

# CONDOMINIUM INFORMATION STATEMENT

## EXHIBIT A

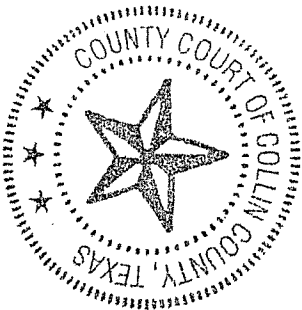
## DECLARATION

**Preston One Condominiums**

**DECLARATION**  
**OF**  
**PRESTON ONE CONDOMINIUMS**

Plano, Collin County, Texas

Declarant  
**PRECISION ONE, LP**



**DECLARATION  
OF  
PRESTON ONE CONDOMINIUMS**

---

This Declaration of Preston One Condominiums ("Declaration") is made on the 25<sup>th</sup> day of February, 2005, by Precision One, LP, a Texas limited partnership ("Declarant"). Declarant, having its principal office at 217B East Louisiana, McKinney, Texas 75069, owns the real property described on Exhibit "A-1" of this Declaration and the improvements thereon (the "Property").

Declarant desires to establish a condominium regime under the Texas Uniform Condominium Act, according to the provisions of Chapter 82 of the Texas Property Code, ("Condominium Act").

Declarant does hereby establish a plan for the individual ownership in fee simple of estates consisting of Units and the co-ownership by the separate Unit Owners thereof, as tenants in common, of all the remaining property, which includes both the Limited Common Elements and the General Common Elements (collectively referred to as the "Common Elements"), herein called the "Condominium".

Declarant does hereby submit the real property described on the attached Exhibit "A-1", and all improvements thereon, and any additional property which may be subjected to this Declaration, to the provisions of the Condominium Act and the Condominium, and does hereby publish and declare that the following terms, covenants, conditions, easements, restrictions, laws, limitations and obligations shall be deemed to run with the land and shall be a burden and a benefit thereto.

Declarant, its successors and assigns, and to any Person acquiring or owning an interest in the real property and improvements submitted hereto, their grantees, successors, heirs, executors, administrators, devisees and assigns. All Owners are subject to all rights and duties assigned to Owners under this Declaration.

**ARTICLE I**

**DEFINITIONS**

Generally, the terms used in this Declaration shall be given their normal, generally-accepted meanings. Unless the context otherwise requires, capitalized terms used in the Condominium Instruments (as hereinafter defined) shall be defined as follows:

1.01 Area of Common Responsibility: The Common Elements, together with those areas, if any, which the Association has assumed responsibility pursuant to the terms of this Declaration, or other applicable covenants, contracts, or agreements.

1.02 Articles or Articles of Incorporation: The Articles of Incorporation of Preston Office Condominium, Inc., a Texas non-profit corporation, as filed with the Texas Secretary of State, as amended from time to time.

1.03 Association: means the association of owners of all units in the Property, initially organized as Preston Office Condominium, Inc., a Texas nonprofit corporation, and serving as the "association" defined by the Act, and as the "property owners' association" defined in applicable law, such as Section 202.001(2) of the Texas Property Code. The failure of the Association to maintain its corporate charter from time to time does not affect the existence or legitimacy of the Association, which derives its authority from this Declaration, the bylaws, and the Condominium Act.

1.04 Board or Board of Directors: The body responsible for management and operation of the Association, selected as provided in the Bylaws.

1.05 Bylaws: The Bylaws of Preston Office Condominium, Inc., as amended from time to time.

1.06 Common Elements: That portion of the Condominium which is not included within the boundaries of any Unit, as further described in this Declaration. The term shall include the Limited Common Elements and the General Common Elements.

1.07 Common Expenses: The Condominium Actual and estimated expenses incurred, or anticipated to be incurred, by the Association for the general benefit of all Owners, including any reasonable reserve, as the Board may find necessary and appropriate pursuant to the Condominium Instruments.

1.08 Condominium: The condominium regime of Preston One Condominiums created by the filing of this Declaration.

1.09 Condominium Act: The Texas Uniform Condominium Act (Chapter 82 of the Texas Property Code), as the same may be amended from time to time.

1.10 Condominium Instruments: This Declaration, the Bylaws, the Articles of Incorporation, the Rules and Regulations and any future rules and regulations promulgated thereunder, as each may be amended from time to time.

1.11 Declarant: Precision One, LP, a Texas limited partnership, or its successors or assigns, who takes title to any portion of the Condominium and who is designated as the Declarant in a recorded instrument executed by the immediately preceding Declarant and any other Person as further set forth in Section 82.003(a)(10) of the Condominium Act. Termination of the Declarant Control Period shall not otherwise alter Declarant's status as the Declarant herein.

1.12 Declarant Control Period: The period of time during which the Declarant may appoint and remove a majority of the Board of Directors of the Association as permitted under the Condominium Act. The Declarant Control Period shall begin on the date this Declaration is recorded in the office of the County Clerk of Collin County, Texas, and shall terminate (i) within one hundred twenty (120) days after the conveyance of seventy-five (75%) percent of the units that may be created on the Property (including property subject to annexation) to owners other than Declarant, or (ii) the date on which Declarant voluntarily terminates Declarant's rights hereunder by recording a notice to that effect in the Collin County Real Property Records, whichever occurs first. After termination of the Declarant Control Period, the Declarant shall have all the rights and responsibilities of an Owner under this Declaration if Declarant owns at least one Unit.

1.13 First Mortgage: Any Mortgage which is not subject to any lien or encumbrance except for taxes or other liens which are given priority by statute or by agreement.

1.14 First Mortgagee: The holder of record of a First Mortgage.

1.15 General Common Elements: The Common Elements, except for the Limited Common Elements.

1.16 Limited Common Elements: A portion of the Common Elements reserved for the exclusive use of those entitled to occupy one (1) or more, but less than all, Units, as described in Section 2.05 of this Declaration.

1.17 Majority: Those eligible votes, Owners or other group as the context may indicate totaling more than fifty percent (50%) of the total eligible number. Each Owner's vote shall be weighted in accordance with the Percentage Interest in the Common Elements, attributable to such Owner's Unit, as set forth on Exhibit "B" to this Declaration.

1.18 Manager or Managing Agent: The Person, if any, appointed or retained by the Association, acting through the Board, to manage the Condominium.

1.19 Mortgage: Any mortgage, deed to secure debt, deed of trust or other encumbrance, transfer or conveyance of any interest in a Unit for the purpose of securing the performance of an obligation including, but not limited to, a transfer or conveyance of fee title for such purpose.

1.20 Mortgagee or Mortgage Holder: The holder of any Mortgage.

1.21 Occupant: Any Person occupying all or any portion of a Unit for any period of time, regardless of whether such Person is the Owner of such Unit, a tenant, or a business invitee, employee, patron or guest of the Owner or tenant.

1.22 Owner: The record holder of title to a Unit, excluding any party holding an interest merely as security for the performance of an obligation.

1.23 Percentage Interest: The undivided percentage interest in the Common Elements assigned to each Unit, as set forth on Exhibit "B" of this Declaration.

1.24 Person: A natural person, a corporation, a partnership, a trustee, a limited liability company, or any other legal entity.

1.25 Plat: The plat and floor plans for Preston One Condominiums, attached as Exhibit "A" and incorporated herein.

1.26 Property or Project: All that real property described on Exhibit "A-1" attached to this Declaration, and all improvements and structures on such property, and all easements and other rights appurtenant to such property.

1.27 Rules and Regulations: The rules and regulations adopted from time to time by the Board in accordance with the Declaration and the Condominium Act.

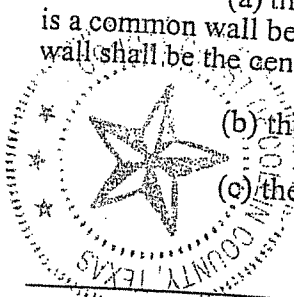
1.28 Site Plan: The site plan attached to the Declaration as Exhibit "A-2", which depicts, among other things, a general schematic map of the entire Condominium showing the location of each building or improvement and parking areas and structures.

1.29 Unit: An enclosed space described on the Unit Plans consisting of one or more rooms or areas occupying all or part of a floor in the condominium building (the "Building"), together with the undivided interest in the Common Elements assigned to such Unit by this Declaration. A Unit's boundaries shall include:

(a) the exterior unfinished surface of each perimeter wall unless such perimeter wall is a common wall between Units, in which case the boundary of the Units served by such common wall shall be the centerline of such common wall;

(b) the interior unfinished surface of the ceiling;

(c) the upper unfinished ground surface of the floor; and



(d) the exterior surface (including all glass or glass substitutes) of the windows and doors set in perimeter walls.

A Unit shall consist of:

(a) the air space enclosed within the area described in (a) through (d) above;

(b) any and all walls, ceilings, floors, partitions and dividers wholly within such air space (excluding any bearing walls, bearing beams or bearing columns contained within such air space, which items shall be part of the General Common Elements);

(c) all utility lines, chutes, flues, pipes, ducts, wires, vents and conduits located partially within and partially outside such air space or located wholly outside such air space but servicing such air space exclusively (excluding any such item which serves more than one Unit or the Common Elements, which shall be part of the General Common Elements);

(d) all plumbing, heating, ventilating, air conditioning, lighting, cooking and other fixtures, appliances and equipment (including individual air conditioning components and systems) located partially within and partially outside such air space or located outside such air space but servicing such air space exclusively (excluding any such item which serves more than one Unit or the Common Elements, which shall be part of the General Common Elements); and

(e) all lath, furring, wallboard, plasterboard, plaster, paneling, tiles, wallpaper, paint, finished flooring, and any other materials constituting part of the finished surfaces of the Unit.

1.30 Unit Plans: The drawings attached to this Declaration as Exhibit "A-3" which identifies, among other things, the horizontal and vertical boundaries of the Units and Common Elements of the Condominium.

## ARTICLE II

### DESCRIPTION OF CONDOMINIUM

2.01 Subject to Documents. The real property described in Exhibit A-1 is held, transferred, sold, conveyed, leased, occupied, used, insured, and encumbered subject to the terms, covenants, conditions, restrictions, liens, and easements of this Declaration, including Declarant's representations and reservations in Article 14 of this Declaration, 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 of the Property.

2.02 The Condominium is comprised of the Property, the Limited Common Elements and the General Common Elements, all as shown on the Site Plan and the Unit Plans attached as Exhibit "A-2" and Exhibit "A-3", respectively, to this Declaration.

2.03 Units.

(a) The Units are those areas identified on the Unit Plans as a "unit", followed by a number and/or letter if there is more than one Unit of the same type. Each Unit shall be conveyed as a separately-designated and legally described freehold estate subject to the Condominium Act and the Condominium Instruments. Each Unit may be conveyed by reference to the description of the Unit as shown on the Unit Plans. Any such conveyance shall automatically include the Percentage Interest in the Common Elements assigned to such Unit, all rights in and to any Limited Common Elements assigned to the Unit, membership in the Association, and an undivided interest in the funds

and assets held by the Association, whether or not separately described in the deed of conveyance. Any Unit may be jointly or commonly owned by more than one Person. The boundaries of each Unit are as set forth in Section 1.31 hereof.

(b) All references to the square footages of a particular Unit in the Condominium Instruments are approximations only, and are based on measurements made from the exterior walls of the particular Unit to include the foundation. In the event of a conflict between the Unit Plans and Exhibit "B", the latter shall control. The boundaries of a Unit as originally constructed or of a Unit reconstructed in substantial accordance with the original plans shall be conclusively presumed to be its boundaries rather than the metes and bounds expressed in any deed or on any plat, regardless of settling or lateral movement of the building in which the Unit was located, and regardless of minor variances between the boundaries shown on the Unit Plans or in a deed and the Condominium Actual boundaries of the Unit.

(c) Each Owner shall be entitled to the exclusive use and possession of its Unit, subject to the rights of any other Persons holding an ownership interest in such Unit.

