as to, minimize noise associated with the use and operation of the garage door and garage door opener. ANY REPLACEMENT GARAGE DOOR MUST BE OF EQUAL OR BETTER QUALITY AND SUBSTANTIALLY THE SAME DESIGN AS THE GARAGE DOOR FOR THE GARAGE AS ORIGINALLY CONSTRUCTED, AND MUST BE PAINTED TO MATCH THE COLOR SCHEME OF THE RESIDENCE AS ORIGINALLY CONSTRUCTED OR A SUBSEQUENT COLOR SCHEME WHICH HAS BEEN APPROVED IN WRITING BY THE ACC. Except for interior modifications of a garage wholly consistent with its use as a garage and which do not alter the use or exterior appearance of the garage as originally constructed, no modification of the interior or exterior daily garage as originally constructed is permitted without prior written approval of the ACC.

(b) NOTICE OF SIZE LIMITATION; NO LIABILITY. GARAGES MAY NOT BE OF SUFFICIENT SIZE TO PERMIT PARKING THEREIN OF THE SAME NUMBER OF LARGE VEHICLES AS THE CUSTOMARY DESCRIPTION OF THE GARAGE. FOR EXAMPLE, A "TWO-CAR GARAGE" MAY NOT BE LARGE ENOUGH TO PERMIT PARKING THEREIN OF TWO LARGE SEDANS, TWO SPORT UTILITY TYPE VEHICLES OR TWO OTHER LARGE VEHICLES. THIS SIZE LIMITATION IS NOT A BASIS FOR NONCOMPLIANCE WITH APPLICABLE

UNOFFICIAL DOCUMENT

PROVISIONS OF THIS DECLARATION OR OTHER GOVERNING DOCUMENTS (INCLUDING APPLICABLE RULES AND REGULATIONS), AND SHALL NOT BE A BASIS FOR ANY CLAIM WHATSOEVER AGAINST DECLARANT OR THE ASSOCIATION, OR THEIR RELATED PARTIES.

8.01.3 New Construction and Continued Maintenance Required. All residences, buildings and structures must be of new construction, and no residence, building or structure may be moved from another location to any Lot without prior written approval of the ACC. All residences, buildings and structures must be kept good repair, must be painted (as applicable) when necessary to preserve their attractiveness and must otherwise be maintained in such manner as to obtain and maintain Prevailing Community Standards.

8.01.4 Tents, Mobile Homes and Temporary Structures Prohibited. No tent, shack, mobile home, or other structure of a temporary nature shall be placed upon any Lot or elsewhere in the Subdivision. The foregoing prohibition does not apply to restrict the construction or installation of a single utility or similar outbuilding to be permanently located on a Lot, provided it receives the prior approval of the ACC. In addition, party tents may be erected in the backyard area of a Lot for a limited period of time for special events without prior written approval of the ACC.

8.02 Living Area Requirements. All residences must comply with applicable square footage requirements of the City of Princeton, Texas, if any.

8.03 Location of Residence. No residence may be located upon any Lot except in accordance with building setback lines shown on any applicable Plat, or as established by applicable governmental requirements.

8.04 Construction Standards.

8.04.1 Applicability. Except as maybe otherwise authorized in writing by the ACC and in addition to all other applicable requirements of this Declaration and other Governing Documents, initial construction of all residences and appurtenant structures must be in accordance with, and such residences and appurtenant structures must thereafter remain, to the extent applicable, in accordance with the provisions of this Section. 8.04.

8.04.2 Maximum Period for Completion of Construction. Upon commencement of construction of either a single family residence or a duplex residence, the work thereon must be prosecuted diligently to the end that the same will not remain in a partly finished condition any longer than reasonably necessary for completion thereof. In any event construction must be substantially completed within nine (9) months after pouring of the slab for either a single family residence or a duplex residence, as applicable. The foregoing period will be extended in the event of and only for the duration of delays due to strikes, war, acts of God or other good causes beyond the reasonable control of the Builder or Owner.

8.04.3 New Construction Materials Required. Only new construction material (except for used brick if approved by the ACC) may be used.

8.04.4 Storage of Materials; Clean-Up. No building materials of any kind or character shall be placed or stored upon any Lot more than thirty (30) days before construction is commenced. Except as otherwise permitted by the ACC, all materials permitted to be placed on a Lot shall be placed within the boundaries of the Lot. Upon completion of construction, any unused materials shall be promptly removed from the Lot and the Subdivision and in any event not later than thirty (30) days after construction is completed.

8.04.5 Drainage.

(a) Drainage Devices. During the Development Period Declarant is hereby specifically authorized to excavate as necessary for and to establish, construct and maintain drainage swales, erosion control systems and such other things and devices (herein referred to as "Drainage Devices") upon, over, across or under any part of the Subdivision, including any Lot, as Declarant deems appropriate to properly maintain and control water drainage and erosion. Declarant may also permit any Authorized Builder to establish, construct and maintain Drainage Devices as aforesaid. Declarant hereby reserves for itself and Authorized Builders a blanket easement upon, over, under and across the Subdivision, including each Lot, for purposes of establishment, construction and maintenance of Drainage Devices as aforesaid; provided, such easement may not be exercised and no Drainage Device may be established, constructed or maintained in any manner as to encroach upon the foundation or any other part of any residence or its appurtenant garage. Declarant during the Development Period and the Board thereafter may designate any Drainage Devices as part of the Subdivision Facilities in which case same shall be maintained by the Association. Otherwise, all Drainage Devices shall be maintained by the Owners as hereafter provided. THE FOREGOING SHALL NOT BE CONSTRUED TO OBLIGATE DECLARANT OR ANY AUTHORIZED BUILDER TO ESTABLISH, CONSTRUCT OR MAINTAIN ANY DRAINAGE DEVICES OF ANY TYPE OR KIND WHATSOEVER, AND ANY REPRESENTATION, WARRANTY OR IMPLICATION AS TO SAME IS SPECIFICALLY DISCLAIMED.

(b) Encroachments. In the event of encroachment by any Drainage Device, including any overhead and overhanging encroachments and any encroachments which are completely underground, such as for example but without limitation any overhang by gutters or underground drainage lines for such gutters (including downspouts for same), it shall be deemed that the Owner of the Lot encroached upon (or into) has granted a perpetual easement for the continuing maintenance and use of the encroaching Drainage Device, and for maintenance, repair or replacement thereof. The provisions hereof shall be subject to reasonable

Rules and Regulations as may hereafter be imposed by Declarant during the Development Period or the Board thereafter,

(c) Owner Obligations. Once established and for so long as continued maintenance thereof is reasonably necessary, all Drainage Devices shall remain unobstructed, and shall be properly maintained by and at the sole cost of the Owner of each Lot to which same pertains or, when any Drainage Device serves more than one Lot (such as in the case of guttering on residences connected to a common line), then maintenance and the costs thereof of the Drainage Device which serves the multiple Lots (being the common line in the aforesaid example but not the guttering or connections for same to the common line) shall be shared pro rata by all of the Owners to which same pertains. Each Owner must refrain from permitting any construction, grading and any other work, act or activity upon such Owner's Lot which would obstruct, alter, divert, impede or impair the proper functioning of any Drainage Device. In addition, each Owner must perform such work, act or activities and install and maintain such Drainage Devices (i) as is reasonably necessary to prevent so far as practical drainage from the Owner's Lot to any other Lot, other than drainage along established swales and along drainage patterns as established by Declarant during the Development Period or the ACC thereafter, and (ii) as needed to maintain so far as practical positive drainage away from the foundation of the residence located upon the Owner's Lot. Without limitation of the foregoing, no Owner may place or permit placement of any flower bed or other landscaping, or any other structure or thing along or near any Lot line which would obstruct, alter, divert, impede, or impair drainage along any Lot line within any swale or otherwise within drainage patterns as established by Declarant during the Development Period or by the ACC thereafter. To obtain and maintain proper drainage, including as required by this Section, and/or as changing circumstances may require, the ACC is hereby specifically authorized to require any Owner to construct, install and maintain such gutters and/or downspouts, drains, drainage lines and any other Drainage Devices as the ACC determines, and/or to remove any obstruction, thing or device or cease any activity, either upon initial construction of any residence or other improvement, or at any time thereafter that circumstances reasonably require.

8.04.6 Roof Materials. Roofs of all residences must be constructed so that the exposed material is composition type shingles, or such other material which is compatible in quality and appearance to the foregoing as maybe approved by the ACC such as standing seam metal roofing for architectural accents or over porches. The only colors permitted for composition type singles are black and "weather wood" and no other colors shall be permitted. All garage roofs, and roofs of any gazebo or outbuildings as may be approved by the ACC, must match the residence. Wood shingles of any type are prohibited on any residence but may be permitted in limited situations on Community Properties only.

8.04.7 Swimming Pools. All swimming pools must be in ground, not above ground, and must be made of gunite or other materials as approved by the ACC.

8.04.8 Prefabricated Homes Prohibited. No mobile homes, modular homes, manufactured home or similar prefabricated residential structures of any kind is permitted upon any Lot.

8.04.9 Mailboxes. To the extent mail service is provided in mailbox banks as permitted by Section 9.05 hereof, Owners must exclusively use their assigned mailbox therein and must strictly comply with all applicable rules and regulations of the Association and the United States Postal Service regarding same. Otherwise, the mailbox as approved by the ACC must be maintained at all times upon each Lot, and the mailbox must be properly maintained at all times to accommodate regular reception of mail in accordance with applicable rules and regulations of the United States Postal Service and the Association. Installation and any subsequent modification of a mailbox and post or other housing for same on each Lot must be approved by the ACC. All mailboxes must be installed in a mailbox type housing constructed of black metal as determined by the ACC to promote a uniform system of mailboxes through the Subdivision. All mailboxes, and the mounting post or housing for same, must be properly maintained at all times, including maintenance as needed to avoid any leaning or listing, periodic cleaning and painting, and, as needed, repair or replacement of damaged or deteriorated mailboxes, posts and/or housing.

8.04.10 Compliance with Laws. All construction of any residence must be in compliance with applicable governmental laws, ordinances and regulations, including applicable building codes or permit or licensing requirements.

8.05 Lot Resubdivision or Combination. No Lot as originally conveyed by Declarant to any other Person, including any builder, may be thereafter subdivided or combined with any other Lot, or the boundaries thereof otherwise changed.

8.06 Lot Fences, Walls and Hedges, Subdivision Fencing.

8.06.1 Definitions. As used in this Section (i) "Lot Fencing" means any and all fences and freestanding fence type walls, gateposts, hedges and planters, whenever and wherever located on any Lot, excluding, however, any Subdivision Fencing which is included in the Subdivision Facilities, and (ii) "hedge" means a row of bushes, shrubs and similar plants which, at natural maturity, will exceed three feet (3') in height and have sufficiently dense foliage as to present a visual and physical barrier substantially similar to a fence.

8.06.2 ACC Approval Required. No Lot Fencing may be constructed, place maintained on any Lot without prior written approval of the ACC.

