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**DECLARATION OF  
PRESTON CIRCLE OFFICE PARK,  
A CONDOMINIUM COMMUNITY**

**City of Frisco, Collin County, Texas**

**Declarant**

**Preston Circle Office Park, LLC**

**DECLARATION OF  
PRESTON CIRCLE OFFICE PARK,  
A CONDOMINIUM COMMUNITY**

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## DECLARATION

OF

### PRESTON CIRCLE OFFICE PARK, A CONDOMINIUM COMMUNITY

Preston Circle Office Park, LLC, a Texas limited liability company (“Declarant”), owns the real property described in Appendix A of this Declaration. By recording this Declaration, Declarant submits the property described in Appendix A to the provisions of the Uniform Condominium Act, Chapter 82 of the Texas Property Code, for the purpose of creating Preston Circle Office Park, a Condominium Community.

Declarant DECLARES that the property described in Appendix A will be held, transferred, sold, conveyed, leased, occupied, used, insured, and encumbered subject to the terms, covenants, conditions, restrictions, and easements of this Declaration, including Declarant’s representations and reservations in the attached Appendix E, which run with the real property and bind all parties having or acquiring any right, title, or interest in the property, their heirs, successors, and assigns, and inure to the benefit of each owner of the property.

#### ARTICLE 1

#### DEFINITIONS

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

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

1.1.2. “Areas of Common Responsibility” means those portions of units that are designated from time to time, by the Association to be maintained, repaired, and replaced by the Association, as a common expense, as if the portions were common elements.

1.1.3. “Assessment” means any charge levied against a unit or owner by the Association, pursuant to the Documents and the Act, including but not limited to Annual Assessments, Special Assessments, Individual Assessments, and Deficiency Assessments, as defined in Article 5 of this Declaration.

1.1.4. **“Bylaws”** means the bylaws of the Association, as they may be amended from time to time.

1.1.5. **“Common Elements”** means and includes all the property described on Appendix A, and all improvements located thereon, except the units as described in Article 3.

1.1.6. **“Declarant”** means Preston Circle Office Park, LLC, a Texas limited liability company, which is developing the Property, or its successor.

1.1.7. **“Declarant Control Period”** means that period of time, beginning the date this Declaration is recorded, during which Declarant controls the operation and management of the Association, pursuant to Appendix E of this Declaration.

1.1.8. **“Declaration”** means this document, as it may be amended from time to time.

1.1.9. **“Development Rights”** means the rights reserved by Declarant under Appendix E of this Declaration to create units, general common elements, and limited common elements within the Property.

1.1.10. **“Director”** means a member of the Association’s board of directors.

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

1.1.12. **“Majority”** means more than half.

1.1.13. **“Member”** means a member of the Association, each member being an owner of a unit, unless the context indicates that member means a member of the board or a member of a committee of the Association.

1.1.14. **“Mortgagee”** means a holder, insurer, or guarantor of a purchase money mortgage secured by a recorded senior or first deed of trust lien against a unit.

1.1.15. **“Occupant”** means a business-related occupant of a unit, regardless of whether the person owns the unit.

1.1.16. **“Officer”** means an officer of the Association.

1.1.17. **“Owner”** means a holder of recorded fee simple title to a unit. Declarant is the initial owner of all units. Contract sellers and mortgagees who acquire title to a unit

through a deed in lieu of foreclosure or through judicial or nonjudicial foreclosure are owners. Persons or entities having ownership interests merely as security for the performance of an obligation are not owners. Every owner is a member of the Association.

1.1.18. **“Property”** means all the land subject to this Declaration and all improvements, easements, rights, and appurtenances to the land.

1.1.19. **“Rules”** means rules and regulations adopted by the board in accordance with the Documents or the Act.

1.1.20. **“Unit”** means the elements of an individual condominium unit which are not owned in common with the Owners of the other condominium units in the Project in accordance with the Schedule of Allocated Interests attached hereto as Appendix C, and as shown on the Plats and Plans attached hereto as Appendix D, and each unit shall include the air space assigned thereto. The boundaries of each such unit shall be and are the interior surfaces of the perimeter walls, floors, roof deck, window frames, doors, door frames, and trim; and the space includes both the portions of the building so described and the air space so encompassed, excepting the Common Elements. In interpreting deeds, mortgages, deeds of trust, and other instruments, the existing physical boundaries of the unit reconstructed in substantial accordance with the original plans thereof shall be conclusively presumed to be its boundaries, regardless of settling, rising, or lateral movement of the building and regardless of variances between boundaries shown on the Plats and those of the building. The individual ownership of each unit space herein defined shall further include the interior construction, attic, partitions, appliances, fixtures, and improvements which are intended to exclusively serve such unit space, such as interior room walls, floor coverings or finish, closets, cabinets, shelving, individual bathroom and kitchen fixtures, plumbing and appliances, individual lighting and electrical fixtures and other separate items or chattels belonging exclusively to such unit, any of which may be removed, replaced, disposed of, or otherwise treated without affecting the use or enjoyment of any other unit space or ownership. None of the land in this Project on which any unit space or porch space is located shall be separately owned, as all land in this Project shall constitute part of the “Common Elements” of the Property as herein defined.

## ARTICLE 2

### **NAMES, LOCATION, AND DESCRIPTION**

2.1. PROPERTY NAME The name of the Property is PRESTON CIRCLE OFFICE PARK, a Condominium Community.

2.2. ASSOCIATION NAME & TYPE. The name of the Association is Preston Circle Office Park Owners Association, Inc. The Association was chartered as a Texas nonprofit corporation on August 8, 2015, under Filing Number 802269270.

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

2.4. PROPERTY DESCRIPTION. The Property is located on land described in Appendix A to this Declaration, and includes every unit and all common elements thereon.

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

2.6. MERGER. Merger or consolidation of the Association with another association must be evidenced by an amendment to this Declaration. The amendment must be approved by owners representing at least two-thirds ( $\frac{2}{3}$ <sup>rds</sup>) of the total allocated votes. Upon merger or consolidation of the Association with another association, the property, rights, and obligations of another association may, by operation of law, be added to the properties, rights, and obligations of the Association as a surviving corporation pursuant to the merger. The surviving or consolidated association may administer the provisions of the Documents within the Property, together with the covenants and restrictions established upon any other property under its jurisdiction. No merger or consolidation, however, will effect a revocation, change, or addition to the covenants established by this Declaration within the Property.

### ARTICLE 3

#### **UNITS AND LIMITED COMMON ELEMENTS**

3.1. UNIT BOUNDARIES. The boundaries and three (3)- or four (4)-digit identifying number of each unit are shown on the Schedule of Allocated Interests attached as Appendix C and the Plats and Plans attached as Appendix D. The boundaries are further described as follows:

3.1.1. Lower Horizontal Boundary: The top surface of the concrete slab foundation is the unit's lower horizontal boundary.

3.1.2. Upper Horizontal Boundary: The inside surface of the roof deck over the respective attic area is the unit's upper horizontal (even though perhaps sloped) boundary.

3.1.3. Vertical Perimeter Boundaries - Interior Walls: On interior boundary walls, the unit's vertical boundaries are outside of the drywall surface, immediately under the paint and interior surfaces of the walls, closed doors, and closed windows, plus the inside surface of the roof deck over the attic.

3.1.4. Vertical Perimeter Boundaries - Party Walls: On party walls -- walls between 2 units -- the unit's vertical boundaries are the planes defined by the midpoints of the party wall. The unit on each side of a party wall extends to the middle of the party wall.

3.1.5. What the Unit Includes: Each unit includes the spaces and improvements within the above-described vertical and horizontal boundaries, including the attached overhead attic area. In other words, the unit includes the portion of the building in which the office and attic are located. Each unit also includes the following improvements and equipment serving the unit exclusively, whether located inside or outside the unit, whether or not attached to or contiguous with the unit: space heaters or furnace, water heaters, air conditioners (and the concrete pad on which the exterior unit may sit), utility meters, fuse boxes, electrical switches, wiring, pipes, ducts, conduits, smoke detectors, security systems, television antenna, lighting fixtures, telephone and electrical receptacles, and skylights.

3.1.6. Exclusions: Except as specifically included above, each unit excludes the spaces and improvements lying outside of the vertical and horizontal boundaries. Each unit also excludes any chute, pipe, flue, duct, wire, or conduit running through a unit for the purpose of furnishing utility and similar services to other units and common elements or both, including, without limitation, the fire suppression/sprinkler system installed in all buildings within the Project.

3.1.7. Inconsistency with Plans: If this definition is inconsistent with the Plats and Plans, then this definition will control.

3.1.8. Representations of Size: The space contained within the unit's vertical and horizontal boundaries is not related to the size of the unit's office areas. Similarly, the units are initially marketed on the basis of a limited number of representational floor plans, each of which is marked with a rounded and estimated size of air-conditioned space, taken from pre-construction architectural drawings. Those marketing sizes bear no relation to the size of the space contained within the unit's vertical and horizontal boundaries.

3.2. INITIAL DESIGNATIONS OF LIMITED COMMON ELEMENTS. The following portions of the common elements are limited common elements assigned to the units as stated:

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

3.2.2. Appurtenant Areas. Only to the extent they are not part of the unit, the front porches, patios (if any), decks (if any), and fenced yards (if any) which are

obviously intended for the sole and exclusive use of the unit to which the area is appurtenant are deemed limited common elements, whether or not the area is so designated on Plats and Plans. If the boundaries of any patio, deck, or fenced yard change -- with the board's approval -- the altered boundaries of the patio, deck, or fenced yard are the boundaries of the limited common element.

3.2.3. Parking Spaces. None of the parking spaces are specifically reserved for, or allocated to, any particular unit. Parking spaces depicted on the Plats and Plans are general common elements, even though a space may be located on a driveway that appears to serve only 1 or 2 units.

3.3. SUBSEQUENT ALLOCATION OF LIMITED COMMON ELEMENTS. A common element not allocated by this Declaration as a limited common element may be so allocated only pursuant to the provisions of this Article. Declarant reserves the right, under Section E.3.b. of Appendix E of this Declaration, to create limited common elements within the Property.

3.4. REALLOCATION OF LIMITED COMMON ELEMENTS. A limited common element may not be reallocated, except by amendment. A reallocating amendment requires the approval of all owners and mortgagees of units whose interests are to be allocated or reallocated. The parties executing the amendment will provide an executed copy of the amendment to the Association, which will record it, provided that the amendment complies with the provisions of this Declaration and the Act. The amendment must contain words of conveyance and must be recorded and indexed in the names of the parties and the Property. The amendment will specify to which unit or units the limited common element is allocated. The parties executing the amendment are responsible for the preparation of the amendment and will reimburse the Association for its reasonable attorneys' fees in connection with review and recording of the amendment.

## ARTICLE 4

### ALLOCATED INTERESTS

4.1. ALLOCATION OF INTERESTS. The table showing the identifying number and allocated interests of each unit is attached as Appendix C. The interests have been allocated in accordance with the formulas set out in this Article. The same formulas are to be used in reallocating interests if units are added to the Property. The date on which the amendment creating additional units is recorded in the county's real property records is the effective date for assigning allocated interests to those units. The interests allocated to each unit are calculated by the following formulas.

4.2. COMMON ELEMENT INTERESTS. The share of undivided interest in the common elements allocated to each unit is calculated by dividing the approximate interior floor area of each unit (measured from the inside of perimeter walls of the unit) by the total floor area of all units in the Property.

4.3. COMMON EXPENSE LIABILITIES. The share of liability for common expenses allocated to each unit is based on its undivided interest in the common elements and is generally calculated by dividing the approximate interior floor area of each unit (measured from the inside of perimeter walls of the unit) by the total floor area of all units in the Property.

4.4. VOTES. The total number of votes equals one hundred. The vote appurtenant to each unit shall be in proportion to the percentage interest in the common elements appurtenant to such unit. Thus, if a unit has a five percent (5%) interest in the common elements, the owner of that unit will have five (5) votes.

## ARTICLE 5

### COVENANT FOR ASSESSMENTS

5.1. PURPOSE OF ASSESSMENTS. The Association will use Assessments for the general purposes of preserving and enhancing the Property, and promoting the office and business climate, common benefit, and enjoyment of owners and occupants, including but not limited to maintenance of real and personal property, management and operation of the Association, and any expense reasonably related to the purposes for which the Property was developed. If made in good faith, the board's decision with respect to the use of Assessments is final.

5.2. PERSONAL OBLIGATION. An owner is obligated to pay Assessments levied by the board against the owner or his unit. Payments are made to the Association at its principal office or at any other place the board directs. Payments must be made in full regardless of whether an owner has a dispute with the Association, another owner, or any other person or entity regarding any matter to which this Declaration pertains. No owner may exempt himself from his Assessment liability by waiver of the use or enjoyment of the common elements or by abandonment of his unit. An owner's obligation is not subject to offset by the owner. Payment of Assessments is both a continuing affirmative covenant personal to the owner and a continuing covenant running with the unit.

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

#### 5.4. REGULAR ASSESSMENTS.

5.4.1. Purpose of Regular Assessments. Regular Assessments are used for common expenses related to the reoccurring, periodic, and anticipated responsibilities of the Association, including but not limited to:

- a. Maintenance, repair, and replacement, as necessary, of the common elements, and improvements, equipment, signage, and property owned by the Association.