#### 2.04 Common Elements.

(a) The Common Elements consist of all portions of the Condominium not consisting of or located within the boundaries of a Unit. Ownership of the Common Elements shall be by the Owners as tenants-in-common. The Percentage Interest in and to the Common Elements attributable to each Unit shall be as set forth in Exhibit "B", with each Unit being allocated a percentage interest in the Common Elements based upon the ratio of the Unit's square footage to the total number of square feet for all Units in the Condominium. Such Percentage Interests may be altered only by the consent of all Owners and Mortgagees whose Percentage Interest is to be changed, expressed in an amendment to this Declaration duly adopted and recorded in accordance with this Declaration. The Percentage Interest of each Owner in the Common Elements is appurtenant to the Unit owned by the Owner and may not be separated from such Unit. The Percentage Interest shall be deemed to be conveyed, encumbered and released from liens, and to otherwise pass with the title to the Unit, whether or not expressly mentioned or described in a deed of conveyance or other instrument describing the Unit.

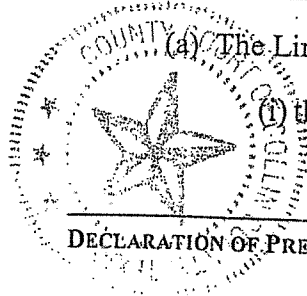
(b) The Common Elements, including the Limited Common Elements, shall remain undivided, and neither Owner nor any other Person shall bring any action for judicial partition or division of the Common Elements so long as the Property remains a Condominium. Any purported conveyance, encumbrance, judicial sale, or other voluntary or involuntary transfer of an undivided interest in the Common Elements made without the transfer of the Unit to which that interest is allocated is void. Except as provided in Section 2.05 regarding the Limited Common Elements and as otherwise specifically provided in this Declaration, each Owner and the Association may use the Common Elements for the purposes for which they are intended, but no such use shall enter or encroach upon the lawful rights of the other Owners.

(c) The Board shall have the authority to assess as an individual assessment, as provided in Section 4.03(c) below, individual Unit utility usage charges, based upon submetering, including a right to add a charge for the cost of overhead for such services and/or to install separate utility meters for the Units, in the event that such utility services are submetered.

#### 2.05 Limited Common Elements.

(a) The Limited Common Elements are:

(i) the portion of the Common Elements on which there is located any portion



of the air conditioning or heating system exclusively serving a particular Unit or Units (but serving less than all of the Units) is assigned as Limited Common Element to the Unit or Units so served;

(ii) any utility meter which serves only one (1) Unit is assigned as a Limited Common Element to the Unit so served;

(iii) shutters, awnings, window boxes, doorsteps, stoops, porches, balconies, patios, and exterior doors and windows designed to serve a single Unit, but located outside the Unit's boundaries.

(b) The Board may designate, from time to time, certain portions of the General Common Elements as Limited Common Elements for use as parking and may assign the exclusive use of parking spaces to particular Units. Any such assignment shall require an amendment to this Declaration, executed by the Association, revising the Site Plan to reflect such assignment. Limited Common Elements may be reassigned with the consent of each affected Owner and its First Mortgagee. Any such reassignment shall require an amendment to this Declaration, executed by the Owners between or among whose Units the reallocation is made, revising the Site Plan to reflect such reassignment. The Owners executing the amendment shall deliver it to the Association, which shall record it at the expense of the reassigning Owners.

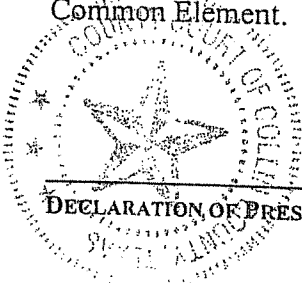
#### 2.06 Easements.

(a) Easement for Support. Every portion of a Unit and all Common Elements contributing to the support of an abutting Unit or Common Element shall be burdened with an easement of support for the benefit of such abutting Unit or Common Element.

(b) Easement for Encroachments. There shall be valid easements over every portion of the Condominium for the maintenance of encroachments due to construction, reconstruction, repair, settlement or shifting of structures or any other cause, except that no easement for encroachment shall be created in favor of any Unit if such encroachment occurred due to the willful conduct of the Owner or Occupant of such Unit or any Person acting on their behalf. None of the rights and obligations of Owners under this Declaration and the deeds conveying title to their respective Units shall be altered in any way by the existence of any encroachment.

(c) Easement for Access. Each Owner shall have a non-exclusive easement for use and enjoyment of the General Common Elements and for ingress and egress over and through the General Common Elements, subject to the exclusive rights of certain Owners to use of the Limited Common Elements described in Section 2.05. Such easements shall be subject to the right of the Association to regulate time and manner of use, including the right to limit guest use, and to the other rights and restrictions specifically set forth in the Condominium Instruments. Any Owner may extend its easement rights under this subsection (c) to its business invitees or to its tenant, the tenant's guests and business invitees. Such easement rights shall be subject to the Board's authority to regulate the Common Elements as provided in this Declaration.

(d) Easement for Maintenance. There is hereby reserved unto the Declarant and to the Association an easement over and through each Unit and the Common Elements to do all things necessary to perform their responsibilities under this Declaration and the Bylaws, including maintenance and repair of electrical, telephone, plumbing or other mechanical or structural components of the Property which are contained within or most readily accessed from such Unit or Common Element.



(e) Easements to Third Parties.

(i) There is hereby granted an exclusive easement to Texas Services Communication, LLC, and its successors and assigns, to allow access for maintenance, installation and repair of all telephone, communications, security systems, cable and other telecommunications services for a period of 50 years from the date hereof. This Section 2.06(e) may not be amended without the prior written consent of Texas Services Communication, LLC, its successors or assigns.

(ii) There is hereby reserved unto the Declarant and to the Association the right to grant to third parties easements in, on and over the Common Elements for the purpose of constructing, installing and maintaining utilities and services, and each Owner, by accepting a deed to its Unit, expressly consents to the granting of such easements. However, no such easement shall interfere with any exclusive easement previously granted or with the use, occupancy or enjoyment of any Unit.

2.07 Additional Property. Additional real property may be annexed to the Property and subjected to the Declaration and the jurisdiction of the Association on approval of owners representing at least two-thirds of the units in the Property, or, during the Declarant Control Period, by Declarant as permitted in this Declaration. Annexation of additional property is accomplished by recording a declaration of annexation, including an amendment of Exhibit A, in the county's Real Property Records.

2.08 Recorded Easements and Other Encumbrances. In addition to the easements and restrictions contained in this Declaration, the Property is subject to all easements, licenses, leases, and encumbrances of record, including those described in the attached Exhibit "D", and any shown or referenced on a recorded plat, each of which is incorporated herein by reference. 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 be bound by prior-recorded easements, licenses, leases, and encumbrances. Each owner further agrees to maintain any easement that crosses his unit and for which the Association does not have express responsibility.

2.09 Contract Services Disclosure. In connection with construction of the Property, the units have been wired or fitted for services by Texas Services Communication, LLC. Texas Services Communication, LLC shall provide and own all telephone, communications, security systems, cable and other telecommunications services to Preston One Condominiums, as provided in Section 2.06(e) above. The Association may serve as the conduit for the service fees and payments, which may be considered utility or individual assessments. However, the Association is not the service provider and has no responsibility or liability for the availability or quality of the service, or for the maintenance, repair, or replacement of the wires, conduits, equipment, or other fittings relating to the contract service.

### ARTICLE III

#### ASSOCIATION, MEMBERSHIP AND VOTING RIGHTS

3.01 Association.

(a) The Association shall have all rights, powers and duties of an "association," as that term is used in the Condominium Act, and shall have the right, power and obligation to provide for the maintenance, repair, replacement, insurance, administration and operation of the Condominium as provided in the Condominium Instruments.

(b) The affairs of the Association shall be managed by the Board, which shall be entitled to exercise all rights and powers and perform all functions and duties of the Association, except to the extent that the Condominium Instruments or the Condominium Act specifically require approval of the Owners.

(c) In addition to all other rights of the Association under the Condominium Act, the Texas Non-Profit Corporation Act and the Condominium Instruments, the Association shall have the right and authority:

(i) to enter into Units for maintenance, security or safety purposes, which right may be exercised by the Board, the Association's officers, agents, employees, managers, and all police officers, firemen, ambulance personnel and similar emergency personnel in the performance of their respective duties. Except in an emergency situation, entry shall be only during reasonable hours and after reasonable notice to the Owner or Occupant of the Unit. No one exercising the rights granted in this subparagraph shall be liable for trespass, damages, or in any other manner by virtue of exercising such rights;

(ii) to make and to enforce reasonable rules and regulations governing the use, occupancy, leasing or sale, maintenance, repair, modification, and appearance of the Condominium, including the Units, the Limited Common Elements and the General Common Elements, and to make and to enforce reasonable rules and regulations governing the payment and collection of assessments;

(iii) to enforce the provisions of the Condominium Instruments and rules and regulations by any means authorized under the Condominium Instruments, which shall include the right to impose reasonable monetary fines, suspend the right to vote on Association matters, suspend services provided to the violating Owner or Occupant or to its Unit, and to bring a suit for monetary damages or equitable relief. Any monetary fines shall be considered an assessment against the Unit of the violating Owner or Occupant and may be collected as an Individual Assessment under Article IV of this Declaration;

(iv) to grant permits, licenses, utility easements and other easements over the Common Elements for utilities, roads and other purposes necessary or convenient for the proper operation of the Condominium;

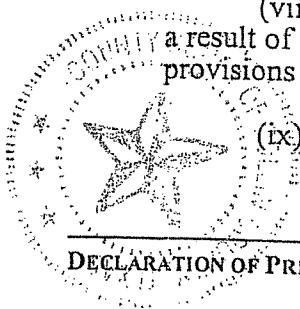
(v) to cause additional improvements to be made as part of the Common Elements;

(vi) to impose and receive payments, fees, deposits or charges for the use, rental, or operation of the Common Elements and for services provided to Owners, including fees for the provision of remote access controlled devices;

(vii) to control, manage, operate, maintain, improve and replace all portions of the Condominium for which the Association has maintenance responsibility under the Condominium Instruments;

(viii) to deal with the Condominium in the event of damage or destruction as a result of casualty loss, condemnation or eminent domain, in accordance with the provisions of the Condominium Act and this Declaration;

(ix) to represent and act on behalf of the Owners in dealing with



governmental entities, zoning matters or any matter related to the Common Elements;

(x) to temporarily close or discontinue operation of any portion of the Common Elements;

(xi) to add or discontinue any service, benefit or item provided as a Common Expense to the Owners or provided to less than all of the Owners and assessed as an Individual Assessment;

(xii) to maintain, repair, replace and insure parking facilities, landscaping, irrigation systems, drainage systems, roadways and access easements located adjacent to the Property and to enter into agreements with adjacent landowners for the payment of certain costs including, without limitation, utility costs and real and personal property taxes;

(xiii) to acquire, hold and dispose of tangible and intangible personal property and real property, subject to any limitations on such rights relating to the Common Elements;

(xiv) to collect security deposits in reasonable amounts, as determined by the Board in its sole discretion, to protect against damage to the Condominium; including, without limitation, damage resulting from: moving in or out of a Unit; the transportation and use of construction materials in the Condominium; and the alteration, modification, or addition to a Unit and any Limited Common Element appurtenant thereto. Costs of such damage may be deductible from the security deposit and any additional expenses may be specifically assessed against the Unit as an Individual Assessment pursuant to Article IV;

(xv) to approve contractors or subcontractors who have access to the Condominium for the purpose of making repairs or improvements to Units based upon rules and regulations promulgated and adopted by the Board which may include, without limitation: financial stability of the contractors and/or subcontractors; history of compliance with the Condominium Instruments and rules and regulations of the Association; and other factors that may be reflective of quality and ability. The Board may also impose insurance requirements and collect other non-refundable deposits for use of Condominium facilities such as trash receptacles; and

(xvi) to enter into joint agreements and contracts with other property owners associations for the provision of services including, without limitation, management, landscaping, concierge, property monitoring services, and trash removal services.

3.02 Membership. Every Owner, by ownership of a Unit, is a Member of the Association; provided, there is only one membership per Unit. Such membership shall automatically be transferred upon transfer of record title to the Unit, except that the giving of a Mortgage shall not transfer membership in the Association.