8.06.3 Fencing Requirements. The location of all Lot Fencing shall be subject to ACC approval and shall not be changed from the location where it was initially installed without further ACC approval.

8.06.4 Ownership and Maintenance. Ownership of all Lot Fencing passes with title to the Lot. All Lot Fencing must be continuously maintained in a structurally sound condition, in a neat and attractive condition, in good repair and otherwise as required to obtain and maintain Prevailing Community Standards. The foregoing shall include, without limitation, such maintenance, repair or replacement as is required to prevent listing or leaning, repair of all damaged or broken pickets and other members, and all holes and cracks, and repair or replacement as required to prevent rot or decay, and any other visible signs of dilapidation or deterioration. Lot Fencing which has been defaced with graffiti or other markings shall be restored to its prior condition within 72 hours of such defacement or markings. WOODEN FENCES SHALL BE STAINED AND MAINTAINED IN ACCORDANCE WITH THE DESIGN GUIDELINES OR AS OTHERWISE APPROVED IN WRITING BY THE ACC. All maintenance, repair or replacement of Lot Fencing which separates adjoining Lots, or which is otherwise shared in common by two or more adjoining Lots, is the joint responsibility of, and the costs thereof shall be shared equally by, the adjoining Owners. Otherwise, all such maintenance, repair or replacement shall be the responsibility of, and at the sole cost of, the Owner upon whose Lot the Lot Fencing is located. ONCE INSTALLED, THE LOCATION, STYLE, FINISH, APPEARANCE AND ALL OTHER FEATURES OF LOT FENCING MAY NOT BE MODIFIED OR CHANGES WITHOUT PRIOR WRITTEN APPROVAL OF THE ACC.

8.06.5 Subdivision Fencing, including Gates; Easements.

(a) "Subdivision Fencing" means all fences and freestanding fence type walls which encloses the exterior boundaries of the Subdivision, and any other fences or freestanding fence type walls as may be designated as Subdivision Fencing by Declarant during the Development Period or by the ACC thereafter, all access limiting gates, including vehicle and pedestrian gates, if any, and all associated controllers, operators and related devices and facilities, and all Subdivision main entry fences, perimeter screening walls, and/or entry and other identification monuments, if any. All Subdivision Fencing is a part of the Subdivision Facilities and shall be maintained as such by the Association. Subdivision Fencing does not include hedges or living green walls even if such hedge or green wall enclose the exterior boundaries of the Subdivision. No Owner or their Related Parties, and no other Person may modify, alter or in any manner change; or attach anything to, any Subdivision Fencing without the prior written consent of the ACC.

(b) During the Development Period Declarant is specifically authorized to locate, establish, construct and maintain any and all Subdivision Fencing upon, over, access and under any part of the Subdivision, including any Lot, as Declarant deems appropriate. Declarant hereby reserves blanket easements upon, over, across, and under the Subdivision, including any Lot, for purposes of locating, establishing, constructing and maintaining any Subdivision Fencing. In addition to and without limitation of Section 9.03 regarding the Association's blanket easement

and Section 9.05 regarding certain Subdivision Facilities, the Association and its Related Parties are hereby granted a specific easement for purposes of maintenance, repair, reconstruction and replacement of any Subdivision Fencing.

8.07 Antennas and Satellite Dish Systems. Except as otherwise expressly approved by the ACC in writing, or as otherwise expressly permitted by applicable architectural guidelines or by law, no antenna or satellite dish system of any kind is permitted upon any Lot, or the residence or other improvement thereon, except one dish antenna, one meter or less in diameter or diagonal measurement which is designed to receive direct broadcast satellite onto receive or transmit "fixed wireless signals" (as defined by the Federal Communications Commission), and one television antenna to the extent necessary for reception of local television broadcasts, either or both of which must be installed so as not to be visible from any street. The initial antenna and satellite dish system guidelines will be adopted by the initial Board of Directors at its organizational meeting (or pursuant to a unanimous consent signed in lieu thereof). No satellite dish system of any kind or similar communications device shall be visible from the front of a residence or visible from the side of the residence if the Lot is adjacent to a street.

8.08 Signs.

8.08.1 General. As used in this Section 8.08, "sign" means and includes any billboards, posters, banners, flags, pennants, displays, symbols, advertising devices of any kind, and any other type of sign of any kind, including without limitation business, professional, promotional or institutional signs. No sign of any kind is permitted on any Lot, or upon any residence, or within any residence if visible from the exterior of the residence, or within the Subdivision except as may be approved in writing by the ACC and except as otherwise expressly permitted in this Section 8.08. The provisions of this Section 8.08 do not apply to any sign placed within the Subdivision by Declarant or an Authorized Builder.

8.08.2 Prohibited Signs. No sign is permitted which contains language, graphics or any display that is vulgar, obscene or otherwise offensive to the ordinary person. Permitted signs must be professionally printed and prepared, and must be properly installed and maintained, to avoid unsightly appearance. The good faith determination of the ACC as to any of the foregoing is final. No sign may be illuminated. No sign maybe placed on any Lot closer than the lesser of ten (10) feet or the closest building setback line from any street or any side or back Lot line, or within any traffic sight line area as defined in Section 8.09. No Owner, Owner's tenant or their Related Parties, is permitted to place any sign on another Owner's Lot or upon any Community Properties. Foreclosure, bankruptcy and other distressed sale references are specifically prohibited. Signs disparaging, defaming or demeaning any Person, including Declarant, the Association, the ACC or their Related Parties, the homebuilder, on account of race, creed, gender, religion or national origin, regarding any Development Activities (as defined in Section A8.01 of **Exhibit A** hereto), or for any other reason, are specifically prohibited.

8.08.3 Permitted Signs. No sign, except "political signs" as hereafter provided, is permitted upon any Lot or at any other place within the Subdivision, or within or on any residence or other improvement if the sign, is visible from outside of the residence or other improvement, unless the sign is first approved in writing by the ACC. No sign will be approved other than (i) one "For Sale" or one "For Lease" sign not to exceed six (6) square feet (which may be displayed only during such period of time that the Lot is in fact for sale or lease), and (ii) security service signs, not to exceed one (1) in number per Lot, security service signs must also be located either near the front or the rear entrance of the residence unless otherwise approved in writing by the ACC, may not exceed twelve (12) inches by twelve (12) inches in size, and must be professionally printed, prepared and provided by a professional security service company. All approved signs must also comply with Section 8.08.2, and any applicable Rules and Regulations.

8.08.4 Political Signs. Notwithstanding any other provisions hereof, political signs advertising a political candidate or ballot item for an election (a "Political Sign") are permitted, subject to the following:

(a) No Political Sign is permitted earlier than the 30th day before the date of the election to which the sign relates, and each Political Sign must be removed in its entirety by the 5th day after the election date.

(b) No more than one Political Sign for each candidate or ballot item may be displayed per Lot.

(c) Each Political Sign must be ground mounted.

(d) No Political Sign may (i) contain roofing material, siding, paving materials, flora, one or more balloons or lights, or any other similar building, landscaping, or nonstandard decorative component; (ii) 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; (iii) include the painting of architectural surfaces; (iv) threaten the public health or safety (v) be larger than four (4) feet by six (6) feet; (vi) violate a law; (vii) contain language, graphics, or any display that would be offensive to the ordinary person; or (viii) be accompanied by music or other sounds or by streamers or be otherwise distracting to motorists,

(e) The ACC is specifically authorized to amend this Section to the extent permitted or required to conform this Section to the provisions of Section 202.009 of the Texas Property Code, as amended and/or as subsequently construed or applied by a court of competent jurisdiction, any, such amendment to be effective from and after the date of filing of same in the Official Public Records of Real Property of Collin County, Texas.

8.08.5 Default. Any sign of any kind placed within the Subdivision in violation of this Section 8.08, including any Political Sign, may be removed at any time by or at the

Unofficial

direction of Declarant or the ACC and discarded as trash without liability for trespass, conversion or damages of any kind. In addition, the ACC may, after notice and opportunity to be heard, assess as a specific assessment a fine for each day any sign is placed within the Subdivision in violation of this Section 8.08 not to exceed Seventy Five and No/100 Dollars ($75.00) per day per sign, or as otherwise provided by applicable Rules and Regulations.

8.09 Traffic Sight Line Areas. No fence, wall, hedge, tree, shrub planting or any other thing or device which obstructs sight lines at elevations between two and eight feet (2' and 8') above a street shall be permitted (i) on any corner Lot within the triangular area formed by the two (2) boundary lines thereof abutting the corner streets and a line connecting them at points ten feet (10') from their intersection, or (ii) on any Lot within the triangular area formed by the boundary line abutting a street, the edge line of any driveway pavement and a line connecting them at points ten feet (10') from their intersection. The foregoing also shall not be construed to prohibit construction of any residence or garage at any location permitted by this Declaration or applicable governmental regulations even if the residence or garage encroaches upon either of the aforesaid sight line areas.

8.10 Window and Door Glass Covers. Glass in windows, doors and other similar openings must be maintained as installed during original construction except as otherwise permitted in writing by the ACC. Glass film and similar tinting, and aluminum foil and similar reflective materials, are in all events prohibited for use as a cover for any window or door; provided, factory tinted glass may be approved by the ACC. Only blinds, interior shutters, curtains or drapes with backing material, which is white, light beige, cream, light tan, black or light gray, and blinds or mini-blinds of the same color, are permitted, unless otherwise first approved in writing by the ACC. No other window treatment color may be visible from the exterior of any residence or other improvement. Temporary or disposable coverings, including sheets, newspapers, shower curtains, fabric not sewn into finished curtains or draperies, other paper, plastic, cardboard, or other materials not expressly made or commonly used by the general public for permanent window coverings, are expressly prohibited.

8.11 Utility and Lighting facilities.

8.11.1 Maintenance of Utilities Required. All utility services intended to be provided to each residence as originally constructed, including without limitation water, sewage; electric and gas services, must be maintained by the Owner at all times when a residence is occupied. Owner is also responsible for the related costs of such utilities.

8.11.2 Private Utility Lines. All electrical, telephone and other utility lines and facilities which are located on a Lot and which are not owned and maintained by a governmental entity or a utility company must be installed underground unless otherwise approved by Declarant during the Development Period or by the ACC thereafter, and must be maintained at all times by the Owners as provided in Section 6.02.4.

8.11.3 Air Conditioners. No window, wall or exterior roof mounted type air conditioners or heating units, or any part thereof, and no air conditioners or heating units, or any part thereof, which is visible from any street will be permitted. Notwithstanding the foregoing, during the Development Period Declarant may place or approved placement of air condition condensing units and related pads, wiring, conduits and devices (an "A/C Unit") such that same are visible from a street, provided that shrubbery shall be maintained around the A/C Unit to minimize the visual impact of the A/C Unit as determined by Declarant during the Development Period or the ACC thereafter.