- b. Maintenance, repair, and replacement, as necessary, of the Areas of Common Responsibility.
- c. Utilities billed to the Association.
- d. Services billed to the Association and serving all units, such as trash removal and pest control.
- e. Taxes on property owned by the Association and the Association's income taxes.
- f. Management, legal, accounting, auditing, and professional fees for services to the Association.
- g. Costs of operating the Association, such as telephone, postage, office supplies, printing, meeting expenses, and educational opportunities of benefit to the Association.
- h. Insurance premiums and deductibles.
- i. Contributions to the reserve funds.
- j. Any other expense which the Association is required by law or the Documents to pay, or which in the opinion of the board is necessary or proper for maintenance of the Property, operation of the Association, or enforcement of the Documents.

5.4.2. Annual Budget. The board will prepare and approve an estimated annual budget for each fiscal year. The budget will take into account the estimated income and common expenses for the year, contributions to reserve funds, and a projection for uncollected receivables. The board will make the budget or its summary available to an owner of each unit, although failure to receive a budget or summary does not affect an owner's liability for Assessments. The board will provide copies of the detailed budget to owners who make written request and pay a reasonable copy charge.

5.4.3. Basis of Regular Assessments. Regular Assessments will be based on the annual budget, minus estimated income from sources other than Regular Assessments. Each unit will be liable for its allocated share of the annual budget. If the board does not approve an annual budget or fails to determine new Regular Assessments for any year, or delays in doing so, owners will continue to pay the Regular Assessment as last determined.

5.4.4. Supplemental Increases. If during the course of a year the board determines that Regular Assessments are insufficient to cover the estimated common

expenses for the remainder of the year, the board may increase Regular Assessments for the remainder of the fiscal year in an amount that covers the estimated deficiency.

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

- a. Acquisition of real property.
- b. Construction of additional improvements to the Property - not repair or replacement of existing improvements.
- c. Any expenditure that may reasonably be expected to significantly increase the Association's responsibility and financial obligation for operations, insurance, maintenance, repairs, or replacement.

5.6. INDIVIDUAL ASSESSMENTS. In addition to Regular and Special Assessments, the board may levy an Individual Assessment against a unit and its owner. Individual Assessments may include, but are not limited to: interest, late charges, and collection costs on delinquent Assessments; reimbursement for costs incurred in bringing an owner or his unit into compliance with the Documents, fines for violations of the Documents; insurance deductibles; submetered utilities serving the unit; reimbursement for damage or waste caused by willful or negligent acts; common expenses that benefit fewer than all of the units, which may be assessed according to benefit received, and "pass through" expenses for services to units provided through the Association and which are equitably paid by each unit according to benefit received.

5.7. DEFICIENCY ASSESSMENTS. The board may levy a Deficiency Assessment against all units for the purpose of defraying, in whole or in part, the cost of repair or restoration if insurance proceeds or condemnation awards prove insufficient.

5.8. CONTROL FOR ASSESSMENT INCREASES. At least 30 days prior to the effective date of a Special Assessment or increase in Regular Assessments, the board will notify an owner of each unit of the amount of, the budgetary basis for, and the effective date of the Special or increased Regular Assessment. The Special Assessment or increase will automatically become effective unless owners representing at least a majority of the votes in the Association disapprove the Special Assessment or increase by petition or at a meeting of the Association. In that event, the last-approved budget will continue in effect until a revised budget is approved.

5.9. RESERVE FUNDS. The Association will establish, maintain, and accumulate reserves for operations and for replacement and repair. The Association will budget for reserves and use its best efforts to fund reserves out of Regular Assessments.

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

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

5.10. ASSOCIATION'S RIGHT TO BORROW MONEY. The Association is granted the right to borrow money, subject to the consent of owners representing at least a majority of the votes in the Association and the ability of the Association to repay the borrowed funds from Assessments. To assist its ability to borrow, the Association is granted the right to encumber, mortgage, pledge, or deed in trust any of its real or personal property, and the right to assign its right to future income, as security for money borrowed or debts incurred, provided that the rights of the lender in the pledged property are subordinate and inferior to the rights of the owners hereunder.

## ARTICLE 6

### ASSESSMENT LIEN

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

6.2. SUPERIORITY OF ASSESSMENT LIEN. The Assessment lien is superior to all other liens and encumbrances on a unit, except only for (a) real property taxes and assessments levied by governmental and taxing authorities and (b) a purchase money vendor's lien or deed of trust lien recorded before the date on which the delinquent Assessment became due. The Assessment lien is superior to a lien for construction of improvements to the unit or an assignment of the right to insurance proceeds on the unit, regardless of when recorded or perfected.

6.3. EFFECT OF MORTGAGEE'S FORECLOSURE. A Mortgagee's foreclosure of its deed of trust lien extinguishes the Association's claim against the unit for unpaid Assessments that became due before the sale, but does not extinguish the Association's claim against the former owner. The purchaser at the Mortgagee's foreclosure sale is liable for assessments coming due from and after the date of the sale, and for the owner's pro rata share of the pre-foreclosure deficiency as a common expense.

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

6.5. POWER OF SALE. By accepting an interest in or title to a unit, each owner grants to the Association a private power of nonjudicial sale in connection with the Association's Assessment lien. The board may appoint, from time to time, an officer, agent, trustee, substitute trustee, or attorney to exercise the power of sale on behalf of the Association. The appointment must be in writing and may be in the form of a resolution recorded in the minutes of a board meeting.

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

## ARTICLE 7

### **EFFECT OF NONPAYMENT OF ASSESSMENTS**

An Assessment is delinquent if the Association does not receive payment in full by the Assessment's due date. The board is responsible for taking action to collect delinquent Assessments. Neither the board nor the Association, however, is liable to an owner or other person for its failure or inability to collect or attempt to collect an Assessment. The following remedies are in addition to and not in substitution for all other rights and remedies which the Association has.

7.1. INTEREST. Delinquent Assessments are subject to interest from the due date until paid, at a rate to be determined by the board from time to time, not to exceed the lesser of eighteen percent (18%) or the maximum permitted by law. If the board fails to establish a rate, the rate is ten percent (10%) per annum. Interest is an Individual Assessment.

7.2. LATE FEES. Delinquent Assessments are subject to reasonable late fees, at a rate to be determined by the board from time to time. Late fees are an Individual Assessment.

7.3. COLLECTION EXPENSES. The owner of a unit against which Assessments are delinquent is liable to the Association for reimbursement of reasonable costs incurred by the

Association to collect the delinquent Assessments, including attorneys' fees and processing fees charged by the manager. Collection costs are an Individual Assessment.

7.4. ACCELERATION. If an owner defaults in paying an Assessment that is payable in installments, the board may accelerate the remaining installments on ten (10) days' written notice to the defaulting owner. The entire unpaid balance of the Assessment becomes due on the date stated in the notice.

7.5. SUSPENSION OF USE AND VOTE. If an owner's account has been delinquent for at least 30 days, the board may suspend the right of owners and occupants to use common elements and common services during the period of delinquency. The board may not suspend an owner or occupant's right of access to the unit. The board may suspend the right to vote appurtenant to the unit. Suspension does not constitute a waiver or discharge of the owner's obligation to pay assessments.

7.6. MONEY JUDGMENT. The Association may file suit seeking a money judgment against an owner delinquent in the payment of Assessments, without foreclosing or waiving the Association lien for Assessments.

7.7. NOTICE TO MORTGAGEE. The board may notify and communicate with any holder of a lien against a unit regarding the owner's default in payment of Assessments.

7.8. APPLICATION OF PAYMENTS. The board may refuse to accept partial payment, i.e., less than the full amount due and payable. The board may also refuse to accept payments to which the payer attaches conditions or directions contrary to the board's policy for applying payments. The Association's endorsement and deposit of a payment does not constitute acceptance. Instead, acceptance by the Association occurs when the Association posts the payment to the unit account, if the Association does not accept the payment at that time, it will promptly refund the payment to the payer.

## ARTICLE 8

### **MAINTENANCE AND REPAIR OBLIGATIONS**

8.1. ASSOCIATION MAINTAINS. The Association's maintenance obligations will be discharged when and how the board deems appropriate. The Association maintains, repairs, and replaces, as a common expense, the portions of the Property listed below, regardless of whether the portions are units or common elements.

- a. All general common elements, including, but not limited to, driveways, sidewalks, all landscaping, mailboxes, parking spaces.
- b. All limited common elements, including fences and gates and front porches.

- c. Any exterior light fixtures served by the Association's electrical meter.
- d. The Areas of Common Responsibility.

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

8.3. OWNER RESPONSIBILITY: Every owner has the following responsibilities and obligations for the maintenance, repair, and replacement of the Property:

8.3.1. To maintain, repair, and replace his unit, except any components designated as Areas of Common Responsibility.

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

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

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

8.3.5. To be responsible for his own willful or negligent acts and those of any occupant of such owner's unit, or the guests, agents, employees, business invitees, licensees, or contractors of such owner or occupant when those acts necessitate maintenance, repair, or replacement to the common elements, the Areas of Common Responsibility, or the property of another owner. Without limitation of the foregoing, an owner shall be responsible for any damage caused to the property of another person by reason of such owner's willful or negligent acts, and the willful or negligent acts of any occupant of such owner's unit, or the guests, agents, employees, business invitees, licensees and contractors of such owner or occupant which affect the fire suppression/sprinkler system, including damage caused by a willful or negligent act which causes the system to be activated, including the cost to reset the system.

8.4. OWNER'S DEFAULT IN MAINTENANCE. If the board determines that an owner has failed to properly discharge his obligation to maintain, repair, and replace items for which the owner is responsible, the board may give the owner written notice of the Association's intent to provide the necessary maintenance at owner's expense. The notice must state, with reasonable particularity, the maintenance deemed necessary and a reasonable period of time in which to complete the work. If the owner fails or refuses to timely perform the maintenance, the Association may do so at owner's expense, which is an Individual Assessment against the owner and his unit. In case of an emergency, however, the board's responsibility to give the owner written notice may be waived and the board may take any action it deems necessary to protect persons or property, the cost of the action being the owner's expense.

## ARTICLE 9

### **PROPERTY EASEMENTS AND RIGHTS**

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

9.2. RECORDED EASEMENTS AND LICENSES. The attached Appendix B contains a description of and the recording data for recorded easements and licenses appurtenant to or included in the Property or to which any portion of the Property is or may become subject by reservation in this Declaration.

9.3. OWNER'S EASEMENT OF ENJOYMENT. Every owner is granted a right and easement of enjoyment over the general common elements and to use of improvements therein, subject to other rights and easements contained in the Documents. An owner may delegate this right of enjoyment to the occupants of his unit.

9.4. OWNER'S MAINTENANCE EASEMENT. Every owner is granted an easement over adjoining units and common elements for the maintenance or reconstruction of his unit, subject to the consent of the owner of the adjoining unit, or the Association in the case of common elements, and provided the easement does not damage or materially interfere with the use of the adjoining unit or common element. Requests for entry to an adjoining unit or common element will be made in advance for a time reasonably convenient for the adjoining owner, who may not unreasonably withhold consent. If an owner damages an adjoining unit or common element in exercising this easement, the owner is obligated to restore the damaged property to its original condition, at his expense, within a reasonable period of time.

9.5. OWNER'S INGRESS/EGRESS EASEMENT. Every owner is granted a perpetual easement over the Property, as may be reasonably required but subject to the other provisions within this Declaration, for unrestricted ingress to and egress from his unit or the appurtenant limited common elements.

9.6. OWNER'S ENCROACHMENT EASEMENT. Every owner is granted an easement for the existence and continuance of any encroachment by his unit on any adjoining unit or common element now existing or which may come into existence hereafter, as a result of construction, repair, shifting, settlement, or movement of any portion of a building, or as a result of condemnation or eminent domain proceedings, so that the encroachment may remain undisturbed so long as the improvement stands.

9.7. ASSOCIATION'S ACCESS EASEMENT. The Association is granted an easement of access and entry into every unit and common element to perform maintenance, to enforce architectural and use restrictions, to respond to emergencies, and to perform any other duties required by the Documents.

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

READERS, PLEASE PAY PARTICULAR HEED TO  
THE NEXT PROVISION TITLED "SECURITY".

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

## ARTICLE 10

### **ARCHITECTURAL COVENANTS AND CONTROL**

10.1. PURPOSE. Because the units are part of a single, unified community, the Association has the right and responsibility to regulate the exterior design, use, and appearance of the units and common elements in order to preserve and enhance the Property's value and architectural harmony.

10.2. PROHIBITION OF ALTERATION AND IMPROVEMENT. A person may not make any addition, alteration, or improvement to the Property, or do anything that affects the appearance, use, or structural integrity of the Property, without the prior written consent of the board. Prohibited acts include, but are not limited to the following:

- a. installation of an exterior antenna, microwave or satellite dish, receiving or transmitting tower, ornamental iron or burglar bars, storm window or door, exterior lighting, storage shed, free standing mailbox, trash can enclosure, patio cover or enclosure, chimney, skylight, or exterior holiday decorations;
- b. installation of equipment that may create a noise annoyance, such as noise-producing security devices and exterior pumps;
- c. installation of walls, screens, fences, gates, or carports;
- d. installation of impermeable decking or other improvement that may interfere with established drainage patterns; and
- e. window treatments (e.g. blinds, draperies, sheers, shutters, etc.), which are reasonably visible as a portion of the overall exterior appearance.