3.03 Voting Rights. Except as otherwise provided in the Condominium Instruments, each Owner shall be entitled to vote on all matters upon which members of the Association are entitled to vote pursuant to the Condominium Instruments and the Condominium Act, except that there shall be only one vote exercised for each Unit. In the case of a Unit in which more than one Person holds the ownership interest required for membership in the Association, the vote for such Unit shall be cast as all co-Owners of such Unit agree among themselves. If only one such co-Owner attempts

to cast the vote on a particular matter, it shall be assumed that all co-Owners of such Unit agree unless the Secretary is otherwise notified in writing prior to the matter being put to a vote. If more than one co-Owner of a Unit attempts to cast the vote for such Unit, the vote shall not be counted.

3.04 Allocation of Interests. The table showing the identifying number and allocated interests of each unit is attached as Exhibit "B". 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.

4.6.1. Common Element Interests. The percentage of undivided interest in the common elements allocated to each unit is based on estimated square footage on architectural drawings for each unit, compared to the total estimated square footage for all units in the Property.

4.6.2. Common Expense Liabilities. The percentage of liability for common expenses allocated to each unit is based on the same formula for common element interests.

4.6.3. Votes. The one (1) vote appurtenant to each unit is weighted based on estimated square footage on architectural drawings for each unit, compared to the total estimated square footage for all units in the Property.

#### ARTICLE IV

#### ASSOCIATION FINANCES

4.01 Covenant to Pay. The Declarant and each Owner, by acceptance of a deed to its Unit, whether or not it shall be so expressed in such deed or other instrument of transfer, is deemed to covenant and agree to pay to the Association each assessment levied against such Owner and its Unit pursuant to this Declaration. Upon transfer of title to a Unit, the grantee shall not be personally liable for any assessments and other charges against the Unit due at the time of conveyance unless expressly assumed by them. No Owner may waive or otherwise escape liability for or withhold payment of assessments for any reason whatsoever, including, but not limited to, non-use of the Common Elements, abandonment of its Unit, the Association's failure to perform its obligations, or inconvenience or discomfort arising from the making of repairs or improvements, or from any action taken to comply with any law, ordinance, or with any order or directive of any municipal or other governmental authority or for any other action taken or failed to be taken by the Association.

Notwithstanding any other provision contained in this Declaration or the Bylaws to the contrary, during the period in which a Unit is owned by the Association, the assessment which otherwise would be due and payable by the Owner of such Unit shall be a Common Expense.

4.02 Purpose of Assessments. The assessments levied for Common Expenses pursuant to this Declaration and the Bylaws are for the general purposes of benefitting the Owners and Occupants of Units in the Condominium and are intended to be used for the purposes of defraying expenses related to the ownership, operation, maintenance, repair, replacement, furnishing, improvement and insurance of the Area of Common Responsibility (including all personal property of the Association used in connection with the Common Elements) and such other costs as are incurred by the Association in exercising its rights and powers and performing its responsibilities under the Condominium Instruments.

4.03 Types of Assessments.

(a) Annual Assessments.

(i) Not later than sixty (60) days prior to the beginning of the Association's fiscal year, the Board shall prepare a budget covering the estimated costs of operating the Condominium during the coming fiscal year. The budget shall include as line items a reasonable provision for contingencies and a contribution to a reserve fund for the repair and/or replacement of capital improvements. Upon the Board's approval of the budget, the estimated cash requirement shall be allocated among all Units according to the Percentage Interests in the Common Elements assigned to each.

(ii) The Board shall send notice of the amount of the Annual Assessment to each Owner at least thirty (30) days prior to the effective date of such assessment. The failure to send the notice shall not relieve any Owner of its obligation to pay its Annual Assessment.

(iii) In the event that the Board fails for any reason to determine the budget or assessment for any year, then the assessment shall be the prior year's assessment.

(b) Special Assessments.

(i) If the Annual Assessment proves inadequate for any year, or if the Association expects to incur expenses which were not anticipated at the time the budget was adopted, the Board may levy, assess and collect a Special Assessment; provided, however, that, except as otherwise provided in Section 6.04 of this Declaration, any Special Assessment shall have the affirmative vote or written consent, or any combination thereof, of Owners representing at least fifty-one percent (51%) of the Percentage Interests in the Common Elements, and the consent of the Declarant so long as the Declarant owns a Unit in the Project.

(ii) Any Special Assessment shall be allocated among all Units according to the Percentage Interests in the Common Elements assigned to each.

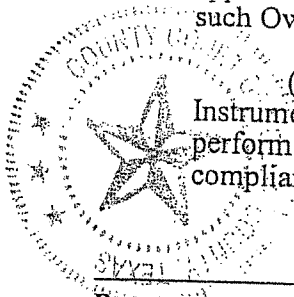
(iii) All amounts collected by the Association as a Special Assessment shall be deposited by the Board in a separate bank account to be used by the Association for the purpose for which it was levied.

(c) Individual Assessments. The Board of Directors shall have the power to levy an Individual Assessment against any Owner and such Owner's Unit if:

(i) the conduct of such Owner or any Occupant of its Unit was in violation of any provision of the Condominium Instruments and resulted in a monetary fine being imposed against the Unit of such Owner, in which case the fine shall constitute an Individual Assessment; or

(ii) the conduct of such Owner or any Occupant of its Unit resulted in damage to any portion of the Condominium which is the maintenance responsibility of the Association, in which case the costs incurred in repairing such damage and any applicable insurance deductible may be assessed as an Individual Assessment against such Owner and its Unit;

(iii) the Owner failed to perform any obligation under the Condominium Instruments and, after notice to the Owner, the Association exercised its power to perform such obligation on behalf of the Owner or incurred costs to obtain compliance, including attorney's fees, whether or not suit was filed, in which case



the costs incurred by the Association may be assessed against such Owner and its Unit as an Individual Assessment;

(iv) the Owner receives benefits, items or services not provided to all Owners, in which case the amount of the benefit received may be assessed against such Owner and its Unit as an Individual Assessment; and

(v) the Condominium Instruments or the Condominium Act otherwise provide for the levying of any other amount due the Association against a particular Owner(s) or its Unit.

Failure of the Board of Directors to exercise its authority under this subsection (c) shall not be grounds for any action against the Association or the Board and shall not constitute a waiver of the Board's right to exercise its authority under this subsection in the future.

4.04 Date of Commencement of Assessments. The Annual Assessments shall commence as to all Units no later than sixty (60) days after the date of the first conveyance by Declarant of a Unit to an Owner. The first Annual Assessment shall be prorated according to the number of months remaining in the calendar year. Prior to commencement of the Annual Assessment, the Declarant shall pay all of the expenses of the Condominium as the expenses accrue. The Association's reserves and the Owners' working capital contributions may not be used to pay operational expenses of the Association until after the Declarant Control Period ends. From the date of the initial assessment hereunder until the Declarant Control Period ends, the Declarant shall periodically pay to the Association, at the Declarant's option, either (a) an amount equal to all operational expenses of the Association (i.e. expenses other than reserves and capital contributions), less the operational expense portion of the assessments paid by Owners other than the Declarant, or (b) the Common Expense liability allocated to each Unit owned by the Declarant. Unless the Declarant otherwise notifies the Board in writing at least sixty (60) days before the beginning of each fiscal year, Declarant shall be deemed to have elected to continue paying on the same basis as during the immediately preceding fiscal year. Regardless of such election, the Association shall have a lien against all Units owned by the Declarant to secure the Declarant's obligations under this Section, which lien shall have the same attributes and shall be enforceable in the same manner as the Association's lien against other Units under this Article IV. The Declarant's obligations hereunder may be satisfied in the form of cash or by "in kind" contribution of services and materials, or by a combination of these.

Any amount paid by Declarant in excess of the Declarant's Common Expense liability allocated to each Unit owned by the Declarant may be treated as a capital contribution, an advance against future assessments due from the Declarant, or a loan, in the Declarant's discretion. Any such payment and the nature thereof shall be conspicuously disclosed as a line item in the Common Expense budget. The payment of such amount and the Declarant's treatment thereof in any year shall under no circumstances obligate the Declarant to continue payment in a like manner in future years, unless otherwise provided in a written agreement between the Association and the Declarant. After termination of the Declarant Control Period, Declarant shall pay assessments on its unsold Units in the same manner as any other Owner.

4.05 Payment of Assessments.

(a) Due Dates. Annual Assessments, Special Assessments and Individual Assessments (collectively, the "Assessments") shall be paid in such manner and on such dates as may be fixed by the Board. Unless otherwise provided by the Board, the Annual Assessments shall be due on the first (1st) day of January, April, July and October of each year. Special Assessments and Individual Assessments shall be due and payable on or before the thirtieth (30th) day following the date of the

invoice for such Assessment. All Assessments and related charges not paid on or before the fifteenth (15th) day following the due date shall be delinquent, and the Owner shall be in default.

(b) Enforcement of Assessment Obligation. If any Assessment, or any allowed installment thereof, is delinquent, the Association shall be authorized to invoke the following rights and remedies, in addition to any other rights and remedies of the Association under the Condominium Act, the Condominium Instruments or Texas law:

(i) Interest. Any Assessment or installment thereof which is delinquent shall accrue interest from the due date thereof on the principal amount due at the rate of ten percent (10%) per annum, unless the rate of interest is restricted by law to a lesser amount, in which case the rate shall be the maximum amount allowed by law at the time such Assessment became due. Such interest, as and when it accrues, shall be added to and become a part of the Assessment and may be collected in the same manner as any Assessment.

(ii) Late Charges. The Board may levy reasonable late charges against an Owner in default on payment of any Assessment or part thereof. Such late charges, as and when levied, shall be added to and become part of the Assessment upon which they have been levied and may be collected in the same manner as any Assessment.

(iii) Returned Check Fee. The Board may levy reasonable fees for each check that is dishonored for any reason by the drawee of such check. Such fees, as and when levied, shall be added to and become part of the Assessment for which the dishonored check was tendered in payment and may be collected in the same manner as any Assessment.

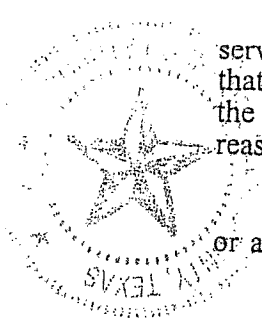
(iv) Form of Payment. The Board may prescribe the form and method of payment by which delinquencies must be cured, such as by cashier's or certified check. Such instructions may be issued by the Board on a case-by-case basis, as circumstances warrant.

(v) Collection Expenses. An Owner in default in payment of any Assessment or part thereof is also liable to the Association for collection expenses, including, but not limited to, reasonable attorney's fees and additional management fees or costs, incurred by the Association to collect such Assessment, interest and late charges. Such collection expenses, as and when incurred by the Association or its managing agent, if any, shall become part of the Assessment, the collection of which generated such expenses and may be collected in the same manner as any Assessment.

(vi) Suspension of Voting Privileges. The vote attributable to any Unit as to which Assessments are in default may be suspended by the Board so long as the default exists upon notice to the Owner of the default and failure of the Owner to cure the default within thirty (30) days from the date of the notice.

(vii) Termination of Utilities. The Board may terminate water or other utility services to a Unit, the Owner of which is delinquent in the payment of an Assessment that is used, in whole or in part, to pay the cost of that utility. Any costs incurred by the Association discontinuing and/or reconnecting any utility service, including reasonable attorney's fees, shall be an assessment against the Unit.

(viii) Acceleration. If an Owner is in default in payment of any Assessment or any part thereof, the Board may accelerate any remaining installments of any



Assessment (Annual or Special) upon ten (10) days' written notice to such Owner (which notice need only be sent to one Owner, in the case of co-Owners of a Unit). In such event, the entire unpaid balance of such Assessment shall be due upon the date stated in such notice. Upon acceleration, the Owner shall lose the privilege of paying the Annual Assessment or any other Assessment in monthly installments for that fiscal year.