8.11.4 Exterior Lighting. Excepting customary Christmas lighting, any exterior lighting of a residence or Lot must be approved by the ACC in accordance with Article IV. No exterior lighting (including Christmas lighting) may be directed outside property lines of the Lot upon which same is located. All lighting fixtures (except Christmas lighting) must be compatible in style and design to the residence where located. Christmas lighting and related decorations and ornamentation may be displayed between December 1 and January 10, and the ACC may in particular instances or through Architectural Guidelines permit other holiday lighting, decorations and ornamentation (all of which for purposes of this Section are referred to as "Christmas Lighting"); provided, the ACC is authorized to fully regulate all Christmas Lighting in particular instances or by Architectural Guidelines to avoid any annoyance, nuisance, safety hazard or unsightly condition or appearance as determined in the sole opinion of the ACC.

8.12 Solar Energy Devices. No "solar energy device" as defined in Texas Property Code, Section 202.010 may be installed upon any residence or Lot or at any location within the Subdivision during the Development Period without the prior written consent of Declarant. Thereafter, a solar energy device may be installed in accordance with Article IV hereof if all conditions as set forth in Texas Property Code, Section 202.010(d) are met or exceeded and the ACC determines such installation will not constitute a condition that substantially interferes with the use and enjoyment of land by causing unreasonable discomforts or annoyance to persons of ordinary sensibilities as provided in Texas Property Code, Section 202.010(e). The ACC is also hereby specifically authorized to adopt Architectural Guidelines regarding solar energy devices to the fullest extent allowed by law.

Article IX
Easements

9.01 Incorporation of Easements. All easements, dedications, limitations, restrictions and reservations shown on any Plat and all validly existing grants and dedications of easements and related rights heretofore made or hereafter established as herein provided affecting the Subdivision or any Lots and filed in the Official Public Records of Real Property of Collin County, Texas, are incorporated herein by reference and made a part of this Declaration for all purposes as if fully set forth herein, and shall be construed as being adopted in each and every contract, deed or conveyance executed or to be executed by any Person covering any portion of the Subdivision, including any Lot In the event of any conflict between any of the foregoing filed after the date of filing of this Declaration and any provisions of this Declaration, the provisions of this Declaration

control. The foregoing shall not be construed as in any manner giving effect to any instrument of record which would not otherwise be effective or other than in accordance with the instrument and applicable law.

9.02 Easements for Encroachment and Overhang. In the event of encroachment by any building, structure or other improvement, including without limitation, any portion of any roadway, walkway, parking area, driveway, water line, sewer line, utility line, sprinkler system, building steps, fences, fireplaces, chimneys, bay windows and similar architectural details, paving, driveway approaches and in-turns, decking, footings, piers, piles, grade beams and similar, improvements, which encroachment originates during original construction or results at any time from settling or shifting, on or into any adjoining Lot or on or into the Community Properties, not more than thirty inches (30") from any point on the common lot line ("Encroachment"), it shall be deemed that the Owner of the Lot encroached upon (or into), or the Association (as the case may be) has granted a perpetual easement for continuing maintenance and use of such encroaching improvements, and for maintenance, repair or replacement thereof if performed in substantial compliance with the original construction, over, above, under, and upon the adjoining, encroached upon Lot (or Community Property) for a distance co-existent with the Encroachment. An Encroachment as aforesaid includes, without limitation, overhead encroachments and overhangs of walls, roofs or other part of any building or structure, and encroachments which are completely underground. In addition, any such Encroachment is permitted to extend over any otherwise applicable setback line up to thirty inches (30") when the Encroachment originates during original construction or results at any time from settling or shifting as aforesaid. The term "original construction" as used in this Section means construction, placement or modification of improvements which occurs through completion of the initial sale of a Lot (defined in Section A2.01 of **Exhibit A** hereto).

9.03 Owners' Access Easement.

9.03.1 Defined. Each Lot and the Community Properties are subject to a non-exclusive access easement for the inspection, construction, maintenance, repair and replacement of improvements located upon any adjacent Lot (the "Accessing Lot") for usage by an Accessing Lot Owner or occupant, or their agents or employees. The Lot or Community Properties being accessed is herein referred to as the "Easement Lot". This access easement area on the Easement Lot (the "Access Area") consists of a strip of land abutting the nearest boundary line of the Accessing Lot of not less than three (3) feet nor more than six (6) feet, as may be reasonably required, and to such additional area as may be approved in writing by the ACC upon written request stating a reasonable necessity for same, provided that the Access Area shall not in any event extend past the exterior wall of any residence or garage, or the foundation of either. THIS ACCESS EASEMENT AREA MAY BE UTILIZED ONLY WHEN AND TO THE EXTENT SAID CONSTRUCTION, MAINTENANCE, REPAIR OR REPLACEMENT CANNOT BE REASONABLY CONDUCTED WITHIN THE BOUNDARIES OF THE ACCESSING LOT. Except in the case of an Emergency, in no event will such easement extend to any part of the residence garage, or other building located on the Easement Lot.

9.03.2 Notice; Duration. Prior to use of the Access Area, the Owner or occupant of the Accessing Lot must give written, notice of intent to utilize the Access Area stating therein the nature of intended use and the duration of such usage. Such notice must be delivered to the Owner or occupant of the Easement Lot by attaching same to the front door of the residence located upon the Easement Lot, or in any other manner as permitted by Section 10.05. If by mail, such notice must be given at least ten (10) days prior to use of the Access Area; and if by affixing to the front door or by any other method permitted by Section 10.05, such notice must be given at least seven (7) days prior to use of the Access Area. In case of an emergency the Accessing Lot Owner or occupant may commence and continue usage of the Access Area without giving the foregoing notice for so long as is reasonably necessary to control the emergency and complete work necessitated thereby, but must proceed with giving of the required notice as soon as practical after commencement of usage.

9.03.3 Usage. Usage of the Access Area is limited to the minimum reasonable amount of time and area required to complete necessary work to preserve, protect, construct, maintain, repair, and replace the residence or other structures and improvements located on the Accessing Lot Work during the usage period must be conducted in such manner as to minimize so far as reasonably possible inconveniences and disruptions to the Easement Lot and its occupants. Except in case of an emergency or unless otherwise authorized by the Owner or occupant of the Easement Lot, work during the usage period may not be conducted during legal holidays or any Sunday and must otherwise be confined to the hours of 7:00 a.m. to 7:00 p.m., Monday through Friday and 9:00 a.m. to 6:00 p.m. on Saturdays.

9.03.4 ACC Approval of Access Area Improvements. No structure or improvements other than grass, and customary, non-exotic flower and shrubbery beds, may be placed within the Access Area at any time without the prior written approval of the ACC. The ACC may not approve any such structures or improvements which would substantially interfere with, or be unduly burdensome to, or which would cause excessive expense to any potential Accessing Lot if access becomes necessary as herein provided.

9.03.5 Restoration. Promptly after completion of usage of an Access Area; the Accessing Lot Owner or occupant must thoroughly clean the Access Area and repair and restore same to substantially the same condition that existed at the time of commencement of usage; provided, such obligation for restoration does not apply to any structures or improvements which have been placed in the Access Area without written ACC approval. At the time of receipt of notice, the Easement Lot Owner or occupant must promptly notify the Accessing Lot Owner or occupant as provided in Section 9.03.2 of any structures or improvements within the Access Area which have been approved by the ACC.

9.04 Association and ACC Blanket Access Easement. The Association, the ACC and their Related Parties have a continuing non-exclusive easement upon, over, under and across each Lot, and as to the exterior of the residence and garage thereon, and as to the exterior and interior of any other improvement thereon, to the extent reasonably necessary for the performance of any

of the functions or duties of the Association or ACC or exercise of any of their rights under this Declaration. Prior to exercise of such easement rights, written notice must be given to the Owner or occupant of the affected Lot stating the expected date of commencement of usage, the nature of the intended use and anticipated duration of such usage. The notice may be given by attaching the notice to the front door of the applicable residence, or in any other manner as permitted by Section 10.05. In case of an emergency the right of entry and usage shall be immediate without notice, but in such case notice as aforesaid shall be given as reasonable soon as practicable.

9.05 Governmental Functions, Utilities and Other Services.

9.05.1 Governmental Functions; Removal of Obstructions. Blanket non-exclusive easements and rights-of-way are hereby granted to all applicable governmental authorities, to all police, fire protection, ambulance and other emergency vehicles, to garbage and trash collection vehicles and other service vehicles, to the United States Post Office and similar services, and to the respective agents and employees of all of the foregoing, for access, ingress and egress upon, over and across any portion of each Lot and throughout the Subdivision for purposes of the performance of any official business without liability of any kind. APPLICABLE GOVERNMENTAL AUTHORITIES AS AFORESAID ARE ALSO SPECIFICALLY AUTHORIZED TO REMOVE OBSTRUCTIONS IF NECESSARY FOR EMERGENCY AND SERVICE VEHICLE ACCESS, AND TO ASSESS THE COST OF REMOVAL TO THE OWNER OF THE OBSTRUCTION.

9.05.2 Utilities.

(a) Easements as shown on an applicable recorded Plat or otherwise of record and rights of entry to them for installation, maintenance and operation of utilities and drainage facilities are reserved. Within these easements, no structure, planting or other materials shall be placed or permitted to remain which may damage or interfere with the installation, maintenance or operation of utilities. The easement areas of each Lot and all improvements therein or thereon shall be maintained by the Owner of the Lot, except those improvements of a public authority or utility which shall be maintained by such authority or utility. The title to a Lot shall not include title to any utility facilities located within easements or streets. No public authority or utility shall be liable for damage to any plants, structure or buildings located in or on such easements or streets because of the installation or maintenance of the utility facilities.

(b) In addition to all other applicable easements as established herein or by any Plat, a private non-exclusive easement is hereby granted under any private street located within the Subdivision for purposes of erecting, installing, operating, maintaining, replacing, inspecting and removing any electrical, water, sewer, gas, cable television and any other utilities as determined by the Board, together with rights of ingress and egress to or from any such easement. This easement shall not include by implication or otherwise any appurtenant aerial easement.

(c) No pipe, conduit, cable, or line for water, gas, sewage, drainage, steam, electricity or any other energy or service shall be installed or maintained (outside of any building) above the surface of the ground upon any Lot or at any other place within the Subdivision unless otherwise approved in writing by Declarant during the Development Period or the Board thereafter.

9.05.3 Certain Subdivision Facilities (Including Gate Easements).

(a) During the Development Period, Declarant may establish easements within the Subdivision (and shall be deemed to have established such easements as hereafter provided), including upon, under, over and across any Lot or Community Properties, as Declarant may determine for the placement, installation, operation, maintenance, repair or replacement of (i) mail box banks, water banks, master water meters, electrical banks and/or other utilities, facilities or services designed to serve two or more residences, (ii) Subdivision entry and/or other identification signs and/or monuments, (iii) patrol or security access limiting type structures or devices maintained lay the Board (an "access limiting device"), including without limitation controlled access gates, gate operators, guardhouses and related structures or devices, (iv) access drives to the Offsite Drainage and Detention Easements, (v) lines, wires, conduits, cables, pipes, manholes, hydrants and any and all other components, equipment, facilities or devices relating to any of the foregoing, and (vi) reasonable working space, and necessary rights of access, ingress, egress and regress relating to any of the foregoing. Nothing in this Section including the foregoing, shall be construed to require Declarant or the Association to maintain, repair or replace any of the foregoing if and to the extent any of same is otherwise maintained by any utility provider or governmental or quasi-governmental agency.