10.3. BOARD APPROVAL. An owner may not start or maintain construction, alteration, addition, installation, modification, redecoration, or reconstruction of any component of the Property without the board's prior approval. To request board approval, an owner must make written application, including plans and specifications showing the nature, kind, shape, color, size, materials, and locations of the work to be performed. The board will retain the application, including plans and specifications, for the Association's files.

10.4. DEEMED APPROVAL. If an owner has not received the board's written approval or denial within ninety-one (91) days after delivering his application to the board, the owner may presume that his request has been approved by the board. The owner may then proceed with the improvement, provided he adheres to the plans and specifications which accompanied his application, and provided he initiates and completes the improvement in a timely manner.

10.5. PRIOR APPROVAL. Notwithstanding the foregoing, no permission or approval is required for work that strictly complies with guidelines, plans, specifications, or policies previously developed and approved for all units by the board and still in effect at the time work is initiated. Written approval for specified improvements or alterations on certain units or limited common elements does not constitute approval for all units and limited common elements.

10.6. NO APPROVAL REQUIRED. No approval is required to rebuild a unit in accordance with originally approved plans and specifications. Nor is approval required for an owner to remodel or repaint the interior of a unit, provided the work does not impair the structural soundness of the building.

## ARTICLE 11

### LIMITATIONS ON UNIT LEASING

11.1. LEASING. Subject to all the provisions herein below, leasing of the units is permitted.

11.2. CONDITIONS OF LEASE. Notwithstanding the prior Section's permission to lease, (a) no unit may be rented for transient or residential purposes or for a period less than seven (7) days; (b) no unit may be subdivided for rent purposes, and not less than an entire unit may be leased; (c) all leases must be in writing and must be made subject to the Documents; (d) an owner is responsible for providing his tenant with copies of the Documents and notifying him of changes thereto; and (e) each tenant is subject to and must comply with all provisions of the Documents, federal and State laws, and local ordinances.

11.3. EVICTON OF TENANTS. Every lease agreement on a unit, whether written or oral, express or implied, is subject to and is deemed to include the following provisions:

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

11.3.2. Association as Attorney-in-Fact. Notwithstanding the absence of an express provision in the lease agreement for enforcement of the Documents by the Association, each owner appoints the Association as his attorney-in-fact, with full authority to act in his place in all respects, solely for the purpose of enforcing the Documents against his tenants, including but not limited to the authority to institute

forcible detainer proceedings against his tenant on his behalf, provided the Association gives the owner at least ten (10) days' notice, by certified mail, of its intent to so enforce the Documents.

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

11.4. LIMITED RIGHT OF FIRST REFUSAL. The Association has the right to purchase or lease a unit or to provide a substitute buyer or lessee at the same price, terms, and conditions that have been accepted by the selling owner or lessor, if the board believes that the exercise of this right will be in the best interests of the Association. Each selling owner or lessor must give the Association notice of the price, terms, and conditions of a sales or lease contract that has been accepted by the owner or lessor. If the Association does not exercise its right to purchase or lease within ten (10) days after receiving the selling or leasing owner's notice of proposed sale or lease, the right will be deemed waived.

11.5. MORTGAGEES AND DECLARANT EXEMPT. A Mortgagee acquiring possession of or title to a unit by exercise of its rights under a deed of trust is exempt from the effect of this Article. This exemption does not pass to the Mortgagee's successors and assigns. During the Development Period, Declarant is exempt from the effect of this Article.

## ARTICLE 12

### USE RESTRICTIONS

12.1. ASSOCIATION'S RIGHT TO PROMULGATE RULES. The Association, acting through its board, is granted the right to adopt, amend, repeal, and enforce reasonable Rules, and penalties for infractions thereof, regarding the occupancy, use, disposition, maintenance, appearance, and enjoyment of the Property.

12.2. RULES AND REGULATIONS. In addition to the restrictions contained in this Article, each unit is owned and occupied subject to the right of the board to establish Rules, and penalties for infractions thereof, governing:

- a. The types, sizes, numbers, conditions, uses, and locations of motorized vehicles on the Property.
- b. The use of the private street and driveways within the Property, including speed limits and parking restrictions.
- c. The disposal of trash, including types and locations of containers.

- d. Hazardous, illegal or annoying materials or activities in and upon the Property.
- e. The use and maintenance of a private security system for the Property.
- f. The occupancy and leasing of units.
- g. The wasteful consumption of utilities billed to the Association.
- h. The use, maintenance, and appearance of windows, porches, patios, and yards visible from the street or other units.
- i. Exterior signage.
- j. Operation of the fire suppression/sprinkler system existing within each building (and unit) within the Project, in compliance with applicable laws and ordinances.
- k. Anything that interferes with maintenance of the Property, operation of the Association, administration of the Documents, or the quality of life for occupants.

12.3. OFFICE USE. The use of a unit is limited exclusively to office, business and professional purposes and any incidental use permitted by this Declaration. No portion of any unit shall ever be used for residential, restaurant, or retail sales purposes. No portion of any unit shall ever be used for a purpose which would increase the required number of automobile parking spaces and/or violate an applicable governmental ordinance.

12.4. OCCUPANCY OF UNITS. The board may adopt rules regarding the occupancy of units for office business and professional purposes. If the Rules fail to establish occupancy standards, no more than five (5) persons may occupy a unit on a regular basis. A person may not occupy a unit if the person constitutes a direct threat to the health or safety of other persons, or if the person's occupancy would result in substantial physical damage to the property of others.

12.5. ANNOYANCE. No unit or limited common element may be used in any way that: (a) may reasonably be considered annoying to neighbors; (b) may be calculated to reduce the desirability of the Property as a business office park; (c) may endanger the health or safety of occupants, (d) may result in the cancellation of insurance on the buildings, or (e) will violate any law. The board has the sole authority to determine what constitutes an annoyance.

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

12.7. APPEARANCE RESTRICTIONS. Both the exterior and interior of the units must be maintained in a manner so as not to be unsightly when viewed from the street or neighboring units. The board will be the arbitrator of acceptable appearance standards.

12.8. WINDOW RESTRICTIONS. All window treatments within the unit, that are visible from the street or another unit, must be white in color unless otherwise authorized in writing by the board.

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

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

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

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

12.10.3. Obstruction. No vehicle may obstruct the flow of traffic, constitute a nuisance, or otherwise create a safety hazard on the private street.

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

12.11. LANDSCAPING RESTRICTIONS. No person may perform landscaping, planting, or gardening anywhere upon the Property, without the board's prior written authorization.

12.12. DRAINAGE RESTRICTIONS. No person may interfere with the established drainage pattern over any part of the Property unless an adequate alternative provision for proper drainage has been approved by the board.

12.13. STRUCTURAL INTEGRITY. No person may directly or indirectly impair the structural soundness or integrity of a building or another unit, nor do any work that will impair an easement or hereditament.

12.14. SPECIFIC USES. Except for ingress and egress, the front yards, sidewalks, and driveways on the Property may not be used for any purpose that has not been authorized in writing by the board.

## ARTICLE 13

### **MORTGAGEE PROTECTION**

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

13.2. KNOWN MORTGAGEES. An owner who mortgages his unit will notify the Association, giving the complete name and address of his Mortgagee and the loan number. The Association's obligations to Mortgagees under the Documents extend only to those Mortgagees known to the Association. All actions and approvals required by Mortgagees will be conclusively satisfied by the Mortgagees known to the Association, without regard to other holders of mortgages on units. The Association may rely on the information provided by owners and Mortgagees.

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

13.4. NOTICE OF ACTIONS. The Association will use its best efforts to send timely written notice to Eligible Mortgagees of the following actions:

- a. Any condemnation or casualty loss that affects a material portion of the Property or the mortgaged unit.
- b. Any sixty (60)-day delinquency in the payment of assessments or charges owed by the owner of the mortgaged unit.
- c. A lapse, cancellation, or material modification of any insurance policy maintained by the Association.

- d. Any proposed action that requires the consent of a specified percentage of Eligible Mortgagees.
- e. Any proposed amendment of a material nature, as provided in this Article.
- f. Any proposed termination of the condominium status of the Property.

13.5. AMENDMENTS OF A MATERIAL NATURE. A Document amendment of a material nature must be approved by owners representing at least sixty-seven percent (67%) of the votes in the Association, and by at least fifty-one percent (51%) of Eligible Mortgagees. This approval requirement does not apply to amendments effected by the exercise of a Development Right. A change to any of the provisions governing the following would be considered material:

- a. Voting rights.
- b. Extraordinary reductions in reserves for maintenance, repair, and replacement of common elements.
- c. Responsibility for maintenance and repairs.
- d. Reallocation of interests in the general or limited common elements, or rights to their use; except that when limited common elements are reallocated by agreement between owners, only those owners and only the Eligible Mortgagees holding mortgages against those units need approve the action.
- e. Redefinitions of boundaries of units, except that when boundaries of only adjoining units are involved, or a unit is being subdivided, then only those owners and the Eligible Mortgagees holding mortgages against the unit or units need approve the action.
- f. Convertibility of units into common elements or common elements into units.
- g. Expansion or contraction of the Property or the addition, annexation, or withdrawal of property to or from the Property.
- h. Hazard or fidelity insurance requirements.
- i. Imposition of any significantly material restrictions on the leasing of units.

j. Imposition of any significantly material restrictions on owners' right to sell or transfer their units.

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

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

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

13.6. TERMINATION. An action to terminate the legal status of the Property after substantial destruction or condemnation must be approved by owners representing at least sixty-seven percent (67%) of the votes in the Association, and by at least fifty-one percent (51%) of Eligible Mortgagees. An action to terminate the legal status for reasons other than substantial destruction or condemnation must be approved by at least sixty-seven percent (67%) of Eligible Mortgagees.

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

13.8. INSPECTION OF BOOKS. The Association will maintain current copies of the Documents and the Association's books, records, and financial statements. Mortgagees may inspect the Documents and records by appointment, during normal business hours.

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

13.10. ATTENDANCE AT MEETINGS. A representative of an Eligible Mortgagee may attend and address any meeting which an owner may attend.

13.11. RIGHT OF FIRST REFUSAL. Any right of first refusal imposed by the Association with respect to a lease, sale, or transfer of a unit does not apply to a lease, sale, or transfer by a Mortgagee, including transfer by deed in lieu of foreclosure or foreclosure of a deed of trust lien.

13.12. MANAGEMENT CONTRACT. If professional management of the Association is required by this Article, the contract for professional management may not require more than ninety (90) days' notice to terminate the contract, nor payment of a termination penalty.

### 13.13. INSURANCE POLICIES.

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

13.13.2. Full Replacement Cost. The Association's hazard insurance policy should cover one hundred percent (100%) of due insurable replacement cost of the insurable improvements.

## ARTICLE 14

### AMENDMENTS

14.1. CONSENTS REQUIRED. As permitted by the Act or by this Declaration, certain amendments of this Declaration may be executed by Declarant alone, or by certain owners alone, or by the board alone. Otherwise, amendments to this Declaration must be approved by owners representing at least sixty-seven percent (67%) of the votes in the Association.

14.2. METHOD OF AMENDMENT. This Declaration may be amended by any method selected by the board from time to time, pursuant to the bylaws, provided the method gives an owner of each unit the substance if not exact wording of the proposed amendment, a description in layman's terms of the effect of the proposed amendment, and an opportunity to vote for or against the proposed amendment. For amendments requiring the consent of Eligible Mortgagees, the Association will send each Eligible Mortgagee a detailed description, if not exact wording, of any proposed amendment.

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

14.4. DECLARANT PROVISIONS. No amendment may affect Declarant's rights under this Declaration or the Act without Declarant's written and acknowledged consent, which must be part of the recorded amendment instrument. Although Declarant certifies that, to Declarant's knowledge, Appendix D contains all the information required by due Act, Declarant nonetheless reserves the right to amend Appendix D, in whole or in part, to correct any technical errors or deficiencies. Because Appendix E of this Declaration is destined to become obsolete, beginning five (5) years after the date this Declaration is first recorded, the board may restate, rerecord, or publish this Declaration without Appendix E, provided the other appendices are not

re-lettered. The automatic expiration and subsequent deletion of Appendix E does not constitute an amendment of this Declaration. This section may not be amended without Declarant's written and acknowledged consent.

## ARTICLE 15

### INSURANCE

15.1. GENERAL PROVISIONS. All insurance affecting due Property is governed by the provisions of this Article, with which the board will make every reasonable effort to comply, including the following:

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

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

15.1.3. Insured. The Association must be the named insured on all policies obtained by the Association. The loss payee clause should show the Association as trustee for each owner and Mortgagee.

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

15.1.5. Association as Trustee. Each owner irrevocably appoints the Association, acting through its board, as his trustee to negotiate, receive, administer, and distribute the proceeds of any claim against an insurance policy maintained by the Association.