(ix) Assignment of Rents. Each Owner absolutely and unconditionally assigns, transfer and conveys to the Association all rents from the lease of its Unit to secure the payment of all Assessments due on its Unit, in accordance with the following provisions:

(A) Each Owner reserves the right, unless and until the Owner becomes delinquent in the payment of Assessments, to collect such rents as a trustee for the benefit of the Association; and

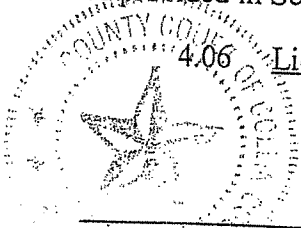
(B) If an Owner is delinquent in the payment of any Assessment or part thereof for sixty (60) days or more, upon ten (10) days' written notice to the Owner and lessee, the Association may demand and receive from a lessee of the Owner's Unit the rent due the Owner from the lessee. The lessee shall continue making rent payments directly to the Association until such time as all past due Assessments, late charges, interest, attorney's fees and collection expenses are paid in full, or until notified by the Association to discontinue such payments, whichever occurs earlier. The delinquent Owner and lessee hereby consent, upon notice from the Association as herein provided, to the lessee's payment of all rents directly to the Association upon default in the payment of Assessments and the lessee's attornment to all other obligations thereunder directly to the Association; and

(C) All rents collected by the Association shall be held and applied as the Board shall direct, and the Board shall promptly return to the Owner any rents collected in excess of the then outstanding Assessments; and

(D) Nothing in this subsection, nor the exercise of any right, power or authority granted by this subsection to the Association, shall be construed to be (1) an assumption by the Association of liability under any tenancy, lease or option, (2) consent to or approval of the lease, (3) a release or discharge of any other obligations of the Owner who is delinquent in the payment of amounts due the Association, or (4) a waiver of any of the Association's rights or duties.

(c) Cumulative Remedies. The preceding remedies are in addition to and not in substitution for all other rights and remedies which the Association may have under the Condominium Instruments and applicable law, including, without limitation, judicial or non-judicial foreclosure of the Association's assessment lien or pursuit of a personal judgment against the delinquent Owner, as provided in Section 4.06 of this Declaration.

4.06 Lien to Secure Payment of Assessments; Subordination to Certain Mortgages.



(a) Creation of Lien. In order to secure payment of the Assessments levied under this Declaration, the Association shall have a lien, which to the extent possible shall be a vendor's lien, on each Unit and on rents and insurance proceeds received by the Owner and relating to the Owner's Unit. This lien does hereby secure payment of Assessments, fees, charges, fines, reasonable attorney's fees, interest, late charges, collection expenses and any other amount due to the Association by the Owner or levied against the Unit by the Association as authorized by this Declaration and/or the Condominium Act. Such lien shall be prior and superior to all other liens, except (i) a lien for real property taxes and other governmental assessments or charges against the Unit, unless otherwise provided by the Texas Tax Code; (ii) a Mortgage recorded before the Declaration is recorded; (iii) a First Mortgage recorded before the date on which the assessment sought to be enforced becomes delinquent under the Declaration; and (iv) a lien for construction of improvements to a Unit or an assignment of the right to insurance proceeds on the Unit if the lien or assignment is recorded or duly perfected before the date on which the assessment sought to be enforced becomes delinquent under the Declaration. The lien shall be self operative and shall continue in inchoate form without being reserved or referenced in any deed or other document and without any other action required.

To evidence the assessment lien, the Board may prepare, but is not required to prepare, a written notice setting forth (i) the amount of any unpaid indebtedness, including Assessments, interest, late charges, costs and reasonable attorney's fees; (ii) the name of the Owner of the Unit; and (iii) a sufficient legal description of the Unit. Such notice shall be signed and acknowledged by an officer or duly authorized agent or attorney of the Association and shall be recorded with the Clerk of the Real Property Records of Collin County, Texas. The assessment lien will become enforceable from the date such Assessments became due and will continue so until all sums owing have been fully paid or otherwise satisfied. Upon timely curing of the default for which a Notice of Lien was filed by the Association, the Board shall cause to be recorded an appropriate Notice of Payment of such amounts. The cost of preparing and recording such Notice of Payment is the defaulting Owner's expense, which, as and when incurred, will become an Assessment owing and, as such, will be subject to recovery in the manner provided herein for Assessments.

(b) Enforcement of Lien. Upon default in the payment of any Assessment, such lien may be enforced by judicial or non-judicial foreclosure in the same manner as a mortgage on real property under Texas law including, without limitation, the manner set forth in Tex. Prop. Code Ann. § 51.002 (the "Foreclosure Statute") and Section 82.113 of the Condominium Act, except that the Association may not foreclose its lien consisting solely of unpaid fines. In connection therewith, each Owner grants the Association a power of sale to be exercised in accordance with the Declaration, the Condominium Act and the Foreclosure Statute. By written resolution, the Board may appoint, from time to time, an officer, agent, trustee or attorney of the Association to exercise the power of sale on behalf of the Association.

(c) Effect of Transfer on Lien. The sale or transfer of any Unit shall not affect the assessment lien or relieve such Unit from the lien for any subsequent Assessments. However, the sale or transfer of any Unit pursuant to foreclosure of any lien having priority over the Association's lien pursuant to subsection (a) above shall extinguish the lien as to any installments of such Assessments due prior to such sale or transfer. Any Mortgagee or other purchaser of a Unit who obtains title pursuant to foreclosure of its prior lien shall not be personally liable for any installments of an assessment on such Unit due prior to such acquisition of title unless expressly assumed by them.

4.07 Statement of Account. Any Owner, Mortgagee or Person having executed a contract for the purchase of a Unit, and any lender considering a loan to be secured by a Unit, shall be entitled, upon written request, to a statement from the Association with respect to such Unit setting forth any amounts due and unpaid to the Association, including any Assessments, late charges,

interest, fines or other charges, the amount of any credit for advance payments and prepaid items, and the amount of the current Annual Assessment and the due dates of each installment. The Association shall respond in writing within ten (10) days of receipt of the request for a statement. Such statement shall be binding on the Association as to the amount due on the Unit as of the date specified in such statement. The Association and/or its Managing Agent, if any, may require the advance payment of a fee for issuing such a statement.

4.08 Exempt Property. The following portions of the Property shall be exempt from the Assessments, charges and liens created under this Declaration:

- (a) All properties to the extent of any easement or other interest therein dedicated and accepted by the City of Plano and County of Collin and devoted to public use;
- (b) All utility lines and easements; and
- (c) The Common Elements.

## ARTICLE V

### INSURANCE

5.01 General Requirements. (a) The Association shall obtain and maintain at all times, as a Common Expense, insurance as required by this Article and the Condominium Act. All such insurance coverage shall be written in the name of the Association as trustee for itself, each of the Owners and the Mortgagees, if any. Such insurance shall run to the benefit of the Association, the Board, officers, all agents and employees of the Association, the Owners and their respective Mortgagees and all other Persons entitled to occupy any Unit, as their interests may appear. All policies of insurance shall be written with a company licensed to do business in the State of Texas with a Best's rating of A or better, or the most nearly equivalent rating which is reasonably available. The company shall provide insurance certificates to each Owner and each Mortgagee upon request.

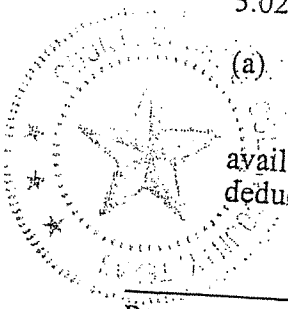
(b) In no event shall the insurance coverage obtained and maintained by the Association be brought into contribution with insurance purchased by Owners individually or by their Mortgagees, and the insurance carried by the Association shall be primary. Each Owner shall notify the Board of all structural improvements made by the Owner to its Unit. Any Owner who obtains an individual insurance policy covering any portion of the Condominium, other than improvements and betterments made by such Owner at its expense and personal property belonging to such Owner, shall file a copy of such individual policy or policies with the Board within thirty (30) days after the purchase of such insurance. Such Owner shall also promptly notify the Board in writing in the event such policy is canceled.

(c) Property insurance carried by the Association as a Common Expense shall not be required to include any part of a Unit which is not depicted on the Unit Plans or included in the Mortgage, nor shall the Association's public liability insurance provide coverage for individual Owners for liability arising within the Unit.

5.02 Association's Insurance.

(a) The Association shall obtain as a Common Expense:

(i) a property insurance policy providing "all risk" coverage, if reasonably available, in an amount equal to full replacement cost, before application of deductibles, of all insurable Common Elements. If "all risk" coverage is not



available at a reasonable cost, the Board shall obtain, at a minimum, fire and extended coverage, including coverage for vandalism and malicious mischief, in like amounts. The policy may contain a reasonable deductible, and the amount thereof shall not be subtracted from the face amount of the policy in determining whether the insurance equals at least the replacement cost of the insured property. Each Owner shall have the right to obtain additional coverage for its Unit, including betterments or personal property at its own expense;

(ii) comprehensive public liability insurance, property damage insurance and officers' and directors' liability insurance in such amounts as the Board may determine appropriate;

(iii) worker's compensation insurance, if and to the extent necessary to meet the requirements of law;

(iv) fidelity bonds, if reasonably available, covering officers, directors, employees and other Persons who handle or are responsible for handling Association funds. Such bonds, if reasonably available, shall be in an amount of no less than three (3) month's assessments plus reserve funds in the custody of the Association at any time during the term of the bond; provided such fidelity coverage may be reduced if one or more of the following financial controls is implemented: (A) the Association or management company, if any, maintains a separate bank account for the working account and the reserve account, each with appropriate access controls and the bank in which funds are deposited sends copies of the monthly bank statements directly to the Association; (B) the management company, if any, maintains separate records and bank accounts for each association that uses its services and the management company does not have the authority to draw checks on, or to transfer funds from, the Association's reserve account; or (C) two members of the Board must sign any checks written on the reserve account; and

(v) such other insurance as the Board may determine to be advisable.

5.03 Specific Policy Requirements. All insurance policies required to be maintained by the Association pursuant to Sections 5.02(a)(i) and 5.02(a)(ii) of this Declaration shall provide that:

(i) each Owner is an insured Person under the policy with respect to liability arising out of the Person's ownership of an undivided interest in the Common Elements or membership in the Association;

(ii) the insurer waives its right to subrogation under the policy against an Owner;

(iii) no action or omission of an Owner, unless within the scope of the Owner's authority on behalf of the Association, will void the policy or be a condition to recovery under the policy; and

(iv) if, at the time of a loss under the policy, there is no other insurance in the name of an Owner covering the same property covered by the policy, the Association's policy provides primary insurance.

5.04 Claims Handling. (a) A claim for any loss covered by the policy under Section 5.02(a)(i) must be submitted by and adjusted with the Association. The insurance proceeds for that loss shall be payable to an insurance trustee designated by the Association for that purpose, if the

designation of an insurance trustee is considered by the Board to be necessary or desirable, or otherwise to the Association, and not to any Owner or Mortgagee.

(b) The insurance trustee or the Association shall hold insurance proceeds in trust for Owners and Mortgagees as their interests may appear. The proceeds paid under a policy must be disbursed first for the repair or restoration of the damaged Common Elements and Owners and Mortgagees are not entitled to receive payment of any portion of the proceeds unless there is a surplus of proceeds after the Property has been completely repaired or restored or the Condominium is terminated.

5.05 Insurance Deductible. Unless otherwise required by the Condominium Act, in the event of an insured loss, the applicable insurance deductible, if any, shall be considered a maintenance expense to be paid by the Person or Persons who would be responsible for such loss in the absence of insurance. If the loss affects more than one Unit or a Unit and the Common Elements, the cost of the deductible may be apportioned equitably by the Board among the parties suffering loss in proportion to each affected Owner's portion of the total cost of repair. Notwithstanding this, if the insurance policy provides that the deductible will apply to each Unit separately or to each occurrence, each Owner shall be responsible for paying the deductible pertaining to its Unit, if any. If any Owner fails to pay the deductible when required under this subsection (e), then the Association may pay the deductible and assess the cost to the Owner as an Individual Assessment pursuant to Section 4.03(c).