(b) THE EASEMENTS ESTABLISHED BY THIS SECTION INCLUDE WITHOUT LIMITATION EASEMENTS AS TO ALL AREAS OF ANY LOT OR COMMUNITY PROPERTIES AFFECTED BY PLACEMENT OR OPERATION THEREIN OR THEREON OF ANY ACCESS LIMITING DEVICES, AND DECLARANT, THE ASSOCIATION AND THEIR RELATED PARTIES HAVE NO LIABILITY WHATSOEVER BY REASON OF ANY LOSS OF USAGE OR ANY OTHER CONSEQUENCES RESULTING FROM ANY SUCH EASEMENTS AS TO ANY AREAS AFFECTED THEREBY. Such affected areas may include for example loss of use of a private driveway area for parking in order to permit proper opening and/or closing of controlled access gate within the affected area. It is the responsibility of the Owner of any Lot containing any such affected area, such Owner's tenants and their Related Parties to keep all such areas open and unobstructed, and to otherwise prevent any interference with the proper functioning, operation maintenance, repair or replacement of any access limiting device. Without limitation of the foregoing, parking (including temporary parking) as otherwise herein permitted is expressly hereby prohibited within any area which would impede or impair operation of any access limiting device.

(c) PERMANENT EASEMENTS SHALL BE DEEMED TO HAVE BEEN ESTABLISHED BY DECLARANT REGARDING, COVERING AND AS TO ANY SUBDIVISION FACILITIES PLACED OR CONSTRUCTED UPON ANY LOT OR COMMUNITY PROPERTIES BY DECLARANT DURING THE DEVELOPMENT PERIOD. AS TO EACH SUCH SUBDIVISION FACILITY, THE AFORESAID EASEMENTS SHALL EXTEND TO THE AREA OF LAND COVERED BY THE SUBDIVISION FACILITIES, TOGETHER WITH REASONABLE WORKING SPACE AND NECESSARY RIGHTS OF INGRESS, EGRESS AN REGRESS FOR PURPOSES OF THE INSTALLATION, MAINTENANCE, OPERATION, REPAIR AND REPLACEMENT OF THE FACILITY. Declarant may, but is not required to, file a formal easement or easements covering any such Subdivision Facilities in the Official Public Records of Real Property of Collin County, Texas, either during or after termination of the Development Period, and the Board may do so at any time after termination of the Development Period.

9.05.5 Other Easements. The Association shall have the right to grant, dedicate, reserve or otherwise create, at any time or from time to time, easements for public, quasi-public or private utility purposes, including, without limitation, gas, electricity, telephone; sanitary or storm, cable television and similar services, along, over, above, across and under the Subdivision and any Lot; provided, such additional easements shall not be located in such manner as to encroach upon the footprint or foundation of any then existing building (including any residence) or any swimming pool. Any such easement shall not be effective unless and until notice thereof is filed in the Official Public Records of Real Property of Collin County, Texas.

9.06 Access. All residences shall be constructed, and thereafter same and related improvements shall be maintained, such that a continuous and unobstructed means of ingress, egress and regress to a common public way is maintained in accordance with applicable building codes and ordinances of the City.

9.07 Easements Perpetual and Not Conveyed. Title to any Lot conveyed by contract, deed or other conveyance may not be held or construed in any event to include the title to any easement established by this Article IX, including but not limited to any roadways or any drainage, water, gas, sewer, storm sewer, electric light, electric power, telegraph or telephone way or any pipes, lines, poles, or conduits on or in any utility facility, service equipment or appurtenances thereto. Easement rights established by or obtained pursuant to this Article IX may not, once established or obtained, be adversely affected by any amendment of this Declaration. The foregoing does not limit subsequent abandonment or other modification of easement rights in accordance with applicable instruments covering any easement, by consent or agreement of the affected parties, or as otherwise provided by law.

Article X
General Provisions

10.01 Development Period. All provisions set forth in **Exhibit A** attached hereto and entitled "Development Period" are incorporated by reference herein. Notwithstanding any other provisions of this Declaration or any other Governing Documents to the contrary, all provisions set forth in **Exhibit A** apply during the Development Period (and thereafter as therein provided).

10.02 Enforcement.

10.02.1 Right to Enforce. The Association, its successors and assigns, and any Owner have the right to enforce observance and performance of all restrictions, covenants, conditions and easements set forth in this Declaration, and in other Governing Documents, and in order to prevent a breach thereof or to enforce the observance or performance thereof have the right, in addition to all legal remedies, to cure a default and assess self-help and injunction either prohibitive or mandatory.

10.02.2 Confidentiality. In order to encourage open communications between the Association and its Related Parties and any Owner, tenant, their Related Parties and other affected parties, and in an effort to minimize confrontations between neighbors and other affected parties, the identity of all Persons who provide or from whom any violation report is obtained shall so far as practical be kept confidential except as otherwise required by law, and all documentation and other communications relating to any such violation reports shall likewise be kept confidential. The foregoing shall not preclude the Association from disclosing any of the foregoing information when in the opinion of the Board the best interests of the Association requires such disclosure, and all Owners hereby consent to such disclosure.

10.02.3 Verification of Defaults. Without notice of any kind, the Declarant, the Board, the ACC, or any of their Related Parties, may photograph any violations or suspected violation at any time and otherwise obtain evidence to confirm the existence or nonexistence of any suspected violation in any reasonable manner without liability in trespass or otherwise. Each Owner, tenant and their Related Parties must fully cooperate with Declarant, the Board, the ACC and their Related Parties regarding verification of the existence or non-existence of any violation, including conducting of on-site inspections and in any other reasonable manner upon request.

10.02.4 Liability for Conduct of Others ("Related Parties"). Each Owner and the tenant of each Owner must ensure that their respective Related Parties strictly comply with all applicable provisions of this Declaration and all other Governing Documents. Each Owner is liable for all consequences of any such violation by the Owner's tenant and by Related Parties of the Owner, and each Owner and the Owner's tenant are jointly and severally liable for all consequences of any such violation by Related Parties of the tenant. To the same extent as aforesaid each Owner and each tenant must indemnify and hold harmless the Association and its Related Parties from any and all claims, liabilities,

damages, loss, costs, expenses, suits and judgments of whatsoever kind, including reasonable attorney's fees whether incurred prior to, during or after proceedings in a court of competent jurisdiction, made or asserted by Related Parties of the Owner or the Owner's tenants attributable directly or indirectly, to any such violation, said indemnification to be secured and paid as provided in Section 10.02.5.

10.02.5 Obligation for Payment of Costs and Expenses Resulting from Violations. Each Owner and tenant of an Owner found to have committed, or who is responsible for, a violation or violations of any of the provisions of this Declaration or any other Governing Documents, irrespectively of any negligence or other fault (or lack thereof), is jointly, severally and strictly liable for payment to the Association for, and to indemnify and to hold and save harmless the Association and its Related Parties from, any and all claims, liabilities, damages, loss, costs, expenses, suits and judgments of whatsoever kind, including reasonable attorney's fees whether incurred prior to, during or after proceedings in a court of competent jurisdiction, incurred or attributable to any such violation(s), and must pay over to the Association all sums of money which the Association or its representatives may pay or become liable to pay as a consequence, directly or indirectly, of such violation(s). All such sums are assessed as a specific assessment, and are secured by the continuing lien established by Article V hereof. All such sums are due and payable upon demand by the Association or its representative without the necessity of any other or further notice of any act, fact or information concerning the Association's rights or such Owner's or their tenant's liabilities under this Section; provided, in the case of indemnification the demand shall contain a statement setting forth the Association's payment or liability to pay the claim with sufficient detail to identify the basis for the payment or liability to pay.

10.02.6 Fines.

(a) After notice and opportunity to be heard, fines may be imposed as specific assessments by the Board for any violation of this Declaration or other Governing Documents except nonpayment of assessments. The Board may fix the amount of a fine for each violation on a case by case basis, or the Board may adopt fining schedules and other applicable Rules and Regulations regarding fines. In the latter event the Board shall nonetheless retain full authority to adjust any fines as in its sole judgment the circumstances in any case may require. Fines may be progressive such as setting of increasing fine amounts for a first violation, second violation and subsequent violations, a second or subsequent violation meaning any violation which is similar to any prior violations which occur within six (6) months after the date of the first violation notice given in accordance with Chapter 209 of the Texas Property Code.

(b) Unless otherwise determined by the Board as above provided, a fine in the amount of $75.00 shall be assessed as to each violation of this Declaration or other Governing Documents (other than non-payment of assessments). The $75.00 fine shall be assessed for each calendar month or any part thereof during which the

violation continues, commencing with the calendar month following expiration of thirty (30) days from the date notice of the violation is given in accordance with Chapter 209 of the Texas Property Code. The foregoing provisions are in addition to any other costs and expenses for which the violating Owner (and the Owner's tenant(s), as applicable) are responsible under this Declaration or any other Governing Documents.

10.02.7 Filing of Notices of Non-Compliance. At any time the Board determines there exists any noncompliance with any provisions of this Declaration or other Governing Documents, the Board may at its option direct that a Notice of Noncompliance be filed in the Official Public Records of Real Property of Collin County, Texas covering the affected Lot or Lots and the Owner(s) thereof at the sole cost and expense of such Owner(s). All such costs and expenses are due and payable upon demand, are deemed a specific assessment applicable to the affected Lot(s) and are secured by the Association's continuing assessment lien.

10.02.8 No Waiver; Cumulative Rights. Failure of the Association or any Owner to enforce any of the provisions of this Declaration or any other Governing Documents will in no event be deemed a waiver of the right to do so thereafter (including without limitation as to the same or similar violation whether occurring prior or subsequent thereto). No liability may attach to Declarant, the Association, or any of their Related Parties for any failure to enforce any provisions of this Declaration or any other Governing Documents. Each right and remedy set forth in this Declaration and any other Governing Documents is separate, distinct and non-exclusive, and all are cumulative. The pursuit of any right or remedy so provided for or by law shall be without prejudice to the pursuit of any other right or remedy, and the failure to exercise any particular right or remedy shall not constitute a waiver of such right or remedy or any other right or remedy.

10.03 Term. Subject to the provisions hereof regarding amendment, these covenants, conditions, restrictions, reservations, easements, liens and charges run with the land and are binding upon and inure to the benefit of the Association, all Owners, their respective legal representatives, heirs, executors and administrators, predecessors, successors and assigns, and all Persons claiming under them for a period of twenty five (25) years from the date this Declaration is filed in the Official Public Records of Real Property of Collin County, Texas, after which time said covenants, conditions, restrictions, reservations, easements, liens and charges will be automatically extended for successive periods of ten (10) years each. Notwithstanding anything herein to the contrary, the Association may be dissolved only upon the prior written consent of the City.