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

15.1.7. Deductibles. An insurance policy obtained by the Association may contain a reasonable deductible, which will be paid by the party who would be liable for the loss or repair in the absence of insurance. If a loss is due wholly or partly to an act or omission of an owner or occupant or their invitees, the owner must reimburse the Association for the amount of the deductible that is attributable to the act or omission.

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

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

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

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

15.2.2. Units Insured by Association. In addition to insuring the common elements against casualty loss, the Association shall maintain casualty insurance on the units, either as originally constructed or including betterments and improvements installed by owners. In insuring units, the Association may be guided by types of policies customarily available for similar types of properties.

15.3. LIABILITY INSURANCE. The Association will maintain a commercial general liability insurance policy over the common elements -- expressly excluding the liability of each owner and occupant within his unit -- for bodily injury and property damage resulting from the operation, maintenance, or use of the common elements. If the policy does not contain a severability of interest provision, it should contain an endorsement to preclude the insurer's denial of an owners claim because of negligent acts of the association or other owners.

15.4. WORKER'S COMPENSATION. The Association may maintain worker's compensation insurance if and to the extent necessary to meet the requirements of state law or if the board so chooses.

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

15.6. DIRECTORS AND OFFICERS LIABILITY. The Association may maintain directors and officers liability insurance, errors and omissions insurance, indemnity bonds, or other insurance the board deems advisable to insure the Association's directors, officers, committee members, and managers against liability for an act or omission in carrying out their duties in those capacities.

15.7. MORTGAGEE REQUIRED POLICES. Unless coverage is not available or has been waived in writing, the Association may maintain (to the extent reasonably possible) any insurance and bond required by a Mortgagee.

15.8. OTHER POLICIES. The Association may maintain any insurance policies and bonds deemed by the board to be necessary or desirable for due benefit of due Association.

15.9. OWNERS RESPONSIBILITY FOR INSURANCE.

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

15.9.2. Owners' Responsibilities. If the Association insures the unit, the owner, if requested, will give the board written notification of structural changes, additions, betterments, or improvements to his unit and any other information the board may require to maintain adequate levels of insurance coverage. Each owner will comply with reasonable requests by the board for periodic inspection of the unit for purposes of insurance appraisal. If the Association does not insure the unit, then the owner must insure the unit at the owner's expense. Each owner, at his expense, will maintain any insurance coverages required of owners by the Association pursuant to this Article. Each owner, at his expense, is entitled to obtain additional insurance coverage of his real property, improvements, and betterments thereto, or personal property.

15.9.3. Association Does Not Insure. The Association does not insure an owner or occupant's personal property. Each owner and occupant is solely responsible for insuring his personal property in his unit and on the Property including furnishings, vehicles, and stored items. Each owner shall procure and maintain in effect, or cause the occupant of the Unit to procure and maintain in effect, general liability insurance with limits of not less than \$1,000,000 per occurrence with the Association named as additional insured, and including a waiver of subrogation clause. The owner or occupant will furnish evidence of such insurance upon request of the Association.

## ARTICLE 16

### **RECONSTRUCTION OR REPAIR AFTER LOSS**

16.1. SUBJECT TO ACT. The Association's response to damage or destruction of the Property will be governed by Section 82.111(i) of the Act. The following provisions apply to the extent the Act is silent.

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

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

16.2.2. Insufficient Proceeds. If Restoration Funds are not sufficient to pay the estimated or actual costs of restoration as determined by the board, the board may levy a Deficiency Assessment against the owners to find the difference.

16.2.3. Surplus Funds. If the Association has a surplus of Restoration Funds after payment of all costs of repair and restoration, the surplus will be applied as follows. If Deficiency Assessments were a source of Restoration Funds, the surplus will be paid to owners in proportion to their contributions resulting from the Deficiency Assessment levied against them; provided that no owner may receive a sum greater than that actually contributed by him, and further provided that any delinquent Assessments owed by the owner to the Association will first be deducted from the surplus. Any surplus remaining after the disbursement described in the foregoing paragraph will be common funds of the Association to be used as directed by the board.

16.3. COSTS AND PLANS.

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

16.3.2. Plans and Specifications. Common elements will be repaired and restored substantially as they existed immediately prior to the damage or destruction. Units will be repaired and restored substantially in accordance with original construction

plans and specifications, unless the Association insures betterments and improvements made by owners, in which case due units will be repaired and restored substantially as they existed immediately prior to the damage or destruction. Alternate plans and specifications for repair and restoration of either common elements or units must be approved by owners representing at least sixty-seven percent (67%) of the votes in the Association and by certain mortgagees if so required by the Mortgage Protection article of this Declaration.

16.4. OWNERS DUTY TO REPAIR.

16.4.1. Uninsured Loss. Within sixty (60) days after the date of damage, the owner will begin repair or reconstruction of any portion of his unit not covered by the Association's blanket insurance policy, subject to the right of the Association to supervise, approve, or disapprove repair or restoration work.

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

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

16.5. OWNER'S LIABILITY FOR INSURANCE DEDUCTIBLE. If repair or restoration of common elements or units is required as a result of an insured loss, the board may levy an Individual Assessment in the amount of the insurance deductible, against the owner or owners who would be responsible for the cost of the repair or reconstruction in the absence of insurance.

ARTICLE 17

**TERMINATION AND CONDEMNATION**

17.1. ASSOCIATION AS TRUSTEE. Each owner hereby irrevocably appoints the Association, acting through its board, as trustee to deal with the Property in the event of damage, destruction, obsolescence, condemnation, or termination of all or any part of the Property. As trustee, the Association will have full and complete authority right, and power to do all things reasonable and necessary to effect the provisions of this Declaration and the Act, including, without limitation, the right to receive, administer, and distribute funds, awards, and insurance proceeds; to effect the sale of the Property as permitted by this Declaration or by the Act; and to make, execute, and deliver any contract, deed, or other instrument with respect to the interest of an owner.

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

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

17.2.2. Total Taking. In the event of condemnation of the entire Property, an amendment to terminate may be executed by the board without a vote of owners or mortgagees.

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

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

## ARTICLE 18

### ASSOCIATION OPERATIONS

18.1. INDEMNIFICATION. The Association indemnities every officer, director, and committee member (for purposes of this Section, "Leaders") against expenses, including attorneys' fees, reasonably incurred by or imposed on the Leader in connection with an action, suit or proceeding to which the Leader is a party by reason of being or having been a Leader. A Leader is not liable for a mistake of judgment, negligent or otherwise. A Leader is liable for his willful misfeasance, malfeasance, misconduct, or bad faith. This right to indemnification does not exclude any other rights to which present or former Leaders may be entitled. As a common expense, the Association will maintain adequate general liability and directors and officers liability insurance to fund this obligation, if it is reasonably available.

18.2. ASSOCIATION'S RIGHT TO ENFORCE DOCUMENTS. The remedies provided in this Section for breach of the Documents are cumulative and not exclusive. In

addition to other rights and remedies provided by the Documents and by law, the Association has the following right to enforce the Documents:

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

18.2.2. Fine. The Association may levy reasonable charges, as an Individual Assessment, against an owner and his unit if the owner or occupant, or the owner or occupant's guests, employees, agents, or contractors violate a provision of the Documents. Fines may be levied for each act of violation or for each day a violation continues, and does not constitute a waiver or discharge of the owner's obligations under the Documents.

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

18.2.4. Self-Help. The Association has the right to enter a common element or unit to abate or remove, using force as may reasonably be necessary, any erection, thing, animal, person, vehicle, or condition that violates the Documents. In exercising this right, the board is not trespassing and is not liable for damages related to the abatement. The board may levy its costs of abatement against the unit and owner as an Individual Assessment. Unless an emergency situation exists in the good faith opinion of the board, the board will give the violating owner fifteen (15) days' notice of its intent to exercise self-help. Notwithstanding the foregoing, the Association may not alter or demolish an item of construction in a unit without judicial proceedings.

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

18.3. NOTICE AND HEARING. Before levying a fine for violation of the Documents, or before levying an Individual Assessment for property damage, the Association will give the owner written notice of the levy and an opportunity to be heard, to the extent required by the Act. The Association's written notice must contain a description of the violation or property damage; the amount of the proposed fine or damage charge; a statement that not later than the thirtieth (30th) day after the date of the notice, the owner may request a hearing before the board to contest the fine or charge; and a stated date by which the owner may cure the violation to avoid the fine -- unless the owner was given notice and a reasonable opportunity to cure a similar violation within the preceding twelve (12) months. The Association may also give a copy of the notice to the occupant. Pending the hearing, the Association may continue to exercise its other

rights and remedies for the violation, as if the declared violation were valid. The owner's request for a hearing suspends only the levy of a fine or damage charge. The owner may attend the hearing in person, or may be represented by another person or written communication. The board may adopt additional or alternative procedures and requirements for notices and hearing, provided they are consistent with the Act's requirements.

## **ARTICLE 19**

### **GENERAL PROVISIONS**

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

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

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

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

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

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

19.7. APPENDICES. The following appendixes are attached to this Declaration and are incorporated herein by reference:

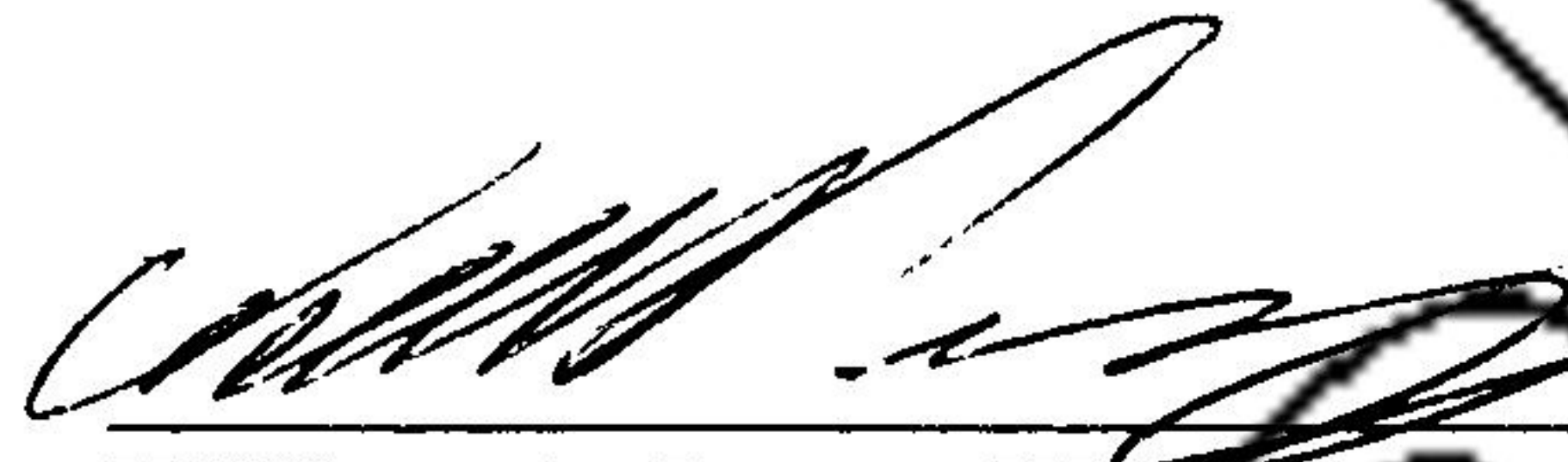
- A - Legal Description of Subject Land
- B - Easements and Licenses
- C - Schedule of Allocated Interests
- D - Plats and Plans
- E - Declarant Representations and Reservations
- F - Legal Description of Additional Land Subject to Annexation
- G - Initial Designation of Area of Common Responsibility
- H - Consent to Declaration

Unofficial

**SIGNED AND ACKNOWLEDGED**

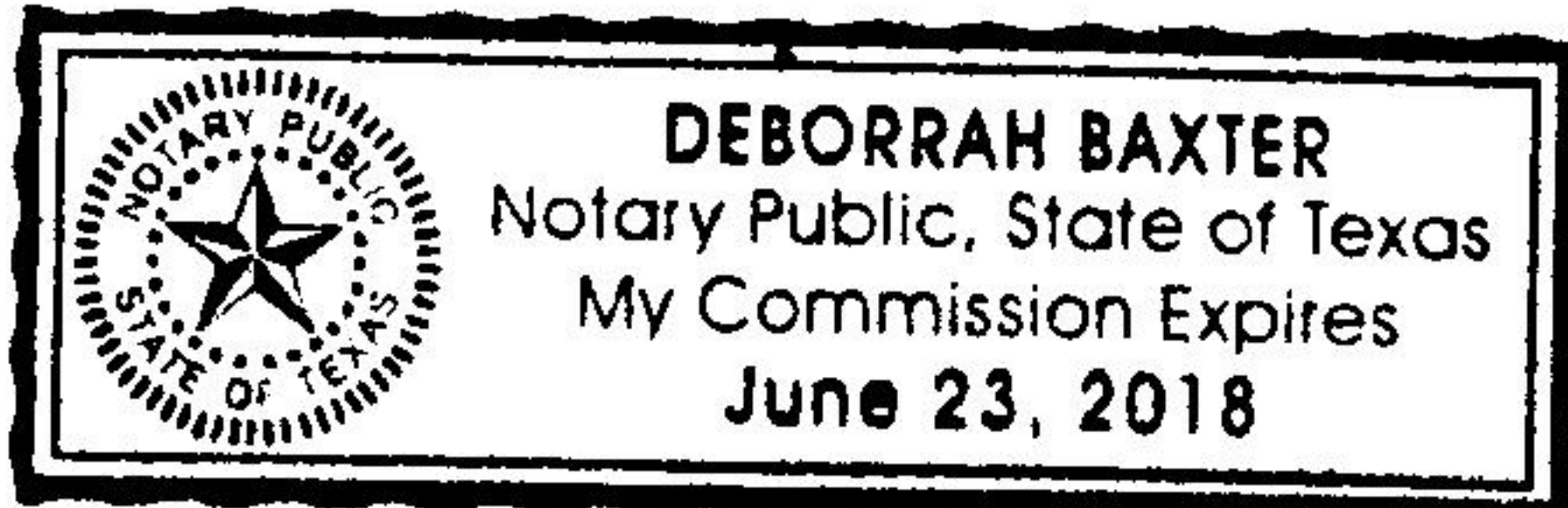
SIGNED on this 19<sup>th</sup> day of June, 2017.