5.06 Owner's Insurance. Every Owner shall be obligated to obtain and maintain at all times a standard Texas insurance policy for betterments and improvements covering the structural portions of its Unit to the extent not insured by policies maintained by the Association and shall furnish a copy of such insurance policy or policies to the Association. In the event that any such Owner fails to obtain insurance as required by this Section 5.06, the Association may purchase such insurance on behalf of the Owner and assess the cost to the Owner as an Individual Assessment pursuant to Section 4.03(c).

## ARTICLE VI

### DAMAGE AND DESTRUCTION

6.01 The Role of the Board of Directors. Except as provided in Section 6.06, in the event of damage to or destruction of all or any part of a Unit, the Common Elements or other property covered by insurance written in the name of the Association under Article V, the Board shall arrange for and supervise the prompt repair and restoration of the damaged areas of the Condominium which are covered by insurance obtained by the Association. Notwithstanding the foregoing, each Owner shall have the right to supervise the refurbishing of its Unit.

6.02 Estimate of Damage or Destruction. As soon as practicable after an event causing damage to or destruction of any part of the Condominium, unless such damage or destruction shall be minor, the Board shall obtain an estimate or estimates that it deems reliable and complete of the costs of repair and reconstruction of that part of the Condominium so damaged or destroyed. "Repair and reconstruction" as used in this Article shall mean restoring the damaged or destroyed part of the Condominium to substantially the same condition in which it existed immediately prior to the damage or destruction, with each Unit and the Common Elements having substantially the same vertical and horizontal boundaries as before.

6.03 Repair and Reconstruction. Subject to the provisions of Section 6.06 below, as soon as practical after the damage occurs and any required estimates have been obtained, the Association shall diligently pursue to completion the repair and reconstruction of that part of the Condominium

so damaged or destroyed. As attorney-in-fact for the Owners, the Association may take any and all necessary or appropriate action to effect repair and reconstruction, and no consent or other action by any Owner shall be necessary. Assessments of the Association shall not be abated during the period of insurance adjustments and repair and reconstruction.

6.04 Funds for Repair and Reconstruction. Subject to the provisions of Section 6.06 below, the proceeds received by the Association from any hazard insurance carried by the Association shall be used for the purpose of repair and reconstruction. If the proceeds of the Association's insurance are insufficient to pay the estimated or actual cost of such repair and reconstruction, the Association may, without the necessity of Owner approval, levy, assess and collect in advance from the Owners a Special Assessment sufficient to provide funds to pay such estimated or actual costs of repair and reconstruction in excess of insurance proceeds. The cost of repair and reconstruction in excess of insurance proceeds, reserves and any Special Assessment payments shall be a Common Expense.

6.05 Disbursement of Funds for Repair and Reconstruction. The insurance proceeds held by the Association and the amounts received from the Special Assessments provided for above constitute a fund for the payment of the costs of repair and reconstruction after casualty. Such fund shall be applied by the Association, as attorney-in-fact for such reconstruction, and, subject to the provisions of Section 6.06 below, the improvements shall be promptly repaired and reconstructed. The Association shall have full authority, right and power, as attorney-in-fact, to cause the repair and restoration of the improvements. It shall be deemed that the first money disbursed in payment for the costs of repair and reconstruction shall be made from insurance proceeds and the balance from the Special Assessment, if any. If there is a balance remaining after payment of all costs of such repair and reconstruction, such balance shall be distributed to the Owners in proportion to the contributions each Owner made as a Special Assessment, or if no Special Assessments were made, then in proportion to their Percentage Interest in the Common Elements, first to the Mortgagees and then to the Owners, as their interests appear.

6.06 Decision Not to Rebuild. (a) Any portion of the Condominium for which insurance is required pursuant to the provisions of this Declaration or the Condominium Act which is damaged or destroyed must be repaired or replaced promptly by the Association unless:

(i) the Condominium is terminated pursuant to Article VII below and the Condominium Act;

(ii) repair or replacement would be illegal under any state or local statute or ordinance governing health or safety;

(iii) Owners representing at least eighty percent (80%) of the Percentage Interests in the Common Elements (including the vote of every Owner of a Unit or assigned Limited Common Elements that will not be rebuilt); and at least fifty-one percent (51%) of the total First Mortgages held by Eligible Mortgage Holders (based on one vote for each Mortgage owned); and the Declarant, vote not to repair and reconstruct the Condominium.

(b) A vote not to rebuild does not increase an insurer's liability to loss payment obligation under a policy, and the vote shall not be deemed to be a presumption of a total loss. If the entire Condominium is not repaired or replaced, the insurance proceeds attributable to the damaged Common Elements must be used to restore the damaged area to a condition compatible with the remainder of the Condominium. Insurance proceeds attributable to Units and Limited Common Elements that are not rebuilt must be distributed to the Owners of those Units and the Owners of the Units to which those Limited Common Elements were allocated, or to Mortgagees, as their interest

may appear, and the remainder of the proceeds must be distributed to all the Owners or Mortgagees, as their interests may appear, in proportion to their Percentage Interest in the Common Elements. Notwithstanding the foregoing, in the event the Condominium is terminated in accordance with Article VII of this Declaration, any insurance proceeds shall be distributed in accordance with the provisions of Article VII and the Condominium Act.

(c) If a decision is made not to rebuild any Unit, that Unit's Percentage Interest shall be automatically reallocated on the vote as if the Unit had been condemned, and the Association shall prepare, execute, and record an amendment to this Declaration reflecting the reallocation.

6.07 Repairs. All repairs and reconstruction contemplated by this Article VI shall be performed substantially in accordance with this Declaration and the Unit Plans, unless other action is approved by the Association in accordance with the requirements of this Declaration and the other Condominium Instruments.

6.08 Notice of Damage or Destruction to First Mortgagees. In the event that any portion of the Condominium encompassing more than one Unit is substantially damaged or destroyed by fire or other casualty, then written notice of the damage or destruction shall be given by the Association to each Owner and First Mortgagee of the affected Units within a reasonable time following the event of casualty damage.

## ARTICLE VII

### TERMINATION OF CONDOMINIUM

7.01 Adoption of Termination Agreement. Except in the case of a taking of all of the Units by condemnation or eminent domain, the Condominium may be terminated by the agreement of Owners representing at least eighty percent (80%) of the Percentage Interests in the Common Elements, which termination proposal must have the approval of at least sixty-seven percent (67%) of the First Mortgagees (based on one vote for each Mortgage owned) of record at the time of the adoption of such plan and the consent of the Declarant so long as Declarant owns a Unit in the Condominium. The approval of a First Mortgagee will be assumed when a Mortgagee fails to submit a written response to the proposed termination within thirty (30) days after it receives proper notice of the proposal, provided the notice was delivered by certified or registered mail, with a "return receipt" requested. The agreement of Owners to terminate must be evidenced by their execution of a termination agreement or ratification thereof in the same manner as a deed, by the requisite number of Owners. The termination agreement must specify a date after which the agreement will be void unless it is recorded before that date. The termination agreement and all ratifications thereof must be recorded in Collin County, Texas, and is effective only upon recordation.

7.02 Sale of the Property. The termination agreement may provide that all of the Common Elements and Units of the Condominium must be sold following termination. If, pursuant to the agreement, any real estate in the Condominium is to be sold following termination, the termination agreement must set forth the minimum terms of sale, including the purchase price. Subject to the provisions of the termination agreement, the Association, on behalf of the Owners, may contract for the sale of real estate in the Condominium following termination, but the contract is not binding on the Owners until approved pursuant to Section 7.01 above. If any real estate is to be sold following termination, title to that real estate, upon termination, vests in the Association as trustee for the holders of all interests in the Units. The Association has all the powers necessary and appropriate to effect the sale, including the power to convey the interests of non-consenting Owners. Until the sale has been concluded and the proceeds thereof distributed, the Association continues in existence with all the powers it had before termination. Proceeds of the sale must be distributed to Owners

and Mortgagees as their interests may appear in accordance with Section 7.04 below, taking into account the value of property owned or distributed that is not sold so as to preserve the proportionate interests of each Owner with respect to all property cumulatively. Following termination of the Condominium, the proceeds of any sale of the Property, together with the assets of the Association, are held by the Association as trustee for the Owners and holders of liens on the Units as their interests may appear. Unless otherwise specified in the termination agreement, as long as the Association holds title to the Property, each Owner and the Owner's successors in interest have an exclusive right to occupancy of the portion of the Property that formerly constituted the Unit. During the period of that occupancy, each Owner and the Owner's successors in interest remain liable for all Assessments and other obligations imposed on Owners by the Declaration.

7.03 Status of Property Not Sold. Title to the Units not to be sold following termination vests in the Owners upon termination as tenants in common in fractional interests that maintain, after taking into account the fair market value of property owned and the proceeds of property sold, their respective interests as provided in Section 7.04 below with respect to all property appraised under Section 7.04 below, and liens on the Units shift accordingly. While the tenancy in common exists, each Owner and the Owner's successors in interest have an exclusive right to occupancy of the portion of the real estate that formerly constituted such Unit.

7.04 Interests of the Owners. The respective interests of the Owners are as follows:

(a) Except as provided in Section 7.04(b) below, the respective interests of Owners are the combined fair market values of their Units, allocated interest and Limited Common Elements immediately before the termination, as determined by one or more independent appraisers selected by the Association. The decision of the independent appraisers shall be distributed to the Owners and becomes final unless disapproved within thirty (30) days after distribution by Owners of Units to which fifty percent (50%) of the votes in the Association are allocated. The proportion of any Owner's interest to that of all Owners is determined by dividing the fair market value of that Owner's Unit and its allocated interests by the total fair market values of all the Units and their allocated interests.

(b) If any Unit or any Limited Common Element is destroyed to the extent that an appraisal of the fair market value thereof prior to destruction cannot be made, the interests of all Unit Owners are their respective Common Element interests immediately before the termination.

7.05 Rescission of Termination Agreement. By agreement of Owners representing at least eighty percent (80%) of the Percentage Interests in the Common Elements, the Owners may rescind a termination agreement and reinstate the Declaration. To be effective, the rescission agreement must be in writing, executed by the requisite percentage of Owners who desire to rescind, and recorded in Collin County, Texas.

## ARTICLE VIII

### CONDEMNATION

8.01 Consequences of Condemnation. If, at any time or times during the continuance of the Condominium pursuant to this Declaration, all or any part of the Condominium shall be taken or condemned by any public authority or sold or otherwise disposed of in lieu or in avoidance of condemnation, then all compensation, damages or other proceeds of condemnation, the sum of which is referred to as the "condemnation award" below, shall be payable to the Association, and the provisions of this Article VIII shall apply.

8.02 Complete Taking. In the event that the entire Condominium is taken or condemned or sold or otherwise disposed of in lieu or in avoidance of condemnation, the condominium ownership pursuant to this Declaration shall terminate. The condemnation award shall be paid to the Association for the use and benefit of the Owners and the Mortgagees as their interest may appear. Such award shall be apportioned among the Owners and the Mortgagees on the basis of the undivided interest in the Common Elements appurtenant to the Unit in which such Owners and Mortgagees have an interest; provided, however, that if a standard different from the value of the Condominium as a whole is employed to measure the condemnation award in the negotiation, judicial decree or otherwise, then in determining such apportionment the same standard shall be employed. The Association shall, as soon as practical, determine the share of the condemnation award to which each Owner and Mortgagee is entitled in accordance with each Owner's Percentage Interest in the Common Elements, and such shares shall be paid first to the Mortgagees and then to the Owners, as their interests appear.