10.04 Amendment.

10.04.1 By Owners. Except as otherwise expressly herein provided, and subject to applicable provisions of **Exhibit A** hereto, the Owners of seventy-five percent (75%) of the total number of Lots then contained within the Subdivision always have the power and authority to amend this Declaration, in whole or in part, at any time and from time to time.

The Owner's approval of any amendment of this Declaration may be obtained (i) by execution of the amending instrument or a consent thereto by any Owner of each Lot so approving, (ii) by affirmative vote, in person or by proxy, at a special meeting called for consideration of any such amendment, or (iii) by any combination of the foregoing.

10.04.2 By Association. Subject to applicable provisions of **Exhibit A** hereto, the Board of Directors has the right in its sole judgment, from time to time and at any time, to amend this Declaration without joinder of any Owner or any other Person for the following purposes:

(a) to resolve or clarify any ambiguity or conflicts herein, or to correct any inadvertent misstatements, errors or omissions herein; or

(b) to conform this Declaration to the requirements of any lending institution; provided, the Board has no obligation whatsoever to amend this Declaration in accordance with any such lending institution requirements, and the Board may not so amend this Declaration if in the sole opinion of the Board any substantive and substantial rights of Owners would be adversely affected thereby; or

(c) to conform this Declaration to the requirements of any governmental agency, including the Federal Home Loan Mortgage Corporation, Federal National Mortgage Agency, Veterans Administration or Federal Housing Administration, and in this respect the Board shall so amend this Declaration to the extent required by law upon receipt of written notice of such requirements and request for compliance; or

(d) to conform this Declaration to any state or federal constitutional requirements, or to the requirements of any local, state or federal statute, ordinance, rule, ruling or regulation, or to any decisions of the courts regarding same, including without limitation of the foregoing or any other provisions of this Declaration or other Governing Documents, amendment of any provisions hereof as permitted or required by, or as the Board deems necessary or appropriate as regarding, any changes, modifications or additions to any laws applicable to the Association or Subdivision as adopted by the Eighty Second Legislature of the State of Texas.

10.04.3 Effective Date. Any lawful amendment of this Declaration will be effective from and after filing of the amending instrument in the Official Public Records of Real Property of Collin County, Texas, or such later date as may be stated in the amending instrument.

10.04.4 "Amendment" Defined. In this Declaration and all other Governing Documents the terms "amend", "amendment" or substantial equivalent mean and refer to any change, modification, revision or termination of any provisions of this Declaration or other Governing Documents.

Unofficial Document

10.05 Notices.

10.05.1 General; "Notice" Defined. "Notice" means and refers to all notices or other communications permitted or required under this Declaration. ANY NOTICE IS DEEMED PROPERLY GIVEN ONLY IF GIVEN IN ACCORDANCE WITH THIS SECTION 10.05, EXCEPT AS OTHERWISE EXPRESSLY PROVIDED IN THIS DECLARATION. ALL NOTICES MUST BE IN WRITING, MUST BE PROPERLY DATED, AND MUST IDENTIFY ALL PERSONS GIVING THE NOTICE AND ALL PERSONS TO WHOM THE NOTICE IS BEING GIVEN. All notices must be given by personal delivery, by certified or registered mail, return receipt requested, by facsimile transmission, or by e-mail. Notices by mail must be by deposit of the notice, enclosed in a postpaid properly addressed wrapper, in a post office or official depository under the care and custody of the United States Postal Service. Personal delivery may be made to any person at the recipient's address and such delivery may be acknowledged either by the recipient or by a third party delivery service.

10.05.2 To Whom and Where Given.

(a) All notices to Declarant either during or after the Development period must be given to Declarant as provided in Section 5.255 of the Texas Business Organizations Code, as amended, at Declarant's registered office or principal office.

(b) All notices to the Association or ACC during the Development Period must be given to Declarant as above provided, thereafter, all notices to the Association or ACC must be given (i) to the Association's registered agent at its registered office according to the records of the Texas Secretary of State pursuant to the Texas Business Organizations Code, or (ii) to any Director in the case of the Association or to any member of the ACC in the case of the ACC in the same manner as permitted for delivery of notice to the Director or member of the ACC as an Owner, or (iii) to the Association manager at the offices of the Association's Managing Agent, if any.

(c) All notices to an Owner must be delivered to the Owner at the Owner's Lot address, or to the Owner's alternate mailing address provided to the Association by the Owner as hereafter set forth.

(d) All notices to the tenant of an Owner must be delivered to the Lot address of the Lot at which the tenant resides.

(e) In lieu of (or in addition to) delivery to a street or mailing address as above provided, notice may be given by facsimile transmission or e-mail to the facsimile number or e-mail address (i) of an Owner or Owner's tenant according to the records of the Association, or (ii) of the Association, the Association's

Managing Agent, if any, or the ACC as provided by same upon written request of any Owner or tenant or as otherwise provided by the Association (such as by publication in an Association newsletter). The foregoing shall not be construed as requiring maintenance of a facsimile number or e-mail address by any of the foregoing Persons.

(f) Notices or other communications are considered to be delivered, as applicable, on the day of personal delivery or deposit in the United States mail in accordance with this Section 10.05, or on the day and at the time the facsimile or e-mail is successfully transmitted, provided that transmission of any facsimile or e-mail after 5:00 o'clock p.m. local time of the recipient shall be deemed to be delivered on the following day. When more than one Person is the Owner or tenants of a Lot, the giving of notice as aforesaid to any single Owner or tenant constitutes notice given to all Owners or tenants. REFUSAL TO ACCEPT DELIVERY OR TRANSMISSION OF ANY NOTICE SHALL BE DEEMED ACTUAL NOTICE AND ACTUAL KNOWLEDGE OF THE MATERIALS REFUSED.

(g) One mailbox must be properly maintained at all times upon each Lot (or within a mailbox bank, if applicable), and each such mailbox must be properly maintained at all times to accommodate regular reception of mail and otherwise in accordance with applicable rules and regulations of the United States Postal Service and Rules and Regulations, if any, of the Association.

10.05.3 Owner/Tenant Contact/Occupancy Information Required. As used in this Section "contact information" means name, Lot address, alternate Owner mailing address, if applicable, home and work telephone numbers, and as applicable, mobile and facsimile numbers, and e-mail addresses. Not later than thirty (30) days after acquiring an ownership interest in a lot, the Owner of the Lot must give notice to the Association of the contact information for all Persons who are Owners of the applicable Lot, and the name(s) of any other person(s) occupying the Lot other than the Owner. Not later than thirty (30) days after acquiring a leasehold interest or other right of occupancy in a Lot, the Owner of the Lot must give notice to the Association of the contact information for all Persons who are tenants as to or who have otherwise acquired a right to occupy the applicable Lot. Not later than thirty (30) days after any change in any of the foregoing contact information, the Owner of the applicable Lot must give notice to the Association of all such changes. In the event of any conflict between the aforesaid notices, the notice last received by the Association shall control. Upon receipt of a notice as aforesaid, that notice shall control until three business days after receipt of a proper subsequent notice, and all notices given by the Association or ACC pursuant to the prior notice shall be effective until three (3) business days after receipt of the subsequent notice.

10.05.4 Other Information and Governing Documents. The Association may from time to time by written request require any Owner or tenant to verify any information covered by this Section 10.05 or by Section 10.06, or to provide other information or documentation relevant to the functions of the Association by submission of such

information and documentation as the Association may reasonably require. Applicable provisions of this Section also apply to notices permitted or required by other Governing Documents except as otherwise expressly provided in such other Governing Documents, and provided that notice given in accordance herewith is in. all events sufficient regardless of contrary provisions hi other Governing Documents.

10.06 Contact/Other Information To and From Mortgagees. Upon written request of the Association an Owner must provide to the Association a written statement setting forth the name, mailing address, telephone number, and if known or reasonably ascertainable, the facsimile number and e-mail address of each mortgagee for each mortgage covering the Owner's Lot, and each insurer or guarantor thereof, and as to each such mortgagee, insurer and guarantor, the nature of the loan or other encumbrance (such as purchase money loan, home equity loan or tax lien), and the account or similar identifying number or other designation applicable to the mortgage. The Association may at any time and from time to time provide to any mortgagee, or the insurer or guarantor of a mortgage, and upon written request of any mortgagee, the insurer or guarantor of a mortgage, the Association shall provide to such mortgagee, insurer or guarantor, a statement of any unpaid assessments or other amounts payable to the Association and any violations of the Governing Documents then known to the Association. If an Owner is delinquent in payment of assessments (regular, special or specific) to the Association, upon written request of the Association a mortgagee, or the insurer or guarantor of a mortgage, shall provide the Association with information setting forth the status of such Owner's debt secured by the mortgagee's lien and other relevant information as set forth in the Association's request. EACH OWNER EXPRESSLY CONSENTS TO THE ASSOCIATION PROVIDING SUCH INFORMATION TO A MORTGAGEE, INSURER OR GUARANTOR, AND TO A MORTGAGEE, INSURER OR GUARANTOR PROVIDING SUCH INFORMATION TO THE ASSOCIATION. As used in this section, "mortgage" means and refers to any mortgage, deed of trust and any other lien or encumbrance against a lot, and "mortgagee" means and refers to the current holder of each mortgage.

10.07 Managing Agent. The Board has the authority, from time to time and at any time, to retain, hire, employ or contract with any one or more Persons to provide management services to the Association, including discharge of such functions and duties of the Board and/or ACC and/or any Member thereof as the Board may specify (any such Person herein referred to as a "Managing Agent"). Any Managing Agent shall be retained, hired, employed or contracted for on such terms and conditions as the Board in its sole good faith judgment may determine; provided, the Board shall retain the right in all cases as to any Managing Agent to remove the Managing Agent, with or without cause, upon not more than sixty (60) days written notice.

10.08 Conflicts In Governing Documents. In the event of any conflict in the Governing Documents which cannot be reasonably reconciled after application of rules of interpretation as provided herein or by law, this Declaration shall control over any other Governing Documents, and all other Governing Documents shall control in the following order of priority: (i) Architectural Guidelines; (ii) Rules and Regulations; (iii) Articles of Incorporation; (iv) Bylaws; (v) Board and Member resolutions; and (vi) all others.

IN WITNESS WHEREOF, the undersigned has executed this Declaration to be effective as upon filing of the same in the Official Public Records of Real Property of Collin County, Texas.

EXECUTED as of May 17, 2024.

DECLARANT:

HAZELWOOD SINGLE FAMILY LLC,
a Texas limited liability company

By: _____
Printed Name: ABDUL MOHAMMED
Title: Manging Member

ACKNOWLEDGEMENT

STATE OF TEXAS §
COUNTY OF COLLIN §

BEFORE ME, the undersigned authority, on this day personally appeared ABDUL MOHAMMED, the Mangay member of Hazelwood Single Family LLC, a Texas limited liability company, known to me to be the person and officer whose name is subscribed to the foregoing instrument and acknowledged to me that he/she executed the same for the purposes and consideration therein expressed, in the capacity as therein stated and as the act of said company.