**PRESTON CIRCLE OFFICE PARK, LLC,**  
a Texas limited liability company

By:   
William A. Peavy, III, Manager

**THE STATE OF TEXAS §**  
**§**  
**COUNTY OF DALLAS §**

This instrument was acknowledged before me on this 19<sup>th</sup> day of June, 2017, by William A. Peavy, III, Manager of Preston Circle Office Park, LLC, a Texas limited liability company, on behalf of said limited liability company.



  
Notary Public, State of Texas

APPENDIX A

TO DECLARATION  
OF  
PRESTON CIRCLE OFFICE PARK,  
A CONDOMINIUM COMMUNITY

LEGAL DESCRIPTION

PHASE ONE

A tract or parcel of land situated in the Stephen Combs Survey, Abstract No. 218, in the City of Frisco, Collin County, Texas, being part of Lot 1, Block 1, of the Final Plat of Preston Circle Office Park, Phase 1, as recorded in Instrument NO 20170525010002500, of the Official Public Records Collin County Texas, and being more particularly described as follows:

BEGINNING at a found aluminum monument on the north right-of-way line of John Hickman Parkway (100' wide right-of-way as described in the Right-Of-Way Deed to the City of Frisco recorded in Volume 4646, Page 805 in the CCDR), said monument being the southwest corner of LOT 1 BLOCK 1, RICHARDSON BIKE MART, an addition to the City of Frisco recorded in Volume 2011, Page 14 in the Collin County Plat Records (CCPR);

THENCE South 89°56'55" West 400.89 feet along the north line of John Hickman Parkway to a set 5/8 inch iron rod with Baseline Corp plastic cap set for corner;

THENCE North 82°32'17" West 110.94 feet along the north line of John Hickman Parkway as dedicated by said Plat of Lot 1 to the beginning of a curve;

THENCE Westerly an arc distance of 159.664 feet continuing along the north line of John Hickman Parkway and along a non-tangent curve to the left having a radius of 2957.38 feet, and the chord bears North 86°16'23" West, 159.64 feet, to corner, lying in north line of John Hickman Parkway and east right-of-way line of Legendary Drive;

THENCE North 41°56'33" West, 22.34 feet along a diagonal corner clip of the intersection of said north line of John Hickman Parkway with the east right-of-way line of Legendary Drive (80' wide right-of-way near the intersection, to a set 5/8 inch iron rod with Baseline Corp plastic cap set for corner;

THENCE North 00°30'45" West 50.80 feet along said east line to a set 60D nail, for corner, lying inside the construction forms for a new sidewalk, being poured;

THENCE crossing said Lot 1, North 89°05'36" East 155.84 feet to a set 5/8 inch iron rod with Baseline Corp. plastic cap set for corner;

THENCE South 00°54'24" East 69.79 feet to a set 5/8 inch iron rod with Baseline Corp. cap;

THENCE North 89°05'36" East 170.88 feet to a set 5/8 inch iron rod with Baseline Corp. plastic cap set for corner;

THENCE North 00°54'31" West 44.54 feet to a set 5/8 inch iron rod with Baseline Corp. plastic cap set for corner;

THENCE North 89°05'28" East 25.65 feet to a set 5/8 inch iron rod with Baseline Corp. plastic cap set for corner;

THENCE North 00°54'32" West 282.75 feet to a 5/8 inch iron rod with Baseline Corp. plastic cap set for corner, lying in the north line of Lot 1, the south line of Lot 1, Block 1, LEGENDARY SELF STORAGE ADDITION, an addition to the City of Frisco recorded in Volume 2012, Page 340 in the CCPR;

THENCE North 89°05'36" East 130.32 feet along the south side of said LEGENDARY SELF STORAGE ADDITION to a found aluminum monument at the southwest corner of Lot 2R, Block 2, FRISCO CORNERS, AMENDED PLAT recorded in Volume 2013, Page 6, CCPR;

THENCE North 89°07'40" East 203.79 feet along the south side of said LOT 2R BLOCK 2 FRISCO CORNERS, AMENDED PLAT, to a found 1/2 inch iron rod with Brittain Crawford cap, lying in the west line of the aforementioned Lot 1, Block 1, RICHARDSON BIKE MART;

THENCE South 00°31'17" East 360.07 feet along the west side of Lot 1, Block 1, RICHARDSON BIKE MART, to the Point of Beginning and Containing 135,480 square feet or 3.110 acres of land more or less.

**APPENDIX B**

TO DECLARATION  
OF  
PRESTON CIRCLE OFFICE PARK,  
A CONDOMINIUM COMMUNITY

**EASEMENTS AND LICENSES**

1. Restrictions shown on Final Plat of Preston Circle Office Park Phase 1, Block 1, Lot 1, recorded in Volume 2017, Page 394, Map Records of Collin County, Texas.
2. Matters shown on the Final Plat of Preston Circle Office Park Phase 1, Block 1, Lot 1, recorded in Volume 2017, Page 394, Map Records of Collin County, Texas, including the following:
  - a. 24' fire lane and utility easement
  - b. 5', 10', and 15' water easements
  - c. 10' and 15' drainage easements
  - d. 15' sanitary sewer easement
  - e. 15' landscape easements
  - f. Sidewalk easement
  - g. Street easement
  - h. 30' building setback line along the north property line
3. Reservation of the oil, gas and other minerals, royalties, bonuses, rentals and all other rights in connection with same as set forth in instrument dated 12/19/14, filed 12/19/14, executed by Nancy Anne Wade, Suzanne Wade and Charles Thomas Wade to Preston Circle Office Park, LLC, recorded in/under Clerk's File No. 20141219001384950, Real Property Records, Collin County, Texas.

**APPENDIX C**

TO DECLARATION  
OF  
PRESTON CIRCLE OFFICE PARK,  
A CONDOMINIUM COMMUNITY

**SCHEDULE OF ALLOCATED INTERESTS – PHASE ONE**

CONDOMINIUM UNIT	BUILDING	PERCENTAGE SHARE OF COMMON ELEMENT OWNERSHIP	PERCENTAGE SHARE OF LIABILITY FOR COMMON EXPENSES	VOTE
101	1	4.166%	4.166%	4.166
102	1	4.166%	4.166%	4.166
103	1	4.166%	4.166%	4.166
104	1	4.166%	4.166%	4.166
201	2	4.166%	4.166%	4.166
202	2	4.166%	4.166%	4.166
203	2	4.166%	4.166%	4.166
204	2	4.166%	4.166%	4.166
301	3	4.166%	4.166%	4.166
302	3	4.166%	4.166%	4.166
303	3	4.166%	4.166%	4.166
304	3	4.166%	4.166%	4.166
401	4	4.166%	4.166%	4.166
402	4	4.166%	4.166%	4.166
403	4	4.166%	4.166%	4.166
404	4	4.166%	4.166%	4.166
501	5	4.166%	4.166%	4.166
502	5	4.166%	4.166%	4.166
503	5	4.166%	4.166%	4.166
504	5	4.166%	4.166%	4.166
601	6	4.166%	4.166%	4.166
602	6	4.166%	4.166%	4.166

CONDOMINIUM UNIT	BUILDING	PERCENTAGE SHARE OF COMMON ELEMENT OWNERSHIP	PERCENTAGE SHARE OF LIABILITY FOR COMMON EXPENSES	VOTE
603	6	4.166%	4.166%	4.166
604	6	4.166%	4.166%	4.166
<b>24 UNITS</b>	<b>6 BUILDINGS</b>	<b>100.000%</b>	<b>100.000%</b>	<b>100 VOTES</b>

Unofficial

**APPENDIX D**

TO DECLARATION  
OF  
PRESTON CIRCLE OFFICE PARK,  
A CONDOMINIUM COMMUNITY

**PLATS AND PLANS**

SEE ATTACHED PAGES 1-3

Unofficial

**CERTIFICATION FOR  
CONDOMINIUM PLAT, PHASE 1,  
135,480 SQ. FT, 3.110 ACRES,  
PRESTON CIRCLE OFFICE PARK  
CITY OF FRISCO, COLLIN COUNTY, TEXAS**

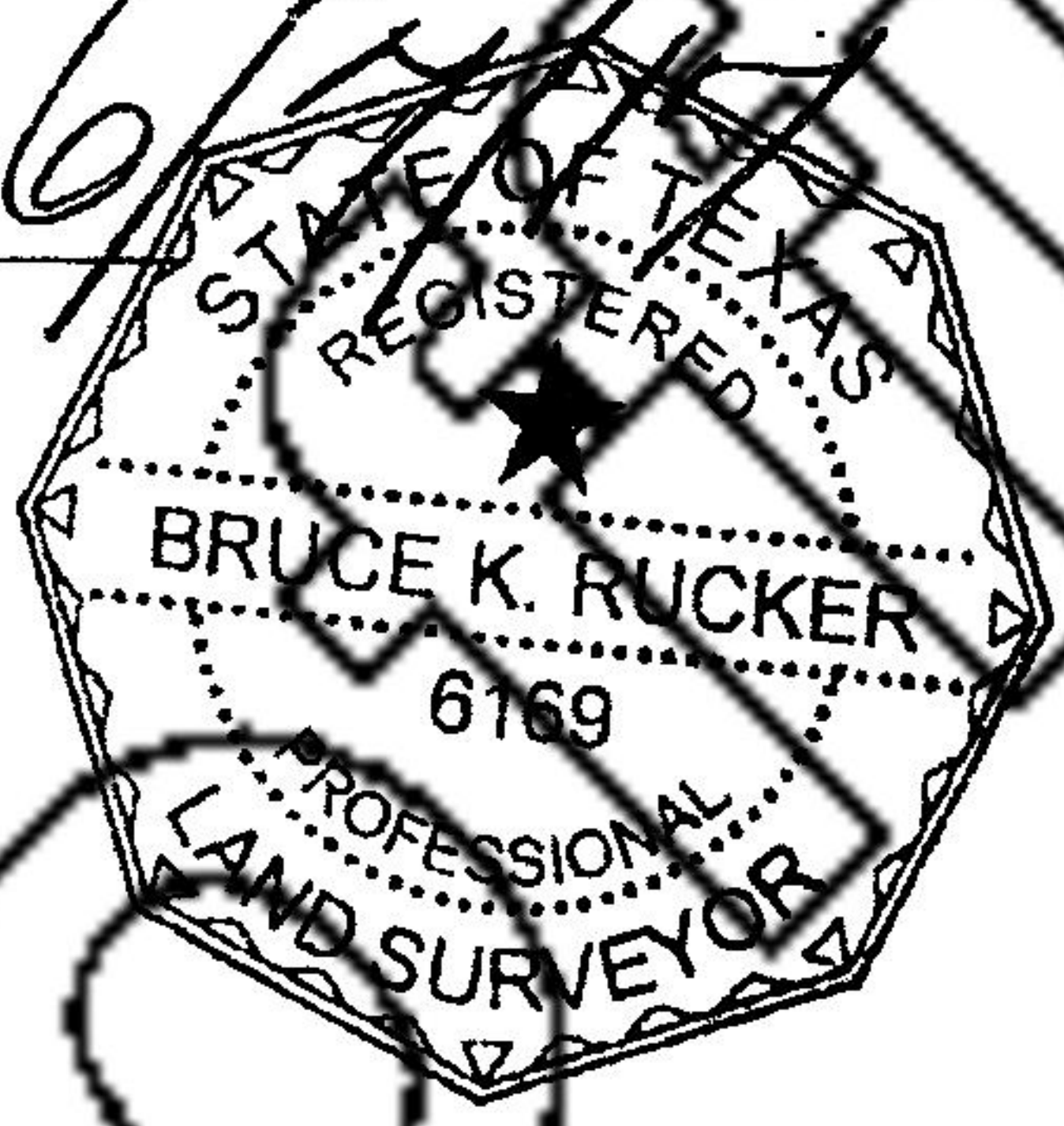
**SURVEYOR CERTIFICATION**

THAT I, BRUCE K. RUCKER A REGISTERED PROFESSIONAL SURVEYOR IN THE STATE OF TEXAS, REGISTRATION NUMBER 6169, DO HEREBY CERTIFY THAT THIS SURVEY WAS MADE BY ME OR UNDER MY SUPERVISION AND THAT THE PLAT HEREON IS TRUE AND CORRECT AND ACCURATELY REPRESENTS THE PROPERTY AS DETERMINED AT THE TIME OF THE SURVEY MADE ON THE GROUND ON JUNE 1ST AND 2ND, 2017. THAT THE SURVEY DEPICTS THE LINES, DIMENSIONS AND CORNERS OF SAID PROPERTY BEING INDICATED BY THE PLAT OF RECORD AND THAT THERE ARE NO VISIBLE OR APPARENT EASEMENTS OR ENCROACHMENTS AS SHOWN OTHER THAN THOSE SHOWN ON THIS PLAT OR THE PLAT OF RECORD.