8.03 Partial Taking. (a) Except as the Owners may otherwise agree pursuant to Article VII above, in the event that less than the entire Condominium is taken or condemned or sold or otherwise disposed of in lieu or in avoidance of condemnation, the condominium ownership under this Declaration shall not terminate. Each Owner (and Mortgagee holding an interest in such Owner's Unit) shall be entitled to a share of the condemnation award to be determined under the following provisions. The condemnation award shall be paid to the Association for the use and benefit of Owners and the Mortgagees as their interests may appear. As soon as practical, the Association shall reasonably and in good faith allocate the condemnation award between compensation, damages or other proceeds and shall apportion the amounts so allocated among the Owners as follows:

(i) Subject to Section (c) below, the total amount allocated to a taking of or injury to the Common Elements shall be apportioned among Owners and their Mortgagees on the basis of each Owner's Percentage Interest in the Common Elements, and any portion of the award attributable to the acquisition of a Limited Common Element must be equally divided among the Owners of the Units to which the Limited Common Element was allocated at the time of acquisition;

(ii) The total amount allocated to severance damages shall be apportioned to the Owners and Mortgagees of those Units which were not taken or condemned;

(iii) The respective amounts allocated to the taking of or injury to a particular Unit or to improvements an Owner has made within the Owner's own Unit (including compensation to the Owner for the Unit and its allocated interest in the Common Elements, whether or not the Common Elements are acquired) shall be apportioned to the Owner and Mortgagees of that particular Unit involved; and

(iv) The total amount allocated to consequential damages and any other takings or injuries shall be apportioned as the Association determines to be equitable under the circumstances.

(b) If an allocation of the condemnation award is already established in negotiation, judicial decree or otherwise, then in allocating the condemnation award the Association shall employ such allocation. Distribution of apportioned proceeds shall be made by checks payable jointly to the respective Owners and their respective Mortgagees.

8.04 Reorganization. In the event a partial taking results in the taking of a Unit, the Owners thereof shall automatically cease to be members of the Association, and their ownership interests in the Common Elements shall terminate and vest in the Owners of the remaining Units. Thereafter, subject to the provisions of the Condominium Act, the Association shall reallocate the

ownership, voting rights and Assessment ratios determined in accordance with this Declaration and the Condominium Act, according to the same principles employed in this Declaration at its inception and as required under the Condominium Act and the Board shall amend this Declaration accordingly.

8.05 Repair and Reconstruction. Any repair and reconstruction necessitated by condemnation shall be governed by the procedures contained in Article VI above.

8.06 Notice of Condemnation. In the event that any portion of the Condominium shall be made the subject matter of any condemnation or eminent domain proceeding or is otherwise sought to be acquired by a condemning authority, then timely written notice of such condemnation shall be given by the Association to each Owner and First Mortgagee.

## ARTICLE IX

### ASSOCIATION AS ATTORNEY-IN-FACT

9.01 Appointment. Each Owner hereby irrevocably appoints the Association as the Owner's true and lawful attorney-in-fact in such Owner's name, place and stead for the purposes of dealing with the Project upon its damage or destruction as provided in Article VI, or a complete or partial taking as provided in Article VIII. In addition, the Association, or any insurance trustee or substitute insurance trustee designated by the Association, is hereby appointed as attorney-in-fact under this Declaration for the purpose of purchasing and maintaining insurance under Article V and to represent the Owners in any condemnation proceeding under Article VIII including: the collection and appropriate disposition of the proceeds of such insurance or any condemnation award; the negotiation of losses and the execution of releases of liability; the execution of all documents; and the performance of all other acts necessary to accomplish such purpose. The Association, or any insurance trustee, shall hold or otherwise properly dispose of any insurance proceeds in trust for the Owners and their Mortgagees, as their interests may appear. Acceptance by a grantee of a deed or other instrument of conveyance shall constitute appointment of the Association as the grantee's attorney-in-fact, and the Association shall have full authority to make, execute, and deliver any contract, assignment, deed, waiver or other instrument with respect to the interest of any Owner which may be necessary to exercise the powers granted to the Association as attorney-in-fact.

## ARTICLE X

### USE RESTRICTIONS AND RULES

10.01 Activities Within Units. No rule shall interfere with the Condominium Activities carried on within the confines of Units, except that the Association may prohibit activities that create monetary costs for the Association or other Owners, that create a danger to the health or safety of Occupants of other Units, that create excessive noise or traffic, that create unhealthy conditions, or that create an unreasonable source of annoyance.

10.02 Rules. The Board may, from time to time, adopt reasonable rules for the use, occupancy, leasing or sale, maintenance, repair, modification, and appearance of the Condominium, including the Units, the Limited Common Elements and the General Common Elements, said rules to be furnished in writing to the Owners. The rules may include provisions allowing the Board to levy reasonable fines against Owners for conduct or activities within the Property maintained or carried on by such Owner, its agents, employees, servants, independent contractors, guests or invitees that damage the reputation or property of the Condominium. Copies of said rules shall be furnished by the Association to each Owner.

10.03 Use Restrictions. The use and occupancy of Units and the use of Common Elements is subject to the following restrictions and such additional regulations as may be adopted by the Board in accordance with the terms of this Declaration and the Bylaws.

(a) Use of Units. Each Unit designated on the Unit Plans as a "Unit" shall be used only in accordance with the property zoning permitted uses, including, without limitation, general business offices, law offices, accountant offices, insurance offices, real estate offices, medical and dental offices, laboratories, pharmacies, and related and supporting clinical and health care services, subject to the Condominium Instruments. No Unit shall be used for residential purposes.

(b) Storage. Nothing may be stored in the Common Elements without the prior written consent of the Board.

(c) Common Elements. There shall be no obstruction of the Common Elements. No Owner shall interfere unreasonably with the use of the Common Elements by the remaining Owners and Occupants. All Occupants shall have a non-exclusive right to use the Common Elements, other than Limited Common Elements, for the purposes for which they are intended subject, however, to provisions elsewhere contained herein and the following provisions: (i) no such use shall encroach upon the lawful rights of other Persons; and (ii) the right of the Association to restrict the use and govern the operation of the Common Elements by promulgating reasonable rules and regulations with respect thereto. Other Persons shall have the right to use such common facilities only to the extent and upon such conditions as the Association may from time to time determine.

(d) Subdivision of Units and Relocation of Unit Boundaries. Except as authorized pursuant to Article XII hereof, no Unit may be subdivided into two (2) or more Units nor may the boundaries between adjoining Units be altered except with the prior written approval of the Board and in accordance with the requirements of the Condominium Act. The Owners of the Units to be subdivided or altered shall be responsible for all costs, including legal and engineering fees, incurred by the Association to effect such subdivision or alteration of boundaries.

(e) Prohibition of Damage, Nuisance and Noise. Nothing shall be done or kept on the Condominium which would increase the rate of insurance on the Condominium or any Unit or which would be in violation of any statute, rule, ordinance, regulation, permit or other validly imposed requirements of any governmental body or local or state health authorities. Noxious, destructive or offensive activity shall not be carried on upon the Condominium. Owners and Occupants shall not loiter in the entrances of the Condominium, nor in any way obstruct use of the sidewalks, entry passages, halls, foyers or other areas comprising the Common Elements. No Owner or Occupant may use or allow the use of a Unit or the Common Elements in any manner which creates disturbing noises, electromechanical disturbance, radiation, electromagnetic disturbance, vibrations or odors that will in the sole discretion of the Board interfere with the rights, comfort or convenience of the other Owners or Occupants. No damage to or waste of the Common Elements shall be permitted by any Owner or Occupant. Each Owner shall indemnify and hold the Association and the other Owners harmless against all loss to the Association or other Owners resulting from any such damage or waste caused by such Owner or Occupant of its Unit.

(f) Signs. No sign, advertising poster or billboard of any kind shall be displayed to the public view from any Unit or on the Common Elements without approval of the Board. If permission is granted to any Owner to erect a sign within the Property, the Board reserves the right to restrict the size, color, lettering and placement of such sign. Current sign restrictions, which may be amended from time-to-time by the Board, are provided on Exhibit "C" of this Declaration. The Association shall have the right to remove any sign, billboard or other advertising structure that does not comply with the above, and in so doing shall not be subject to any liability for trespass or any other liability

in connection with such removal. The Board shall have the right to erect reasonable and appropriate signs on behalf of the Association.

(g) Impairment of Units and Easements. An Owner shall do no act nor any work that will impair the structural soundness or integrity of another Unit or impair any easement or other interest in real property, nor do any act nor allow any condition to exist which will adversely affect the other Units or their Owners or Occupants without the consent of the affected Owners.

(h) Window Treatments. All window treatments visible from outside the Unit must be approved in writing by the Board of Directors.

(i) Leasing Restrictions. Leasing of Units shall be governed by the following provisions:

(i) Definition. "Leasing", as used in this Section, is defined as regular, exclusive occupancy of a Unit by any Person other than the Owner for which the Owner, or any designee of the Owner, receives any consideration or benefit, including, but not limited to, a fee, service, gratuity or emolument.

(ii) General. All leases shall be in writing and must be in the form approved by the Texas Association of Realtors and include any amendment necessary to comply with the terms of this Declaration. No transient tenants may be accommodated in a Unit. All leases must be for an initial term of not less than three (3) years. Within seven (7) days after executing a lease agreement for the lease of a Unit, the Owner shall give written notice to the Board, with a copy of the lease and the name of the lessee. The Owner must make available to the lessee copies of the Condominium Instruments.

(iii) Contents of Lease. Each Owner acknowledges and agrees that any lease of a Unit shall be deemed to contain the following language and that if such language is not expressly contained in the lease, then such language shall be incorporated into the lease by existence of this covenant. Any lessee, by occupancy of a Unit, agrees to the applicability of this covenant and incorporation of the following language into the lease:

The lessee shall comply with all provisions of the Declaration, Bylaws and rules of the Association and shall control the conduct of all other Occupants of the leased Unit in order to ensure their compliance.

Any violation of the Declaration, Bylaws or rules and regulations by the lessee, is deemed to be a default under the terms of the lease and authorizes the Owner to terminate the lease without liability and to evict the lessee or any Occupant in accordance with Texas law. The Owner hereby delegates and assigns to the Association, acting through the Board, the power and authority of enforcement against the lessee for breaches resulting from the violation of the Declaration, Bylaws and the rules and regulations of the Association, including the power and authority to evict the lessee as attorney-in-fact on behalf and for the benefit of the Owner. Such power may be exercised by the Association following the Owner's failure to cure the tenant's default within ten (10) days of the Association's delivery of written notice to the Owner of such default.

Upon request by the Board of Directors, the lessee shall pay to the Association all unpaid Annual and Special Assessments, as lawfully determined and made payable during the term of the lease and any other period of occupancy by the lessee; provided, however, the lessee need not make such payments to the Association in excess of or prior to the due dates for rental payments unpaid at the time of the Board's request. All such payments made by the lessee shall reduce, by the same amount, the lessee's obligation to make rental payments to the Owner.

(iv) Compliance with Condominium Instruments. Each Owner shall cause its guests, tenants, employees, patients, patrons or invitees to comply with the Condominium Instruments and shall be responsible for all violations and all losses or damages resulting from violations by such Occupants, notwithstanding the fact that such tenants are fully liable and may be personally sanctioned for any violation.

(v) Costs of Eviction. In the event the Association proceeds to evict a tenant, any costs, including attorney's fees and court costs, associated with the eviction shall be assessed as an Individual Assessment against the Unit and the Owner.

(j) Parking: Prohibited Vehicles. Stored vehicles, inoperable or disabled vehicles, tractors, mobile homes, recreational vehicles, trailers (either with or without wheels), campers, camper trailers, boats and other watercraft, and watercraft trailers shall not be parked in the Condominium. For purposes of this subsection, a vehicle shall be considered "disabled" if it does not have a current license tag or is obviously inoperable. A vehicle shall be considered "stored" if it remains on the Common Elements of the Condominium for three (3) consecutive days or longer without the prior written permission of the Board. If any vehicle is parked on any portion of the Condominium in violation of this subsection (j) or in violation of the Association's rules and regulations, the Board may tow the vehicle in accordance with Texas law. If a vehicle is towed in accordance with this subsection, neither the Association nor any officer or agent of the Association shall be liable to any Person or any claim of damage as a result of the towing activity. Notwithstanding anything to the contrary herein, the Board may elect to impose fines or use other available sanctions, in addition to or in lieu of its authority to tow.

(k) Antennas. No exterior antennas, aerials, satellite dishes or other apparatus for the transmission of television, radio, satellite or other signals of any kind shall be placed, allowed or maintained upon any portion of the Condominium. No cabling shall be allowed on the roof surface, or on the surface of the exterior siding of any building outside of the vertical or horizontal boundaries of any porch or balcony.