Given under my hand and seal of office this 17 day of May, 2024.

_____
NOTARY PUBLIC, STATE OF TEXAS
Printed Name: Imène Kabbous
My Commission Expires: 06.26.2027

IMENE KABBOUS
Notary Public, State of Texas
Comm. Expires 06-26-2027
Notary ID 134424700

Unofficial

EXHIBIT A

DEVELOPMENT PERIOD

A1.01 Application. Notwithstanding any other provisions of the Declaration or any other Governing Documents to the contrary, the provisions of this **Exhibit A** apply during the Development Period (and thereafter as herein provided).

A2.01 Association and Architectural Control; Builder Approval.

A2.01.1 Appointment of Board, ACC and Officers; Authority of Association; Declarant as Member. During the Development Period, Declarant has exclusive authority to appoint, re-appoint, elect or remove all members of the Board of Directors and ACC (including any designated representative of the ACC), all officers and all committee members of the Association, and all other representatives of the Association. Any provisions hereof or of the Declaration, Bylaws or any other Governing Documents regarding qualifications for members of the Board or ACC, or of any officers, are hereby specifically declared inapplicable regarding any such members or officers. Without limitation of the foregoing, Declarant is specifically authorized during the Development Period to exercise all authority of the Association, the Board, the ACC and any committees, unilaterally, without joinder, vote or consent of any of the foregoing, or any Owner or any other Person, including without limitation, the authority to contract for, on behalf of, or in the name of the Association and to grant variances pursuant to the Declaration. Declarant is deemed to be a Member of the Association for all purposes during the Development Period whether or not Declarant continues to own any Lot.

A2.01.2 ACC Authority; Authorized Builders.

(a) ACC Approval Not Required. Declarant is not required to obtain ACC approval or otherwise comply with any provisions of Article IV of the Declaration until completion of the initial sale of each Lot, whether or not the initial sale occurs during or after the Development Period.

(b) Declarant's ACC Authority as To Initial Development of Lots. NOTWITHSTANDING ANY OTHER PROVISIONS HEREOF, DECLARANT HEREBY RESERVES AND RETAINS FULL AND EXCLUSIVE AUTHORITY OF THE ACC AS TO EACH LOT, AND THE RIGHT TO ENGAGE IN ANY AND ALL DEVELOPMENT AND SALES ACTIVITIES REGARDING EACH LOT, UNTIL COMPLETION OF THE INITIAL SALE OF EACH LOT, WHETHER OR NOT COMPLETION OF THE INITIAL SALE OCCURS DURING OR AFTER THE DEVELOPMENT PERIOD. DECLARANT'S AUTHORITY INCLUDES WITHOUT LIMITATION THE RIGHT TO ASSESS (WITHOUT FORMAL ADOPTION OF ARCHITECTURAL GUIDELINES) AND TO RECEIVE PAYMENT OF ARCHITECTURAL REVIEW FEES AS AUTHORIZED BY ARTICLE 4.02.2 OF THE DECLARATION.

A2.01.3 Approval of Builder ("Authorized Builder") By Declarant Required. During the Development Period no builders are permitted to construct any residence or appurtenant improvements upon any Lot or otherwise conduct any developmental and/or sales activities within the Subdivision other than those builders (if any, and whether one or more) which have been approved in advance in writing by Declarant (said approved builder or builders sometimes herein referred to as an "Authorized Builder"). Declarant's approval of any builder does not pass to any successor builder, and may not be otherwise transferred or assigned. Declarant's right to approve (or disapprove) any builder during the Development Period maybe assigned only to another "Declarant" as so designated in accordance with applicable provisions of this Declaration.

A2.01.4 "Completion of the Initial Sale" of Lot Defined. As used herein and in the Declaration and as to each Lot, "completion of the initial sale" means and occurs upon substantial completion of the construction of either a single family residence or duplex residence, as applicable, and related improvements upon the Lot and the sale of the Lot to a Person other than Declarant or a builder for use and occupancy of the Lot for either a single family residence or duplex residence.

A3.01 Declarant Authority and Exemption as to Assessments.

A3.01.1 DURING THE DEVELOPMENT PERIOD DECLARANT IS TO ESTABLISH ALL ASSOCIATION BUDGETS AND TO SET AND CHANGE THE RATE OF ANY REGULAR ASSESSMENTS AND/OR TO IMPOSE SPECIAL ASSESSMENTS AND/OR TO SET OR IMPOSE SPECIFIC ASSESSMENTS, UNILATERALLY, WITHOUT THE JOINDER, VOTE OR CONSENT OF THE BOARD, THE ACC, ANY COMMITTEE, ANY OWNER OR ANY OTHER PERSON, AND WITHOUT FURTHER FORMALITY THAN GIVING OF NOTICE THEREOF TO THE OWNERS TO THE EXTENT NOTICE BY THE ASSOCIATION WOULD OTHERWISE BE REQUIRED BY THE DECLARATION. DURING THE DEVELOPMENT PERIOD DECLARANT WILL ONLY BUDGET FOR SUCH OPERATING EXPENSES OF THE ASSOCIATION AS DECLARANT DEEMS TO BE ESSENTIAL TO THE OPERATION OF THE ASSOCIATION, AND DECLARANT'S DETERMINATIONS AS TO SAME (AND AS TO ANY OTHER MATTERS PERTAINING TO THE PROVISIONS OF THIS SECTION A3.01) ARE FINAL. IN ADDITION TO AND NOT IN LIMITATION OF THE FOREGOING, AND NOTWITHSTANDING ANY OTHER PROVISIONS OF THIS DECLARATION OR ANY OTHER GOVERNING DOCUMENTS, DURING THE DEVELOPMENT PERIOD DECLARANT IS NOT REQUIRED TO BUDGET FOR OR TO OTHERWISE COLLECT ANY FUNDS FOR PAYMENT OF ANY CAPITAL EXPENDITURES (DETERMINED IN ACCORDANCE WITH GENERALLY ACCEPTED ACCOUNTING PRINCIPLES), OR FOR PAYMENT TO OR FUNDING OF ANY CAPITAL, CONTINGENCY OR OTHER RESERVES.

A3.01.2 NOTWITHSTANDING ANY OTHER PROVISIONS OF THE DECLARATION OR ANY OTHER GOVERNING DOCUMENTS, DECLARANT IS EXEMPT FROM PAYMENT OF ANY ASSESSMENTS, ANNUAL, SPECIAL OR SPECIFIC, UNTIL THE FIRST DAY OF JANUARY FOLLOWING TERMINATION OF THE DEVELOPMENT PERIOD. DURING THE DEVELOPMENT PERIOD DECLARANT MAY ALSO EXEMPT ANY AUTHORIZED BUILDER (AS DEFINED IN SECTION A2.01) FROM PAYMENT OF REGULAR, SPECIAL OR SPECIFIC ASSESSMENTS AS AFORESAID, IN WHOLE OR IN PART. IN THE EVENT OF RE-ACQUISITION OF OWNERSHIP OF ANY LOT BY DECLARANT, THE AFORESAID EXEMPTION AS TO PAYMENT OF ASSESSMENTS SHALL AGAIN APPLY IN ACCORDANCE WITH THIS SECTION. The forgoing shall also apply to any Lot used by Declarant for a model residence or other development, marketing or sales purposes regardless of whether record title remains in Declarant (such as, for example but without limitation, in the case of the sale of a resident to an Owner and lease back to Declarant for use as a model). In such cases, completion of the initial sale as provided in Section A2.01 shall not be deemed to have occurred until the first day of the month following termination of any such use of the Lot by Declarant.

A3.01.3 In lieu of payment of assessments, Declarant will pay to the Association during the Development Period an amount, if any, equal to the Actual Operating Expenses of the Association less all funds available to the Association regardless of source and regardless of any principles of accrual or other accounting which might otherwise be applicable; PROVIDED, DECLARANT SHALL NEVER BE REQUIRED TO CONTRIBUTE MORE THAN AN AMOUNT EQUAL TO ONE-FOURTH OF THE AMOUNT OF REGULAR ANNUAL ASSESSMENTS WHICH WOULD OTHERWISE BE PAYABLE BY DECLARANT AS A CLASS A OWNER OF ONE OR MORE LOTS. "Funds available to the Association" shall include, without limitation, all assessments received from all other Owners subject to payment of assessments plus all other income received by the Association from any source (such as, for example, interest income). "Actual Operating Expenses" means only those expenses reasonably necessary during the Development Period for the discharge of the Association's functions and duties under the Declaration, and does not include payment of or funding for any capital expenditures (determined in accordance with generally accepted accounting principles), or any capital, contingency or other reserves, or any prepaid items, inventory or similar expenses attributable to periods after expiration or termination of the Development Period. Declarant will contribute to the Maintenance Fund as aforesaid from time to time as Declarant may determine.

A3.01.4 Notwithstanding anything to the contrary herein, Declarant may pay any deficit funding as above provided in services or materials or a combination of services and materials rather than in money (herein collectively called "in kind payment"). The amount of any in kind payment shall be the fair market value of the in kind payment.

A3.01.5 FROM TIME TO TIME DECLARANT MAY MAKE DEMAND FOR REPAYMENT BY THE ASSOCIATION FOR OR OFFSET ANY SURPLUS FUNDS

OF THE ASSOCIATION (BEING ALL FUNDS REMAINING AFTER PAYMENT OF ACTUAL OPERATING EXPENSES AS HEREIN DEFINED) AGAINST ALL DECLARANT CONTRIBUTIONS MADE BY DECLARANT DURING THE DEVELOPMENT PERIOD. "DECLARANT CONTRIBUTIONS" MEANS ALL DEFICIT FUNDING OR OTHER SUBSIDY PAYMENTS BY DECLARANT, ANY OTHER MONIES PAID BY DECLARANT ON BEHALF OF OR FOR THE BENEFIT OF THE ASSOCIATION AND/OR SUBDIVISION, INCLUDING WITHOUT LIMITATION ALL AD VALOREM TAXES AND OTHER ASSESSMENTS IN THE NATURE OF PROPERTY TAXES PAID FOR OR FAIRLY ALLOCABLE TO ANY COMMUNITY PROPERTIES, AND ALL IN KIND PAYMENTS, IF ANY. DECLARANT MAY FROM TIME TO TIME OFF-SET OR DEMAND AND RECEIVE REPAYMENT FROM SUCH SURPLUS FUNDS UP TO THE FULL AMOUNT OF DECLARANT CONTRIBUTIONS, AT ANY TIME EITHER DURING OR AFTER THE DEVELOPMENT PERIOD. EACH SUCH REPAYMENT SHALL BE DUE AND PAYABLE WITHIN THIRTY (30) DAYS AFTER DEMAND OR SUCH LONGER PERIOD AS MAY BE STATED IN THE DEMAND. REPAYMENT SHALL BE WITHOUT INTEREST IF PAID WITHIN THIRTY (30) DAYS OR SUCH LONGER PERIOD AS STATED IN THE DEMAND. THEREAFTER, INTEREST WILL ACCRUE AT THE RATE OF EIGHTEEN PERCENT (18%) PER ANNUM OR THE HIGHEST RATE ALLOWED BY LAW, WHICHEVER IS LESS.