THIS MAP AND PROPERTY DESCRIPTION CONTAIN ALL INFORMATION REQUIRED BY SECTION 82.059 OF THE TEXAS PROPERTY CODE.



BRUCE K. RUCKER, RPLS  
TEXAS REGISTRATION NO. 6169



UNRECORDED

H:\2017\17509 Cloudloft-Preston Circle Condo Plat\Data\dwg\Hickman-Base GRID.dwg Jun 07, 2017 - 2:36pm brucker

Date:	JUNE 2, 2017
Page:	1 of 3

1801 Gateway Blvd.  
Suite 103  
Richardson, Texas 75080

JOB NO. B17X509  
972.535.6325  
[www.baselinesurveyors.net.com](http://www.baselinesurveyors.net.com)



**EXHIBIT A**  
**CONDOMINIUM PLAT, PHASE 1,**  
**135,480 SQ. FT, 3.110 ACRES,**  
**PRESTON CIRCLE OFFICE PARK**  
**CITY OF FRISCO, COLLIN COUNTY, TEXAS**

**BOUNDARY DESCRIPTION**

3.168 Acres, 138,015 Square Feet  
Phase 1

A tract or parcel of land situated in the Stephen Combs Survey, Abstract No. 218, in the City of Frisco, Collin County, Texas, being part of Lot 1, Block 1, of the Final Plat of Preston Circle Office Park, Phase 1, as recorded in Instrument NO. 20170525010002500, of the Official Public Records Collin County Texas, and being more particularly described as follows:

**BEGINNING** at a found aluminum monument on the north right-of-way line of John Hickman Parkway (100' wide right-of-way as described in the Right-Of-Way Deed to the City of Frisco recorded in Volume 4646, Page 805 in the CCDF), said monument being the southwest corner of LOT 1 BLOCK 1, RICHARDSON BIKE MART, an addition to the City of Frisco recorded in Volume 2011, Page 14 in the Collin County Plat Records (CCPR);

**THENCE** South 89°56'55" West 400.89 feet along the north line of John Hickman Parkway to a set 5/8 inch iron rod with Baseline Corp plastic cap set for corner;

**THENCE** North 82°32'17" West 110.94 feet along the north line of John Hickman Parkway as dedicated by said Plat of Lot 1 to the beginning of a curve;

**THENCE** Westerly an arc distance of 159.664 feet continuing along the north line of John Hickman Parkway and along a non-tangent curve to the left having a radius of 2957.38 feet, and the chord bears North 86°16'23" West, 159.64 feet, to corner, lying in north line of John Hickman Parkway and east right-of-way line of Legendary Drive;

**THENCE** North 41°56'33" West, 22.34 feet along a diagonal corner clip of the intersection of said north line of John Hickman Parkway with the east right-of-way line of Legendary Drive (80' wide right-of-way near the intersection, to a set 5/8 inch iron rod with Baseline Corp plastic cap set for corner;

**THENCE** North 00°30'45" West 50.80 feet along said east line to a set 60D nail, for corner, lying inside the construction forms for a new sidewalk, being poured;

**THENCE** crossing said Lot 1, North 89°05'36" East 155.84 feet to a set 5/8 inch iron rod with Baseline Corp. plastic cap set for corner;

**THENCE** South 00°54'24" East 69.79 feet to a set 5/8 inch iron rod with Baseline Corp. cap;

**THENCE** North 89°05'36" East 170.88 feet to a set 5/8 inch iron rod with Baseline Corp. plastic cap set for corner;

**THENCE** North 00°54'31" West 44.54 feet to a set 5/8 inch iron rod with Baseline Corp. plastic cap set for corner;

**THENCE** North 89°05'28" East 25.65 feet to a set 5/8 inch iron rod with Baseline Corp. plastic cap set for corner;

**THENCE** North 00°54'32" West 282.75 feet to a 5/8 inch iron rod with Baseline Corp plastic cap set for corner, lying in the north line of Lot 1, the south line of Lot 1, Block 1, LEGENDARY SELF STORAGE ADDITION, an addition to the City of Frisco recorded in Volume 2012, Page 340 in the CCPR;

**THENCE** North 89°05'36" East 130.32 feet along the south side of said LEGENDARY SELF STORAGE ADDITION to a found aluminum monument at the southwest corner of Lot 2R, Block 2, FRISCO CORNERS, AMENDED PLAT recorded in Volume 2013, Page 6, CCPR;

**THENCE** North 89°07'40" East 203.79 feet along the south side of said LOT 2R BLOCK 2 FRISCO CORNERS, AMENDED PLAT, to a found 1/2 inch iron rod with Brittain Crawford cap, lying in the west line of the aforementioned Lot 1, Block 1, RICHARDSON BIKE MART;

**THENCE** South 00°31'17" East 360.07 feet along the west side of Lot 1, Block 1, RICHARDSON BIKE MART, to the Point of Beginning and Containing 135,480 square feet or 3.110 acres of land more or less.

FOR CERTIFICATION SEE PAGE 1



Date: JUNE 2, 2017

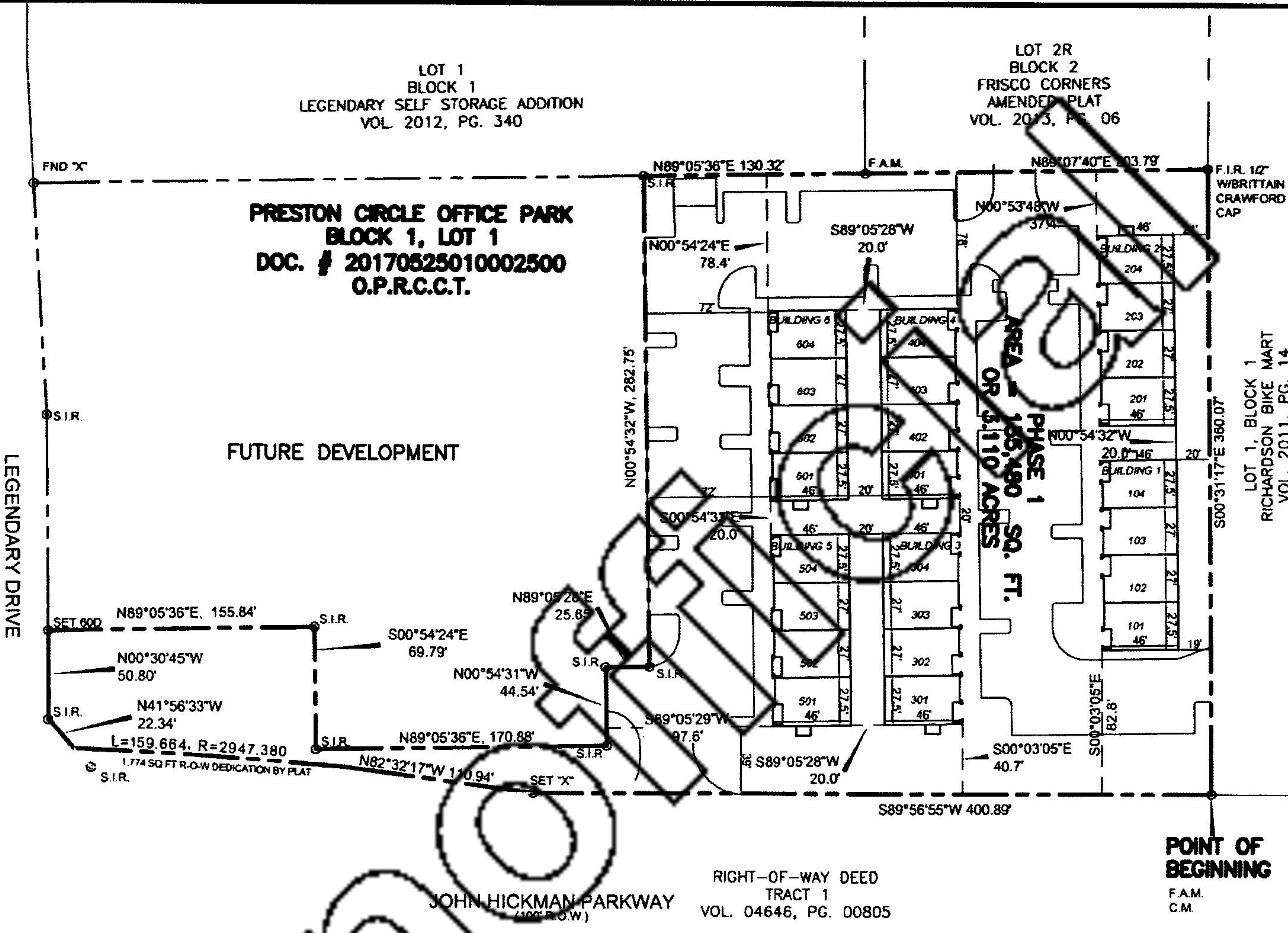
Page: 2 of 3

1801 Gateway Blvd.  
Suite 103  
Richardson, Texas 75080

JOB NO. B17X509  
972.535.6325  
www.baselinesurveyors.net.com

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**EXHIBIT A**  
**CONDOMINIUM PLAT, PHASE 1,**  
**135,480 SQ. FT, 3.110 ACRES,**  
**PRESTON CIRCLE OFFICE PARK**  
**CITY OF FRISCO, COLLIN COUNTY, TEXAS**



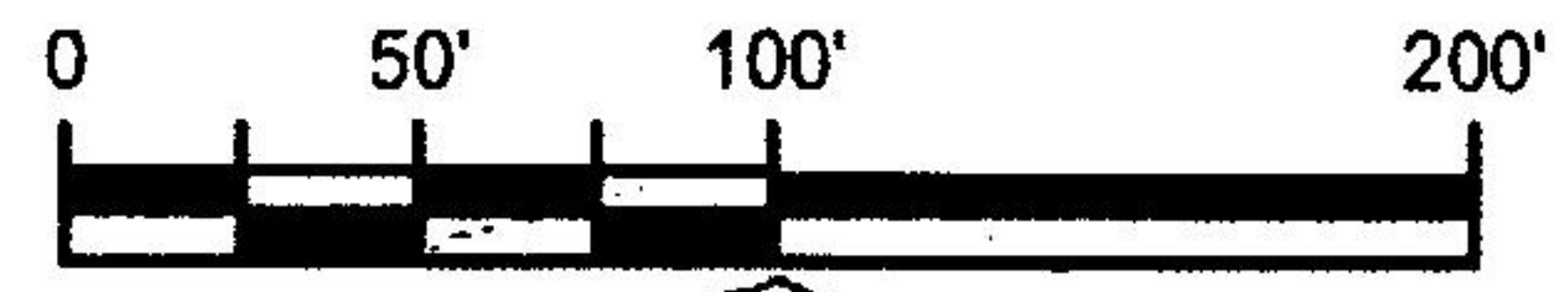
LEGENDARY DRIVE

FUTURE DEVELOPMENT

JOHN HICKMAN PARKWAY  
(100' R.O.W.)