(l) Timeshares. No Owner shall offer or sell any interest in a Unit under a "timesharing" or "interval ownership" plan, or any similar plan.

(m) Rubbish, Trash and Garbage. All rubbish, trash and garbage shall be regularly removed from the Unit and shall not be allowed to accumulate therein. No garbage or trash shall be placed on the Common Elements, including the storage facilities, temporarily or otherwise, except as provided herein. Rubbish, trash and garbage shall be disposed of in sealed plastic bags and placed in proper receptacles designated by the Board for collection or shall be removed from the Condominium Project. Each Owner shall dispose of any medical waste by an authorized disposal company in accordance with current federal and state laws governing the handling and disposal of such waste.

(n) Animals. Except guide dogs and fish aquariums, no animals, livestock, birds, reptiles, insects, poultry or other animals of any kind shall be kept in any Unit.

10.04 Exception to Article X. None of the restrictions contained in this Article X shall apply to the Condominium Activities of the Declarant or the Association in furtherance of their powers and purposes set forth in the Condominium Instruments.

## ARTICLE XI

### MAINTENANCE RESPONSIBILITY

11.01 Association. Except as otherwise specifically provided herein, the Association shall maintain and keep in good repair as a Common Expense, the "Area of Common Responsibility", which is limited to:

(a) Maintenance, repair, replacement and, in the discretion of the Board, improvement of the Common Elements, including Limited Common Elements (excluding all improvements made to such Limited Common Elements by the Owner), and of any Units owned by the Association;

(b) Maintenance of utility lines, chutes, flues, pipes, ducts, wires, vents and conduits serving more than one Unit or the Common Elements, to the extent that such utility lines, chutes, flues, pipes, ducts, wires, vents and conduits are not maintained by public, private or municipal utility companies;

(c) Maintenance of any property dictated by any contract or agreement for maintenance thereof entered into by the Association, including any covenant to pay costs for the maintenance, repair and insurance of parking facilities, landscaping, irrigation systems, drainage systems, roadways and access easements located adjacent to the Property;

(d) periodic painting, staining and/or cleaning of exterior surfaces of the Condominium buildings, exterior window frames, entry doors and door frames, and exterior window surfaces.

The Association may maintain other property which is not part of the Property, including property dedicated to the public, if the Board determines that such maintenance is necessary or desirable to maintain the overall appearance and level of maintenance generally prevailing at the Property.

11.02 Owners. Each Owner shall be responsible for:

(a) Maintaining, repairing and replacing all portions of its Unit, except those portions which are to be maintained, repaired or replaced by the Association under Section 11.01 above. The responsibility of the Owner shall include, but not be limited to, the maintenance, repair and replacement of all fixtures and equipment installed in its Unit, all utility fixtures and equipment (including, without limitation, individual HVAC units) which exclusively serve the Unit; and all utility lines, chutes, flues, pipes, ducts, wires, vents and conduits which exclusively serve the Unit whether located wholly within or outside the boundaries of the Unit;

(b) Maintaining, repairing and replacing all glass surfaces, all window and window frames, and all door and door frames and hardware serving the Owner's Unit and forming both the interior surface of the Unit and the exterior surface of the Building containing such Unit (except periodic cleaning, painting and staining performed by the Association); and

(c) Keeping in a neat, clean and sanitary condition any Limited Common Elements serving its Unit;

(d) Performing all interior pest control services;

(e) Performing its responsibility in such manner so as not to unreasonably disturb other Persons in other Units and so as to not damage other Units or the Common Elements;

(f) Promptly reporting to the Association or its agent any defect or need for repairs for which the Association is responsible;

(g) Not making any alterations to any portion of a Unit which is to be maintained by the Association;

(h) Not doing anything with respect to the Unit which would or might jeopardize or impair the safety or soundness of any Unit without first obtaining the written consent of the Board and all Owners and Mortgagees of the Units affected, nor impair any easement without first obtaining written consent of the Association and of the Unit Owner or Owners and their Mortgagees for whose benefit such easement exists;

(i) Paying for the cost of repairing, replacing or cleaning up any item which is the responsibility of the Owner but which responsibility such Owner fails or refuses to discharge (which the Association shall have the right, but not the obligation, to do), or to pay for the cost of repairing, replacing or cleaning up any item which, although the responsibility of the Association, is necessitated by reason of the willful or negligent act of the Owner, its family, tenants or guests, with the cost thereof to be assessed against the Unit and the Owner as an Individual Assessment; and

(j) Paying for the cost of maintaining, repairing, replacing or insuring any item constructed or installed on the Common Elements by the Owner, or any item which is the responsibility of the Association, but which has been replaced by the Owner with an item of superior grade or quality.

11.03 Failure to Maintain. (a) If the Board determines that any Owner has failed or refused to discharge properly its obligation with regard to the maintenance, repair or replacement of items of which he or she is responsible, the Association shall give the Owner written notice of the Owner's failure or refusal and of the Association's right to provide necessary maintenance, repair or replacement at the Owner's cost and expense. The notice shall set forth with reasonable particularity the maintenance, repair or replacement deemed necessary by the Board.

(b) Unless the Board determines that an emergency exists, the Owner shall have ten (10) days within which to complete maintenance or repair, or if the maintenance or repair is not capable of completion within such time period, to commence replacement or repair within ten (10) days. If the Board determines that (a) an emergency exists, or (b) that an Owner has not complied with the demand given by the Association as herein provided; then the Association may provide any such maintenance, repair or replacement at the Owner's sole cost and expense, and such costs shall be added to and become a part of the assessment to which such Owner is subject, shall become and be a lien against the Unit, and shall be collected as an Individual Assessment as provided in Section 4.03(c) hereof.

(c) If the Board determines that the need for maintenance or repair is in the Area of Common Responsibility and is caused through the willful or negligent act of any Owner or Occupant or their family, guests, lessees or invitees, then the Association may assess the cost of any such maintenance, repair or replacement against the Owner's or Occupant's Unit, shall become a lien against the Unit and shall be collected as an Individual Assessment as provided in Section 4.03(c) hereof.

11.04 Measures Related to Insurance Coverage.

(a) The Board, upon resolution, shall have the authority to require all or any Owner(s) to do any act or perform any work involving portions of the Condominium which are the maintenance responsibility of the Owner, which will, in the Board's sole discretion, decrease the possibility of fire or other damage in the Condominium, reduce the insurance premium paid by the Association for any insurance coverage or otherwise assist the Board in procuring or maintaining such insurance coverage. This authority shall include the authority to require Owners to install smoke detectors; require Owners to make improvements to the Owner's Unit; and such other measures as the Board may reasonably require so long as the cost of such work does not exceed five thousand dollars (\$5,000.00) per Unit in any twelve (12) month period.

(b) In addition to, and not in limitation of, any other rights the Association may have, if any Owner does not comply with any reasonable requirement made by the Board pursuant to subsection (a) above, the Association, upon fifteen (15) days' written notice (during which period the Owner may perform the required act or work without further liability), may perform such required act or work at the Owner's sole cost. Such cost may be charged as an Individual Assessment and shall constitute a lien against the Unit. The Association shall have all rights necessary to implement the requirements mandated by the Board pursuant to subsection (a) of this Section including, but not limited to, a right of entry during reasonable hours and after reasonable notice to the Owner or Occupant of the Unit, except that access may be had at any time without notice in an emergency situation.

11.05 Maintenance Standards and Interpretation. The maintenance standards and the enforcement thereof and the interpretation of maintenance obligations under this Declaration may vary from one term of the Board to another. These variances shall not constitute a waiver by the Board of the right to adopt and enforce maintenance standards under this Article. No decision or interpretation by the Board shall constitute a binding precedent with respect to subsequent decisions or interpretations of the Board.

## ARTICLE XII

### ARCHITECTURAL CONTROL

12.01 Rights With Respect to Remodeling and Construction. No exterior improvement shall be erected, placed, reconstructed, replaced, repaired, repainted or otherwise altered, nor shall any interior construction, repair or reconstruction which may affect the structure or other Units or Common Elements be commenced until plans for the improvements shall have been submitted to and approved in writing by the Board; provided, however, that minor cosmetic improvements (such as painting of interior walls or wallpapering) that are not visible from the outside of the Buildings, that do not affect any of the other Units, General Common Elements or the Limited Common Elements, and that do not cause any noise or other disturbance may be undertaken without such approval.

12.02 Purpose and General Authority. The Board shall review and either approve or reject proposed improvements within thirty (30) days after receipt of plans. In the event the Board fails to respond to the request for approval within this thirty (30) day period, approval shall be deemed given. All improvements shall be constructed only in accordance with approved plans. As a condition to approval under this Section, an Owner shall assume all responsibilities for the maintenance, repair, replacement and insurance to and on the pipes, lines, conduits and/or other apparatus installed by the Owner to connect Common Element utilities to the Unit.

12.03 Board Discretion. The Board shall exercise reasonable efforts to provide that all improvements conform and harmonize with the Condominium as to design, quality and type of construction, seals, materials, color and location in the Unit, and the schemes and aesthetic considerations set forth in the Condominium Instruments. The Condominium Actions of the Board in the exercise of its discretion by its approval or disapproval of plans and other information submitted to it, or with respect to any other matter before it, shall be conclusive and binding on all interested parties.

12.04 Expenses. Except as provided in this Section below, all expenses of the Board shall be paid by the Association and shall constitute a Common Expense. The Board shall have the right to charge a fee for each application submitted to it for review, in an amount which may be established by the Board from time to time, and such fees shall be collected by the Board and remitted to the Association to help defray the expenses of the Board's operation.

12.05 Other Requirements. Compliance with the Board's process is not a substitute for compliance with the City of Plano and Collin County, Texas, building, zoning and subdivision regulations, and each Owner is responsible for obtaining all approvals, licenses and permits as may be required prior to commencing construction of any improvements.

12.06 Limitation on Liability. The Board shall use its judgment in accepting or disapproving all plans and specifications submitted to it. Review and approval of any application pursuant to this Article is made on the basis of aesthetic considerations only. Approval by the Board does not necessarily assure approval by the appropriate governmental board or commission for the City of Plano and Collin County, Texas. Notwithstanding that the Board has approved plans and specifications, neither the Board nor any of its members shall be responsible or liable to any Owner or contractor with respect to any loss, liability, claim or expense which may arise by reason of such approval of the construction of the improvements. Neither the Board nor any agent thereof shall be responsible in any way for any defects in any plans or specifications submitted, revised or approved in accordance with the provisions of the Condominium Instruments, nor for any structural or other defects in any work done according to such plans and specifications.

12.07 Enforcement and Inspection. Any member or authorized consultant of the Board, or any authorized officer, director, employee or agent of the Association may enter upon any Unit at any reasonable time after notice to the Owner, without being deemed guilty of trespass, in order to inspect improvements constructed or under construction in the Unit to determine whether the improvements have been or are being built in compliance with the Condominium Instruments and the plans and specifications approved by the Board.

12.08 Deemed Non-Conforming. Every violation of this Article is hereby declared to be non-conforming, and every public or private remedy allowed by such violation by law or equity against a Member shall be applicable. Without limiting the generality of the foregoing, this Declaration may be enforced as provided below:

(a) The Board may adopt a schedule of fines for failure to abide by the Board's rules and regulations, including fines for failure to obtain any required approval from the Board.

(b) Subject to the requirements of the Bylaws, the Association, its agents and contractors, upon request of the Board and after reasonable notice to the offender and, if different, to the Owner, may enter upon any Unit at any reasonable time after notice to the Owner, without being deemed guilty of trespass, and remove any improvement constructed, reconstructed, refinished, altered or maintained in violation of this Declaration. The Owner of the improvement shall immediately reimburse the Association for all expenses incurred in connection with such removal. If the Owner fails to reimburse the Association within thirty (30) days after the Association gives the Owner

notice of the expenses, the sum owed to the Association shall be assessed against such Owner and its Unit as an Individual Assessment as provided in Article IV, Section 4.03(c).