A3.01.6 DECLARANT'S GOOD FAITH DETERMINATION OF ACTUAL OPERATING EXPENSES, SURPLUS FUNDS, DECLARANT CONTRIBUTIONS AND ANY OTHER MATTERS PERTAINING TO THE PROVISIONS OF THIS SECTION ARE FINAL.

A4.01 Election of "Owner Directors".

A4.01.1 A Declarant shall call the first meeting of Owners for election by Members of all members of the Board of Directors within a reasonable time after termination of the Development Period, and in any event not later than the 10th anniversary of the date of filing of this Declaration in the Official Public Records of Real Property of Collin County, Texas, or such earlier date as determined by Declarant (the "Owner Directors Election Meeting"). Declarant shall set the place, the time and the date (the "Owner Directors Election Meeting Date") of the Owner Directors Election Meeting, and notice thereof must be given to all Owners. Notwithstanding any other provisions hereof or of any other Governing Documents, any notices of or relating to the Owner Directors Election Meeting may be mailed by regular mail to the street address of each Lot and may be addressed to "Association Member" or similar generic term. There is no duty by any Person giving any such notice to confirm ownership or any other mailing address. All Owners, whether Class A or Class B Members, are entitled to vote at the Owner Directors Election Meeting. Declarant may appoint any persons to act as a chairperson and secretary for the Owner Directors Election Meeting, or, if Declarant does not do so, then the Owners shall elect the chairperson and/or secretary, as applicable, for the meeting as the first order of business of the meeting. The Owners shall otherwise conduct the Owner Directors

Election Meeting as provided in the Declaration, and in the Certificate of Formation and the Bylaws of the Association, and Declarant need not attend the meeting. The sole purpose of the Owner Directors Election Meeting is to conduct the election of all members of the Board of Directors ("Owner Directors") unless Declarant designates one or more other purposes in the notice of the meeting. All costs to call, notice and conduct the Owner Directors Election Meeting shall be paid from the Maintenance Fund. At the Owner Directors Election Meeting, the Owners shall elect three (3) Owner Directors in accordance with the Association's Bylaws.

A4.01.2 If one or more but less than all Owner Directors are elected at the Owner Directors Election Meeting, then the Owner Directors who have been elected, though less than a quorum, may appoint as many Owner Directors as needed to fill all remaining directorship positions. If no Owner Director is elected at the Owner Directors Election Meeting, then at any time until the expiration of ninety (90) days after the Owner Directors Election Meeting Date Declarant may appoint one (1) Owner Director who may in turn appoint all remaining Owner Directors. If no Owner Director is elected or appointed as aforesaid, then after expiration of the aforesaid ninety (90) day period any Owner may call, notice and conduct an alternate Owner Directors Election Meeting for the purpose of electing Owner Directors.

A4.01.3 Until expiration of one (1) year following the date of transfer of Declarant control as hereafter provided, Declarant must be (i) provided with true and correct copies of any and all notices given to Owners or Members and all other documents provided with that same prior to or at the same time any such notice and/or other document is given to Owners or Members, and (ii) given written notice of the name, mailing address, and, as applicable, home, work and facsimile telephone numbers, and electronic transmission (email) address of each Owner Director who is elected or appointed by Class A Members or by Owner Directors within ten (10) days after any applicable election or appointment.

A4.01.4 IF THE OWNERS FAIL TO ELECT AND DECLARANT DOES NOT APPOINT AT LEAST ONE (1) OWNER DIRECTOR NOT LATER THAN TWO (2) YEARS PLUS ONE (1) DAY AFTER THE OWNER DIRECTORS ELECTION MEETING, THEN ALL FUNDS REMAINING IN THE MAINTENANCE FUND, IF ANY, WILL BE DEEMED ABANDONED AND EXCLUSIVE OWNERSHIP THEREOF SHALL BE AUTOMATICALLY TRANSFERRED TO DECLARANT.

A5.01 Transfer of Declarant Control; Effect.

A5.01.1 THE DATE OF TRANSFER OF DECLARANT CONTROL IS THE DATE OF OCCURRENCE OF THE EARLIER OF (1) ELECTION BY OWNERS OR APPOINTMENT BY DECLARANT OF AT LEAST ONE (1) OWNER DIRECTOR, OR (2) NINETY DAYS AFTER THE OWNER DIRECTORS ELECTION MEETING DATE (AS DEFINED IN SECTION A4.01.1).

A5.01.2 ON THE DATE OF TRANSFER OF DECLARANT CONTROL (1) ALL OFFICERS, DIRECTORS AND/OR ACC MEMBERS THERETOFORE APPOINTED OR ELECTED BY DECLARANT (OTHER THAN OWNER DIRECTORS) ARE AUTOMATICALLY REMOVED FROM OFFICE AND FULLY RELIEVED THEREAFTER FROM ANY FURTHER RIGHTS, DUTIES, LIABILITIES AND RESPONSIBILITIES REGARDING THE ASSOCIATION, THE ACC OR THE SUBDIVISION, AND (2) THE ASSOCIATION AND ITS MEMBERS BECOME WHOLLY AND SOLELY RESPONSIBLE FOR THE MANAGEMENT, MAINTENANCE AND OPERATION OF THE ASSOCIATION AND ACC, AND OF THE SUBDIVISION, INCLUDING WITHOUT LIMITATION FULL AND SOLE ASSUMPTION BY THE ASSOCIATION OF ALL MAINTENANCE RESPONSIBILITIES OF THE ASSOCIATION.

A6.01 Community Properties; Landscaping.

A6.01.1 REGARDLESS OF DESIGNATION BY ANY PLAT OR OTHERWISE, DURING THE DEVELOPMENT PERIOD DECLARANT MAY AT ANY TIME AND FROM. TIME TO TIME (i) DESIGNATE, CONSTRUCT, OR EXPAND COMMUNITY PROPERTIES AND/OR SUBDIVISION FACILITIES, AND (ii) MODIFY, DISCONTINUE, RE-DESIGNATE OR IN ANY OTHER MANNER CHANGE THE COMMUNITY PROPERTIES AND/OR SUBDIVISION FACILITIES. WITHOUT LIMITATION OF THE FOREGOING, DECLARANT SPECIFICALLY RESERVES THE RIGHT AT ANY TIME DURING THE DEVELOPMENT PERIOD TO SELL OR OTHERWISE DISPOSE OF ANY "RESERVES" AND ANY OTHER SIMILAR AREAS, REGARDLESS OF DESIGNATION OF ANY SUCH AREA BY ANY PLAT OR OTHERWISE AS "RESTRICTED", "UNRESTRICTED", OR OTHER DESIGNATION. NEITHER THE FOREGOING NOR ANY OTHER PROVISIONS HEREOF SHALL BE CONSTRUED AS IN ANY MANNER CONSTITUTING ANY WARRANTY, REPRESENTATION, OR IMPLICATION WHATSOEVER THAT DECLARANT OR ANY BUILDER WILL UNDERTAKE ANY SUCH DESIGNATION, CONSTRUCTION, MAINTENANCE, EXPANSION, IMPROVEMENT OR REPAIR, OR THAT IF AT ANY TIME OR FROM TIME TO TIME UNDERTAKEN, ANY SUCH ACTIVITIES WILL CONTINUE, AND ANY SUCH REPRESENTATION, WARRANTY OR IMPLICATION IS HEREBY SPECIFICALLY DISCLAIMED.

A6.01.2 During the Development Period Declarant may provide and construct such Community Properties as Declarant may desire. Once provided or constructed, all costs and expenses of the operation, management, maintenance, repair and replacement of Community Properties, including all costs and expenses of insurance thereon and all ad valorem taxes and other assessments in the nature of property taxes covering or fairly allocable thereto, will be paid by the Association (either directly or by reimbursement to Declarant), regardless of whether or not title has been transferred or conveyed to the Association and regardless of whether or not any applicable contract, agreement or other arrangement for operation, management, maintenance, repair or replacement is in the name of, is procured through or has been transferred or assigned to the Association. The

Association will also pay as aforesaid all costs and expenses, regardless of type and including procurement, as to service type Subdivision Facilities such as any patrol, or any garbage or recycling services.

A6.01.3 Without limitation of Section A6.01 or any other provisions hereof, it is expressly stipulated and agreed that Declarant does not represent, guarantee or warrant the viability, vitality, type, quality, quantity or continued existence, maintenance or replacement of any landscaping within or in the vicinity of the Subdivision, and no Owner or any other Person shall ever have any claim whatsoever against Declarant or Declarant's Related Parties regarding, directly or indirectly, any landscaping. The foregoing applies to any and all landscaping, whether natural or pre-existing prior to initiation of any Development Activities (and hereafter defined), whether planted or otherwise maintained as part of Development Activities, and as to any change, removal or other modification of any landscaping. Once planted or otherwise provided, all costs and expenses of maintenance, replacement and/or removal of, and all risk of loss as to, all landscaping within any Community Properties or which is otherwise maintained by the Association shall be the sole responsibility of the Association, subject to Declarant's rights under Section A6.01.1.

A6.01.4 Declarant may transfer, convey or assign any or all Community Properties to the Association during the Development Period, and must do so within a reasonable time after termination of the Development Period. The Association is obligated to accept any conveyance and any other transfer of ownership of any Community Properties (as so designated by Declarant during the Development Period), regardless of whether the conveyance or other transfer occurs during or after the Development Period. The Association's acceptance as aforesaid is conclusively established upon filing of the applicable instrument of conveyance or other transfer in the Official Public Records of Real Property of Collin County, Texas, or as of the date of delivery of said instrument to the Association.

A6.01.5 ANY RIGHT, TITLE OR INTEREST TO ALL COMMUNITY PROPERTIES, REAL OR PERSONAL, WILL BE TRANSFERRED, CONVEYED OR ASSIGNED TO THE ASSOCIATION ON AN "AS IS", "WHERE IS" AND "WITH ALL FAULTS" BASIS, AND, EXCEPT FOR SPECIAL WARRANTY OF TITLE BY, THROUGH OR UNDER DECLARANT, WITHOUT ANY COVENANT, WARRANTY, GUARANTY OR REPRESENTATION WHATSOEVER, EXPRESS OR IMPLIED, OR ARISING BY OPERATION OF LAW.

A7.01 Easements.

A7.01.1 Declarant and any Authorized Builder as so designated by Declarant, and their agents or employees (including any contractor or subcontractor) are entitled during the Development Period to use and exercise all easements set forth in the Declaration for, and Declarant may grant or exercise such additional easements for ingress, egress and usage as is reasonably necessary for, construction of residences, providing and

development of utilities, Community Properties and/or Subdivision Facilities and any and all other Development Activities (as hereafter defined).