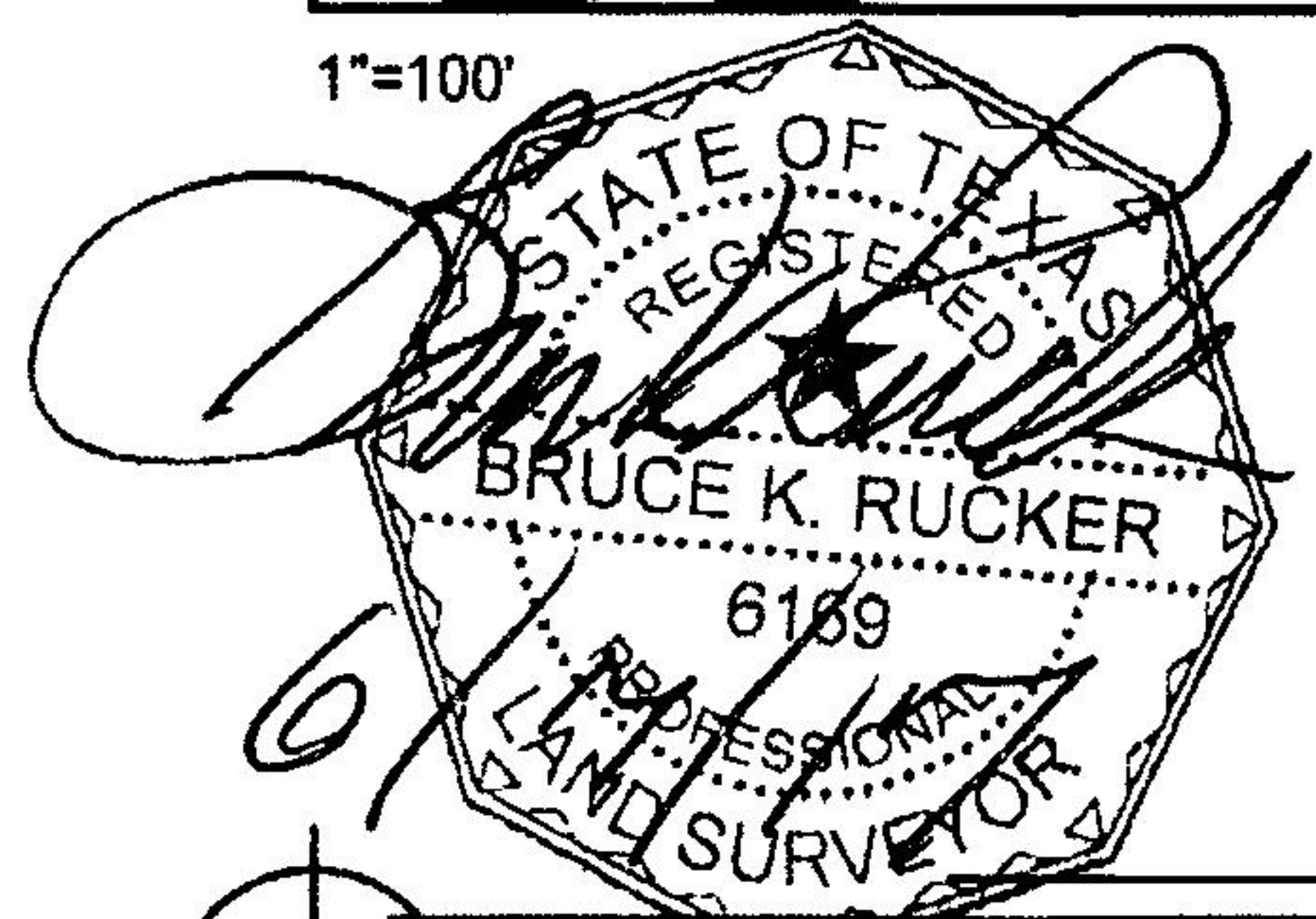
RIGHT-OF-WAY DEED  
TRACT 1  
VOL. 04646, PG. 00805

POINT OF BEGINNING  
F.A.M.  
C.M.



**NOTES:**

- 1: THE LAND LEGALLY DESCRIBED ON SHEET 2 OF THIS SURVEY CONSTITUTES A GENERAL COMMON ELEMENT OF THE CONDOMINIUM.
- 2: IN ACCORDANCE WITH SECTION 82.059 OF THE ACT, THE REAL PROPERTY LEGALLY DESCRIBED ON SHEET 2 OF THIS SURVEY IS SUBJECT TO THE DEVELOPMENT RIGHTS AND THE SPECIAL DECLARANT RIGHTS AS SET FORTH IN THE DECLARATION
- 3: PER THE DECLARATION, THE LOWER HORIZONTAL BOUNDARY OF EACH UNIT IS THE TOP SURFACE OF THE CONCRETE SLAB FOUNDATION, AND THE UPPER HORIZONTAL BOUNDARY IS THE INSIDE SURFACE OF THE ROOF DECKING OVER THE ATTIC AREA (EVEN THOUGH SLOPED). PER THE ARCHITECT'S PLANS, THE HIGHEST POINT OF THE ROOF EACH BUILDING IS 23 FEET 11 <sup>5</sup>/<sub>8</sub> INCHES ABOVE THE TOP OF THE CONCRETE SLAB FOUNDATION



**BASELINE**

PROFESSIONAL SURVEYORS

1801 Gateway Blvd.  
Suite 103  
Richardson, Texas 75080

972.535.6325  
www.baselinesurveyors.net.com

FOR CERTIFICATION SEE PAGE 1

Scale:	1" = 100'	Date:	JUNE 2, 2017
Job No.:	B17X509	Page:	3 of 3

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**APPENDIX E**

TO DECLARATION  
OF  
PRESTON CIRCLE OFFICE PARK,  
A CONDOMINIUM COMMUNITY

**DECLARANT REPRESENTATIONS AND RESERVATIONS**

E.1. **DECLARANT'S REPRESENTATIONS.** Declarant makes the following representations (to the best of Declarant's knowledge) regarding certain characteristics of the Property.

1. **Phasing.** Real property may be added to the Property by amendment of this Declaration and in the exercise of Development Rights. When created, the Property will initially contain twenty-four (24) units having approximately 1,150 square feet of floor area each. As each phase is added, the Property will contain the number of units listed in the most current Appendix C. Declarant reserves the right to create additional units having an aggregate interior floor area of up to approximately 28,800 square feet (i.e., the equivalent of approximately twenty-five (25) additional 1,150 square foot units, although there will be fewer than 25 additional units, and some will be larger than 1,150 square feet).

2. **Withdrawal.** Except as provided in Section E.6 hereof, the Property described in the initial Appendix A is not subject to right of withdrawal of real property by Declarant. Declarant may subject land in Appendix F to the right of withdrawal.

3. **Leasehold.** No part of the Property is a leasehold condominium, as defined by the Act.

4. **No Conversion.** The improvements on the land described in the initial Appendix A do not constitute conversion buildings as defined by the Act.

5. **Zoning.** As of the date this declaration is signed, the area in which the Property is located is subject to zoning restrictions.

6. **Flood Zone.** As of the date this declaration is signed, the Property is not located in a flood zone.

E.2. **DEVELOPMENT PERIOD.** The Development Rights created by this Article may be exercised at any time, but not more than five (5) years after the date of recording this Declaration.

E.3. **STATUTORY DEVELOPMENT RIGHTS.** Notwithstanding the foregoing, Declarant reserves the following Development Rights:

- a. The right by amendment to add real property to the Property.
- b. The right by amendment to create units, common elements, and limited common elements within the Property.
- c. The right by amendment to subdivide units or convert units into common elements.

E.4. ANNEXATION OF ADDITIONAL PROPERTY. The real property described in the attached Appendix F (or any part thereof) may be annexed to the Property and subjected to the Declaration and the jurisdiction of the Association in the exercise of Development Rights. Annexation is accomplished by recording an amendment of this Declaration, executed by Declarant, in the Collin County real property records. The amendment of annexation must include a legal description of the Property, as expanded, and a revised schedule of allocated interests if units are annexed. Declarant's right to annex additional property is subject to the following limitations:

- a. The number of additional units may not exceed approximately 28,800 square feet of interior floor area.
- b. All improvements must be substantially completed prior to annexation.
- c. The structure type and quality of construction of buildings and improvements will be consistent with that of the buildings and improvements constructed in the phase initially made subject to this Declaration.
- d. All units and common elements created pursuant to Development Rights will be restricted to business office use in the same manner and to the same extent as the units created under this Declaration.
- e. On annexation, owners of units on the additional land will be granted undivided interests in the Property's total common elements. If not, the amendment of annexation must provide reciprocal easements for specified common elements in various phases of the Property.

E.5. WITHDRAWABLE PROPERTY. Declarant may withdraw from the Property and from the effect of this Declaration any portion of the real property described in Appendix A provided that no unit in the portion to be withdrawn has been conveyed to an owner other than Declarant.

E.6. ADDITIONAL DEVELOPMENT RIGHTS. Declarant reserves the following easements and rights, exercisable at Declarant's sole discretion, for the duration of the Development Period:

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

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

c. The right to sell or lease any unit owned by Declarant.

d. The right of entry and access to all units to perform warranty-related work, if any, for the benefit of the unit being entered, adjoining units, or common elements. Requests for entry must be made in advance for a time reasonably convenient for the owner who may not unreasonably withhold consent.

e. An easement and right to make structural changes and alterations on common elements and units used by Declarant as models and offices, as may be necessary to adapt them to the uses permitted herein. Declarant, at Declarant's sole expense, will restore altered common elements and units to conform to the architectural standards of the Property. The restoration will be done within thirty (30) days after termination of the Development Period.

E.7. PHASING OF DEVELOPMENT RIGHTS. Declarant makes no assurances as to whether Declarant will exercise its Development Rights, the order in which portions will be developed, or whether all portions will be developed. The exercise of Development Rights as to some portions will not obligate Declarant to exercise them as to other portions.

E.8. SPECIAL DECLARANT RIGHTS. Declarant reserves the following Special Declarant Rights, to the maximum extent permitted by law, which may be exercised, where applicable, anywhere within the Property:

a. The right to complete or make improvements indicated on the Plat and Plans.

b. The right to exercise any Development Right.

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

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

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

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

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

E.9. DECLARANT CONTROL PERIOD. For the benefit and protection of owners and mortgagees, and for the purpose of ensuring a complete and orderly buildout and sellout of the Property, Declarant will retain control of the Association, subject to the following:

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

2. Termination. The duration of the Declarant Control Period will be from the date this Declaration is recorded for a maximum period not to exceed the earlier of (a) five [5] years after the date of recording this Declaration; (b) within four [4] months after the conveyance of seventy-five percent [75%] of the units that may be created to owners other than Declarant; or (c) when, in the sole opinion of Declarant, the Association is viable, self-supporting, and operational.

E.10. LIMITATIONS ON SPECIAL DECLARANT RIGHTS. Unless terminated earlier by an amendment to this Declaration executed by Declarant, any Special Declarant Right may be exercised by Declarant so long as Declarant holds a Development Right to create additional units or common elements or Declarant owns a unit, whichever ceases last. Earlier termination of certain rights may occur by statute.

E.11. WORKING CAPITAL FUND. Declarant may establish a working capital fund for the Association in an amount that is at least equal to two (2) months of Regular Assessments for all units. Each unit's contribution to this fund will be collected when the sale of the unit closes or on termination of the Declarant Control Period, whichever occurs first. Contributions to the fund are not advance payments of Regular Assessments and are not refundable. Not later than termination of the Declarant Control Period, the fully funded working capital fund will be transferred to the Association for deposit to a segregated fund. Declarant may not use the fund to defray Declarant's expenses, reserve contributions, or construction costs, or to cover the Association's budget deficits during the Declarant Control Period. If Declarant has unsold units on termination of the Declarant Control Period, Declarant may reimburse itself for a unit's pre-paid contributions from monies collected at the unit's closing.

E.12. GENERAL RESERVATION. Notwithstanding other provisions of the Documents to the contrary, nothing contained therein may be construed to, nor may any mortgagee, other owner, or the Association, prevent or interfere with the rights contained in this Article which Declarant hereby reserves exclusively unto itself, its agents, employees, and contractors.

E.13. EXPENSES OF DECLARANT. Expenses related to the completion and marketing of the Property will be paid by Declarant and are not common expenses of the Association.

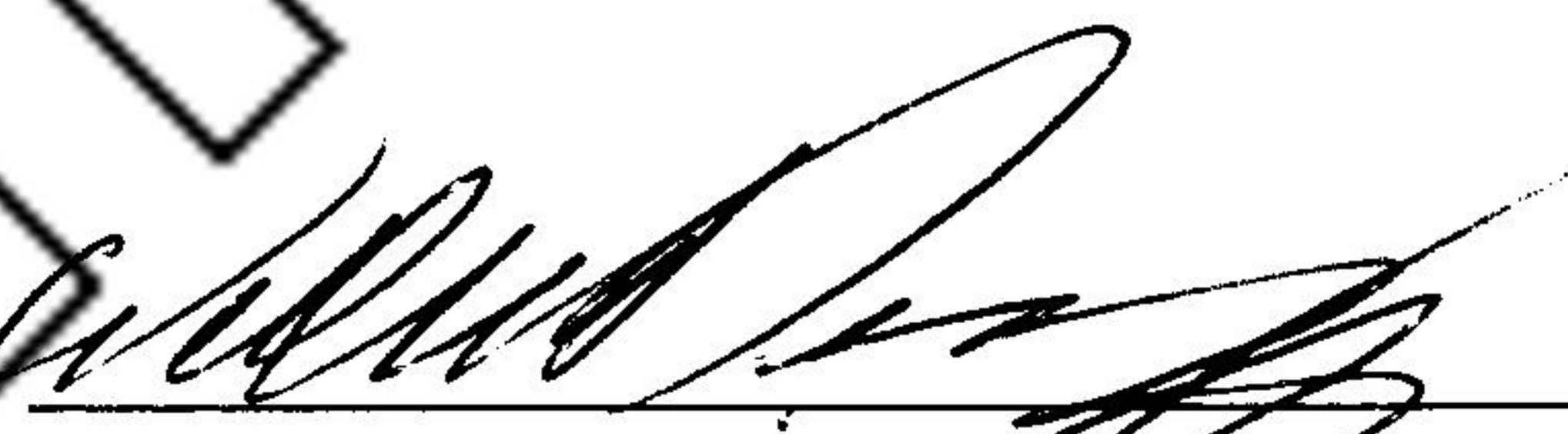
E.14. OBLIGATION FOR ASSESSMENTS. For each unit owned by Declarant, Declarant is liable for Regular, Special, Individual, and Deficiency Assessments in the same manner as any owner.