A7.01.2 In addition to the general easement as provided in the proceeding subsections until completion of the initial sale (as defined in Section A2.01 hereof) of all Lots, Declarant and any Authorized Builder shall have a temporary construction easement upon, under, over, across and above each Lot and all Community Properties for purposes of installation, construction and completion of the residence, garage and any other structures or improvements upon any adjacent Lot or Community Properties and the conducting of any other Development Activities (as hereafter defined) in relation thereto, provided that this easement shall not extend in any manner to the interior of any residence or garage and may not be utilized in such manner as to block ingress or egress as to same, and provided further that Declarant or any Authorized Builder utilizing this easement shall restore any parts of the Lot or Community Properties affected by such usage to as nearly as practicable the same condition it was prior to such usage promptly upon completion of such usage.

A8.01 Development Activities.

A8.01.1 Declarant, Declarant's Related Parties, any Authorized Builder, and the constructors, sub-contractors, suppliers, vendors, sales agents, realtors and all other related personnel of Declarant or an Authorized Builder (all such Persons sometime herein referred to as "Development Personnel") have the right to transact any business and conduct any activities reasonably necessary for all construction within, and all development of the Subdivision, and for the sale or rental of Lots and residences and any other improvements to be constructed within the Subdivision (all such construction, development, sales and all related business and activities herein referred to as "Development Activities"), including without limitation as set forth in this Section A8.01.

A8.01.2 Declarant (and any Authorized Builder), have the right to maintain models, to have, place and maintain sales and promotional signs, flags, banners and similar promotional devices within the Subdivision, to conduct from time to time an "open house" and similar events for realtors and other persons which may include without limitation leaving limited access gates (if any) open as hereafter provided, and to use for development, sales and/or promotional purposes all or any part of any Lot, including residence or other improvements located thereon, which is owned by Declarant or an Authorized Builder.

A8.01.3 DECLARANT MAY LEAVE LIMITED ACCESS GATES, IF ANY, OPEN FOR ANY PERIODS OF TIME (OR AT ALL TIMES) AND OTHERWISE PROVIDE FOR OR PERMIT ACCESS TO THE SUBDIVISION BY ANY DEVELOPMENT PERSONNEL INVOLVED IN ANY DEVELOPMENT ACTIVITIES, BY ANY PROSPECTIVE PURCHASERS, BY ANY SALES AGENTS OR REALTORS AND BY ANY OTHER PERSONS AS DECLARANT REASONABLY DETERMINES IS NECESSARY OR CONVENIENT TO ACCOMMODATE ANY DEVELOPMENT ACTIVITIES.

A8.01.4 Development Personnel may or will be required to and are hereby specifically hereby authorized to, engage in construction activities upon multiple Lots or Community Properties, to store equipment or materials on multiple Lots or Community Properties; to create accumulations of trash and debris, and to otherwise engage in activities and create conditions related to its development of the Subdivision, including the construction and sale of residences and any other improvements in the Subdivision. Without limitation of the foregoing, Declarant and any Authorized Builder are specifically authorized to engage in any of the foregoing activities and any other Development Activities at any times and on any days (including Sundays and holidays) as Declarant or the Authorized Builder deems necessary, subject to Declarant's right to reasonably regulate hours and days as to Authorized Builders.

A8.01.5 During the Development Period, Development Personnel may use for any Development Activities, without charge, any Community Properties (including Subdivision Facilities).

A8.01.6 Declarant (and any Authorized Builder) may permit temporary toilet facilities, sales and construction offices and storage areas to be used in connection with the construction and sale of residences at such locations as Declarant may direct. Declarant may also authorize usage of garages as sales offices during the Development Period. During all times when a garage is used as a sales office, there must be posted a conspicuous sign in such garage advising prospective purchasers that the area must be reconverted to and thereafter maintained as a garage upon the sale of the Lot. At the time of the sale of a residence, any garage appurtenant to any residence used for sales purposes must have been reconverted to a garage.

A8.01.7 Development Personnel may park vehicles at any locations within or in the vicinity of the Subdivision as is necessary to conducting of any Development Activities.

A8.01.8 Declarant may establish any reasonable regulations as to Owners and tenants, as to the Association, the Board and/or the ACC, as to any Related Parties of any of the foregoing, and as to any other Person, which Declarant deems appropriate to avoid hindrance or interference with any Development Activities, including limiting or denying access to areas of the Subdivision, designating temporary dumping sites, maintenance of metal buildings or structures and use of Community Properties and/or Subdivision Facilities in connection with its Developmental Activities.

A8.01.9 Except as stated in Section A8.01.5, all provisions of this Section A8.01 apply to each Lot owned by Declarant or an Authorized Builder until completion of the initial sale (as defined in Section A2.01) of the last Lot in the Subdivision, whether or not completion of the initial sale occurs during or after the Development Period.

A8.01.10 ABSENT INTENTIONAL AND WILLFUL MISCONDUCT, DECLARANT, ITS RELATED PARTIES AND ALL OTHER DEVELOPMENT

PERSONNEL (INCLUDING AS TO ANY AUTHORIZED BUILDER) ARE NOT LIABLE TO ANY OWNER OR TENANT, OR TO THE ASSOCIATION OR ACC, OR TO ANY RELATED PARTIES OF ANY OF THE FOREGOING, OR TO ANY OTHER PERSON FOR ANY CONSEQUENCES OF THE REASONABLE CONDUCTING OF ANY DEVELOPMENT ACTIVITIES.

A9.01 Amendment of Governing Documents or Plat; Designation of Community Properties; Annexation. During the Development Period Declarant reserves the sole and exclusive right, without joinder or consent of, and without notice of any kind to, any Owner or other Person, to (i) amend, modify, revise or repeal, from time to time and at any time, the Declaration (including this **Exhibit A**) and any other Governing Documents, (ii) prepare, amend, modify, revise or repeal any Plat covering or to cover the Subdivision, including without limitation, re-designation, reconfiguration, expansion, elimination and any other modifications or changes regarding any reserves (restricted or unrestricted), compensating open spaces, streets, Lots, Community Properties and any other areas or matter covered or affected by any Plat, (iii) designate, construct or expand the Community Properties, and to modify, discontinue, re-designate or in any other manner change the Community Properties, and (iv) annex and subject any other property to the scheme of the Declaration provided any such annexation is not inconsistent with the scheme of development contemplated hereby. During the Development Period, no other properties may be annexed or subjected to the scheme of the Declaration without the written consent of Declarant. Any such amendment, modification, revision, repeal or annexation shall be effective from and after filing of notice thereof in the Official Public Records of Real Property of Collin County, Texas, except to the extent expressly otherwise provided in the notice.

A10.01 Binding Arbitration; Limitations. Declarant may, by written request, whether made before or after institution of any legal action, require that any Dispute (as hereafter defined) be submitted to binding arbitration to be conducted in Collin County, Texas, in accordance with the Construction Industry Arbitration Rules (or substantial equivalent) of the American Arbitration Association. "Dispute" means any claim, demand, action or cause of action, and all rights and remedies regarding same, claimed or asserted by the Association, the ACC or any Owner, or by their Related Parties, against or adverse to Declarant, or to any Related Party of Declarant, regarding (i) the Declaration (including this **Exhibit A**) or any other Governing Documents, and/or (ii) any of Declarant's Development Activities within or regarding the Subdivision, including the construction of any residence or other improvement. The decision(s) of the arbitrator shall be final and binding, and judgment on the award rendered by the arbitrator may be entered in any court having jurisdiction thereof. The initial cost of such arbitration shall be borne equally by the parties, but the cost of such proceeding, including, without limitation, expert witness fees and reasonable attorney's fees, shall be awarded to the prevailing party. NOTICE OF ANY DISPUTE MUST BE GIVEN TO DECLARANT NOT LATER THAN ONE HUNDRED TWENTY (120) DAYS AFTER THE DATE THE DISPUTE ACCRUES, AND ANY SUIT REGARDING ANY DISPUTE MUST BE FILED IN A COURT OF COMPETENT JURISDICTION NOT LATER THAN TWO (2) YEARS PLUS ONE (1) DAY AFTER, THE DATE ANY CAUSE OF ACTION REGARDING THE DISPUTE ACCRUES.

A11.01 Notice to Declarant. All notices to Declarant, either during or after the Development Period, must be given to Declarant as provided in Section 5.255 of the Texas Business Organizations Code, as amended, at Declarant's registered office or principal office, and as otherwise provided in Section 10.05 of the Declaration.

A12.01 NO IMPAIRMENT OF DECLARANT'S RIGHTS. NOTWITHSTANDING ANY OTHER PROVISIONS OF THE DECLARATION OR ANY OTHER GOVERNING DOCUMENTS TO THE CONTRARY, NO PROVISIONS OF THIS **EXHIBIT A**, AND NO OTHER RIGHTS OR LIMITATIONS OF LIABILITY APPLICABLE TO DECLARANT PURSUANT TO THE DECLARATION, MAY BE AMENDED, MODIFIED, CHANGED OR TERMINATED EITHER DURING OR AFTER TERMINATION OF THE DEVELOPMENT PERIOD WITHOUT THE PRIOR WRITTEN CONSENT OF DECLARANT.

Unofficial

EXHIBIT B

DESCRIPTION OF PROPERTY

Being all Lots located in Blocks 1, 2, 3, 4, 5, 6, 7 and 9 of **HAZELWOOD SOUTH ADDITION**, an addition to the City of Princeton, Collin County, Texas, according to the Plat recorded in **Plat Book: 2024, Page: 434**, Plat Records of Collin County, Texas.

The Property subject to this Declaration does not include and expressly excludes Lots 1 and 1X, Block 8 of **HAZELWOOD SOUTH ADDITION**, an addition to the City of Princeton, Collin County, Texas, according to the Plat recorded in **Plat Book: 2024, Page: 434**, Plat Records of Collin County, Texas

Unofficial

Collin County
Honorable Stacey Kemp
Collin County Clerk

Instrument Number: 2024000059606

eRecording - Real Property

DECLARATION

Recorded On: May 17, 2024 03:45 PM

Number of Pages: 79

" Examined and Charged as Follows: "

Total Recording: $333.00

Unofficial

********** **THIS PAGE IS PART OF THE INSTRUMENT** **********
Any provision herein which restricts the Sale, Rental or use of the described REAL PROPERTY because of color or race is invalid and unenforceable under federal law.

File Information:

Document Number: 2024000059606
Receipt Number: 20240517000482
Recorded Date/Time: May 17, 2024 03:45 PM
User: Jennifer S
Station: Workstation cck163

Record and Return To:

Simplifile

STATE OF TEXAS
COUNTY OF COLLIN

I hereby certify that this Instrument was FILED **In the File Number sequence on the date/time printed hereon, and was duly** RECORDED **in the Official Public Records of Collin County, Texas.**

Honorable Stacey Kemp
Collin County Clerk
Collin County, TX