E.15. MANAGEMENT CONTRACT. If Declarant enters into a professional management contract on behalf of the Association during the Declarant Control Period, the Association has the right to terminate the contract without cause or penalty at any time after a board elected by the owners takes office.

SIGNED on this 7<sup>th</sup> day of June, 2017.

PRESTON CIRCLE OFFICE PARK, LLC,  
a Texas limited liability company

By:

  
\_\_\_\_\_  
William A. Peavy, III, Manager

**APPENDIX F**

TO DECLARATION  
OF  
PRESTON CIRCLE OFFICE PARK,  
A CONDOMINIUM COMMUNITY

**LEGAL DESCRIPTION OF ADDITIONAL LAND SUBJECT TO ANNEXATION**

Preston Circle Office Park Phase 1, Block 1, Lot 1, per the Plat thereon recorded in Volume 2017, Page 394, Map Records of Collin County, Texas,

SAVE AND EXCEPT

A tract or parcel of land situated in the Stephen Combs Survey, Abstract No. 218, in the City of Frisco, Collin County, Texas, being part of Lot 1, Block 1, of the Final Plat of Preston Circle Office Park, Phase 1, as recorded in Instrument NO. 20170525010002500, of the Official Public Records Collin County Texas, and being more particularly described as follows:

BEGINNING at a found aluminum monument on the north right-of-way line of John Hickman Parkway (100' wide right-of-way as described in the Right-Of-Way Deed to the City of Frisco recorded in Volume 4646, Page 805 in the CCDR), said monument being the southwest corner of LOT 1 BLOCK 1, RICHARDSON BIKE MART, an addition to the City of Frisco recorded in Volume 2011, Page 14 in the Collin County Plat Records (CCPR);

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THENCE North 82°32'17" West 110.94 feet along the north line of John Hickman Parkway as dedicated by said Plat of Lot 1 to the beginning of a curve;

THENCE Westerly an arc distance of 159.664 feet continuing along the north line of John Hickman Parkway and along a non-tangent curve to the left having a radius of 2957.38 feet, and the chord bears North 86°16'23" West, 159.64 feet, to corner, lying in north line of John Hickman Parkway and east right-of-way line of Legendary Drive; THENCE North 41°56'33" West, 22.34 feet along a diagonal corner clip of the intersection of said north line of John Hickman Parkway with the east right-of-way line of Legendary Drive (80' wide right-of-way near the intersection, to a set 5/8 inch iron rod with Baseline Corp plastic cap set for corner;

THENCE North 00°30'45" West 50.80 feet along said east line to a set 60D nail, for corner, lying inside the construction forms for a new sidewalk, being poured;

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THENCE North 89°05'36" East 130.32 feet along the south side of said LEGENDARY SELF STORAGE ADDITION to a found aluminum monument at the southwest corner of Lot 2R, Block 2, FRISCO CORNERS, AMENDED PLAT recorded in Volume 2013, Page 6, CCPR;

THENCE North 89°07'40" East 203.79 feet along the south side of said LOT 2R BLOCK 2 FRISCO CORNERS, AMENDED PLAT, to a found 1/2 inch iron rod with Brittain Crawford cap, lying in the west line of the aforementioned Lot 1, Block 1, RICHARDSON BIKE MART;

THENCE South 00°31'17" East 360.07 feet along the west side of Lot 1, Block 1, RICHARDSON BIKE MART, to the Point of Beginning and Containing 135,480 square feet or 3.110 acres of land more or less.

## APPENDIX G

### TO DECLARATION OF PRESTON CIRCLE OFFICE PARK, A CONDOMINIUM COMMUNITY

#### INITIAL DESIGNATION OF AREAS OF COMMON RESPONSIBILITY

In addition to the common elements maintained by the Association, the following components generally associated with (but not necessarily part of) individually-owned units are designated Areas of Common Responsibility, to be maintained by the Association as a common expense. Appearance on this list does not convert any component from a common element to a portion of a unit, and vice versa.

1. Roofs, roofing systems, gutters, and downspouts
2. Foundations
3. Exterior surfaces of perimeter walls, beginning at the point a material is affixed to a wall stud or supporting member. For clarification, this component does not include the wall stud or support, the wall cavity, and anything affixed to the interior side of the wall. This component does include:
  - a. Exterior wood trim and siding, including paint
  - b. Awnings, shutters, and decorative features on the public sides of buildings
  - c. Stone facades
  - d. Exterior light fixtures and unit numbers on the public sides of buildings
4. The fire suppression/sprinkler system installed in each building (and unit) in the Project.

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

BEFORE ACQUIRING AN OWNERSHIP INTEREST IN A UNIT, EACH PROSPECTIVE PURCHASER IS STRONGLY ENCOURAGED to contact the Association to obtain and review the most recent designation of Areas of Common Responsibility, which is subject to change from time to time.

**APPENDIX H**


TO DECLARATION  
OF  
PRESTON CIRCLE OFFICE PARK,  
A CONDOMINIUM COMMUNITY

**CONSENT TO DECLARATION**

Interbank, a state savings bank ("Lender"), is the holder of (i) a Promissory Note in the original principal amount of \$3,000,000.00 dated December 19, 2014, executed by Preston Circle Office Park, LLC, payment of which is secured, in part, by Vendor's Lien retained for the benefit of Lender in a Deed recorded under Clerk's File No. 20141219001384950, Real Property Records of Collin County, Texas, and by a Deed of Trust to Gabe Herald, Trustee, recorded on December 19, 2014, under Clerk's File No. 20141219001384960 in the Real Property Records of Collin County, Texas, and (ii) a Promissory Note in the original principal amount of \$1,500,000.00 dated on or about February 23, 2017, executed by Preston Circle Office Park, LLC, payment of which is secured by a Deed of Trust to Scott Keeney, Trustee, recorded under Clerk's File No. 201702240002, Real Property Records of Collin County, Texas, said Vendor's Lien and Deeds of Trust covering, among other interests, the property described in the Appendices A and F of the foregoing Declaration of Preston Circle Office Park, a Condominium Community (the "Declaration"). Lender hereby consents to the filing of the Declaration, but this Consent (a) shall not be construed or operate as a release of the liens and security interests of the Vendor's Lien and Deeds of Trust but shall instead confirm that the liens and security interests of the Vendor's Lien and Deeds of Trust shall be in full force and effect against the Units and all of the undivided interests in the Common Elements of the Condominium established by the Declaration, (b) shall not release, subordinate, impair or otherwise affect any rights of Lender under the Vendor's Lien and Deeds of Trust to succeed to the rights, powers and authority of Declarant under the Declaration in the event of a foreclosure of the liens and security interests of the Vendor's Lien and Deeds of Trust and (c) shall not modify the terms of the Deeds of Trust.

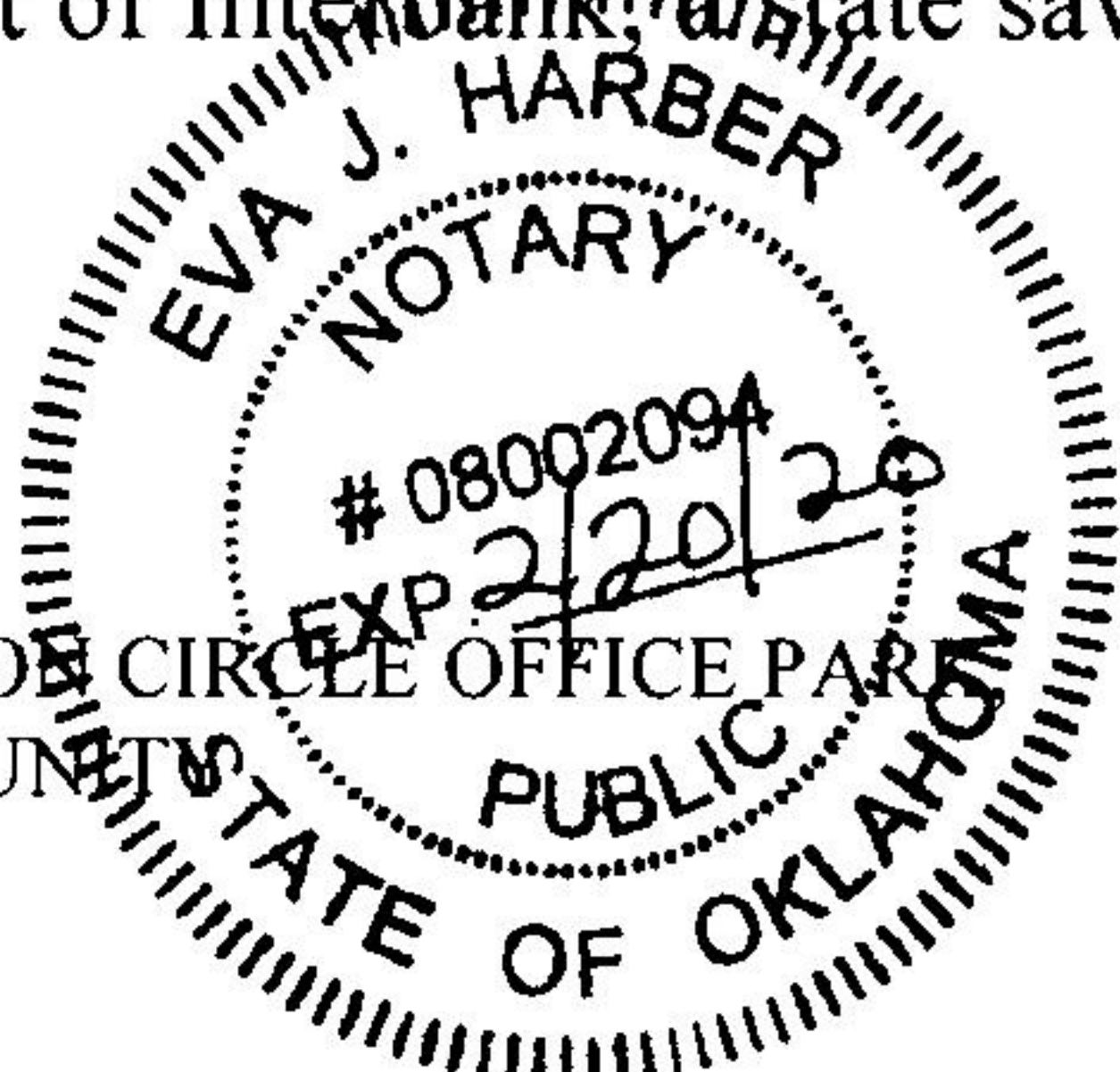
Date: June 7<sup>th</sup>, 2017

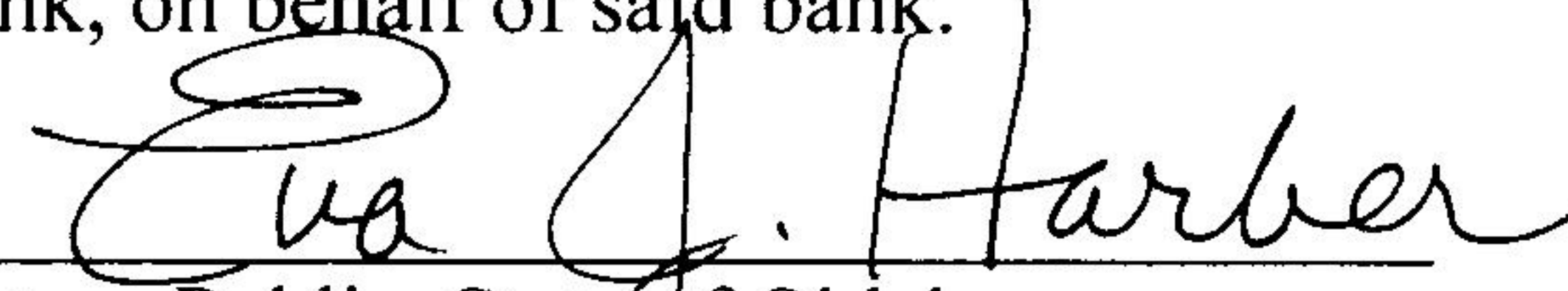
INTERBANK

  
\_\_\_\_\_  
Scott Keeney, Vice President

STATE OF OKLAHOMA           §  
                                          §  
COUNTY OF OKLAHOMA       §

This instrument was acknowledged before me on this 7<sup>th</sup> day of June 2017, by Scott Keeney, Vice President of Interbank, a state savings bank, on behalf of said bank.



  
\_\_\_\_\_  
Notary Public, State of Oklahoma

Unofficial

Filed and Recorded  
Official Public Records  
Stacey Kemp, County Clerk  
Collin County, TEXAS  
06/08/2017 11:36:56 AM  
\$254.00 DLAIRD  
20170608000744400



*Stacey Kemp*