12.09 Continuity of Construction. All improvements commenced on the Property shall be prosecuted diligently to completion and shall be completed within six (6) months after commencement, unless an exception is granted in writing by the Board. If an improvement is commenced and construction is then abandoned for more than thirty (30) days, or if construction is not completed within the required six (6) month period, then after notice and opportunity for hearing as provided in the Bylaws, the Association may impose a fine in an amount established from time to time by the Board to be charged against the Owner of the Unit until construction is resumed, or the improvement is completed, as applicable, unless the Owner can prove to the satisfaction of the Board that such abandonment is for circumstances (other than the Owner's failure or refusal to pay money) beyond the Owner's control. Such charges shall be assessed against such Owner and its Unit as an Individual Assessment as provided in Article IV, Section 4.03(c).

12.10 Declarant and Association Exempt. The Declarant and the Association shall be exempt from the requirements of this Article. This Section 12.10 may not be amended without the written consent of the Declarant for so long as Declarant owns a Unit in the Condominium.

### ARTICLE XIII

#### GENERAL PROVISIONS

13.01 Security. The Association and the Declarant may, but shall not be required to, from time to time, provide measures or take actions which directly or indirectly improve safety on the Condominium such as the use of patrol services; however, each Owner, for itself and its tenants, guests and licensees, acknowledges and agrees that neither the Association or the Declarant is a provider of security and shall have no duty to provide security on the Condominium. It shall be the responsibility of each Owner to protect its property and all responsibility to provide security shall lie solely with each Owner. Neither the Association or the Declarant shall be held liable for any loss or damage by reason of failure to provide adequate security or ineffectiveness of safety measures undertaken.

13.02 Dispute Resolution. Prior to filing a lawsuit against the Declarant, the Association, the Board, or any officer, director or Manager of the Declarant or the Association, the Owner or its tenant must request and attend a hearing with the Board. Any such request shall be in writing and shall be personally delivered to any member of the Board or the Occupant shall, in such request and at the hearing, make a good faith effort to explain the grievance to the Board and resolve the dispute in an amicable fashion, and shall give the Board a reasonable opportunity to address the Owner's or Occupant's grievance before filing suit. Upon receiving a request for a hearing, the Board shall give notice of the date, time and place of the hearing to the Person requesting the hearing. The Board shall schedule this hearing for a date not less than seven (7) nor more than twenty-one (21) days from the date of receipt of the request.

13.03 No Discrimination. No action shall be taken by the Association or the Board which would discriminate against any Person on the basis of race, creed, color, national origin, religion, sex, familial status or handicap.

13.04 Implied Rights. The Association may exercise any right or privilege given to it expressly by this Declaration, the Bylaws, the Articles of Incorporation, any use restriction or rule, and every other right or privilege reasonably to be implied from the existence of any right or privilege given to it therein or reasonably necessary to effectuate any such right or privilege. Except

as otherwise specifically provided in the Condominium Instruments or by law, all rights and powers of the Association may be exercised by the Board without a vote of the Owners.

13.05 Term. The covenants and restrictions of this Declaration shall run with and bind the Property and shall inure to the benefit of and shall be enforceable by the Association or the Owner of any Unit, their respective legal representatives, heirs, successors and assigns, for a perpetual term, unless an instrument in writing, signed by the then Owners representing at least eighty percent (80%) of the Percentage Interests in the Common Elements, is recorded, agreeing to terminate the same, in which case this Declaration shall be terminated as specified therein.

13.06 Amendment.

(a) By Declarant. Until conveyance of the first Unit by Declarant, Declarant may unilaterally amend this Declaration for any purpose. Thereafter, the Declarant may unilaterally amend this Declaration if Declarant owns a Unit and if such amendment is (i) necessary to bring any provision into compliance with any applicable governmental statutes, rule, regulation or judicial determination; (ii) necessary to enable any reputable title insurance company to issue title insurance coverage on the Units; (iii) required by an institutional or governmental lender to enable such lender or purchaser to make or purchase mortgage loans on the Units; (iv) necessary to enable any governmental agency or reputable private insurance company to insure mortgage loans on the Units; or (v) otherwise necessary to satisfy the requirements of any governmental agency. So long as it still owns a Unit, the Declarant may unilaterally amend this Declaration for any other purpose, provided the amendment has no material adverse affect upon any right of any Owner.

(b) By Owners. (i) Except as provided in the Condominium Act and otherwise specifically provided in this Declaration, this Declaration may be amended only by the affirmative vote or written consent, or any combination thereof, of Owners representing at least sixty-seven percent (67%) of the Percentage Interests in the Common Elements, and the consent of the Declarant so long as the Declarant owns a Unit in the Condominium.

(ii) Notwithstanding the above, the percentage of votes necessary to amend a specific clause shall not be less than the prescribed percentage of affirmative votes required for action to be taken under the clause. To be effective, any amendment must be recorded in Collin County, Texas.

(iii) If an Owner consents to any amendment to this Declaration or the Bylaws, it will be conclusively presumed that such Owner has the authority so to consent, and no contrary provision in any Mortgage or contract between the owner and a third party will affect the validity of such amendment. Any action to challenge the validity of an amendment adopted under this Section must be brought within one (1) year of the effective date of such amendment. No action to challenge such amendment may be brought after such time.

(iv) No meeting to consider or adopt an amendment to this Declaration, the Bylaws or any rules of the Association shall be held unless such Owner has been provided a document showing the specific amendment to be considered before the tenth (10th) day and no later than the twentieth (20th) day preceding the date of the meeting. The information is considered to have been given to an Owner on the date the information is personally delivered to the Owner, as shown by a receipt signed by the Owner, or on the date shown by the postmark on the information after it is deposited in the United States mail with a proper address and postage paid.

13.07 Disclosures. Each Owner and Occupant acknowledge the following:

(a) The Condominium is located adjacent to thoroughfares that may be affected by traffic and noise from time to time and may be improved or widened in the future.

(b) The views from an Owner's Unit may change because of, among other things, additional development or the removal or addition of landscaping.

(c) No representations are made regarding the zoning of adjacent property, or that the category to which adjacent property is zoned may not change in the future.

(d) Since in every neighborhood there are conditions which different people may find objectionable, it is acknowledged that they may be conditions outside of the Condominium property which an Owner or tenant finds objectionable and that it shall be the sole responsibility of the Owners and tenants to become acquainted with neighborhood conditions which could affect the Unit.

(e) No representations are made that the Unit is or will be soundproof or that sound may not be transmitted from one Unit to another.

(f) The Plat and the dimensions and square footage calculations shown thereon are only approximations. Any Unit Owner who is concerned about any representations regarding the Plat should do its own investigation as to the dimensions, measurements and square footage of its Unit.

(g) All Owners and Occupants acknowledge and understand that the Declarant may be renovating portions of the Condominium and engaging in other construction activities related to the improvement of Common Elements. Such renovation and construction activities may, from time to time, produce certain conditions on the Condominium including, without limitation; (i) noise or sound that is objectionable because of its volume, duration, frequency or shrillness; (ii) smoke; (iii) noxious, toxic or corrosive fumes or gases; (iv) obnoxious odors; (v) dust, dirt or flying ash; (vi) unusual fire or explosion hazards; and/or (vii) other conditions that may threaten the security or safety of Persons on the Condominium. Notwithstanding the foregoing, all Owners and Occupants agree that such conditions on the Condominium resulting from renovation and construction activities shall not be deemed a nuisance and shall not cause Declarant and its agents to be deemed in violation of any provision of the Declaration.

(h) Owners should expect that assessment amounts can and will increase over time due in part to inflation and increases in the cost of certain items beyond the control of the Association, such as the cost of insurance premiums.

13.08 Usury. It is expressly stipulated that the terms of this Declaration and the Bylaws shall at all times comply with usury and other applicable laws. If such laws are ever revised, repealed or judicially interpreted so as to render usurious any amount called for hereunder or under the Bylaws or contracted for, charged or received in connection with any amounts due hereunder or under the Bylaws, or if the Association's exercise of any provisions hereof or of the Bylaws results in any party having paid any interest in excess of that permitted by law, then it is the Association's express intent that all excess amounts theretofore collected by the Association be credited on the principal balance of any indebtedness (or, if the indebtedness has been paid in full, refunded to the payor), and the provisions of this Declaration and the Bylaws immediately be deemed performed and the amounts thereafter collected be reduced, without the necessity of execution of any new document, so as to comply with then applicable law, but so as to permit the recovery of the fullest amount otherwise called for hereunder and thereunder.

13.09 Severability. Invalidation of any one of these covenants or restrictions by judgment or court order or otherwise shall in no way affect the application of such provision to other circumstances or affect any other provision(s), which shall remain in full force and effect.

13.10 Indemnification. The Association shall indemnify every officer, director, committee member, and managing agent against any and all expenses (including reasonable attorney's fees and costs), reasonably incurred by or imposed upon such officer, director or committee member in connection with any action, suit or other proceeding (including any settlement thereof, if approved by the then Board) to which he or she may be a party by reason of being or having been an officer, director or committee member to the fullest extent provided by Article 1396-2.22(A) of the Texas Non-Profit Corporation Act, as the same may be amended from time to time. The Association shall, as a Common Expense, maintain adequate general liability and officers' and directors' liability insurance to fund this obligation, if such insurance is reasonably available.

13.11 Use of "Preston One Condominiums" Word or Mark. No Person shall use the word "Preston One Condominiums" or any logo or derivative in any printed or promotional material or website without the prior written consent of the Declarant. However, Owners may use the term "Preston One Condominiums" where such term is used solely to specify that a Unit is located in the Condominium and the Association shall be entitled to use the word "Preston One Condominiums" in its name.

13.12 Notice of Sale or Transfer of Title. In the event that any Owner desires to sell or otherwise transfer title to its Unit, such Owner shall give the Board at least seven (7) days prior written notice of the name and address of the purchaser or transferee, the date of such transfer of title, and such other information as the Board may reasonably require. The transferor shall continue to be jointly and severally responsible with the transferee for all obligations of the Owner of the Unit coming due prior to the date upon which such notice is received by the Board, including assessment obligations, notwithstanding the transfer of title to the Unit.

## ARTICLE XIV

### DECLARANT RIGHTS

#### 14.01 General Provisions.

(a) Introduction. Declarant intends the Declaration to be perpetual and understands that provisions pertaining to the initial development, construction, marketing, and control of the Property will become obsolete when Declarant's role is complete. As a courtesy to future users of the Declaration, who may be frustrated by then-obsolete terms, Declarant is compiling the Declarant-related provisions in this Article 14.

(b) General Reservation & Construction. 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 14 which Declarant hereby reserves exclusively unto itself and its successors and assigns. In case of conflict between this Article 14 and any other Document, this Article 14 controls. This Article 14 may not be amended without the prior written consent of Declarant. The terms and provisions of this Article 14 must be construed liberally to give effect to Declarant's intent to protect Declarant's interests in the Property.

(c) Purpose of Development and Declarant Control Periods. This Article 14 gives Declarant certain rights during the Development Period and the Declarant Control Period to ensure a complete and orderly buildout and sellout of the Property, which is ultimately for the benefit and protection of owners and mortgagees. Declarant may not use its control of the Association and the Property for an advantage over the owners by way of retention of any residual rights or interests in the Association or through the creation of any contractual agreements which the Association may not terminate without cause with 90 days' notice.

14.02. Declarant Control Period Reservations & Limitations. 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:

(a) Duration. 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 (i) within one hundred twenty (120) days after the conveyance of seventy-five (75%) percent of the units that may be created on the Property (including property subject to annexation) to owners other than Declarant; or (ii) when, in the sole opinion of Declarant, the Association is viable, self-supporting, and operational, as evidenced by a written notice executed by Declarant and recorded in the Real Property Records of Collin County, Texas.

(b) Officers & Directors. During the Declarant Control Period, the Board may consist of 3 persons. Declarant may appoint, remove, and replace any officer or director of the Association, none of whom need be members or owners, and each of whom is indemnified by the Association as a "Leader," subject to the following limitation. Within 120 days after the conveyance of 50 percent of the units that may be created (including property subject to annexation, if any) to owners other than Declarant, at least one-third of the board must be elected by owners other than Declarant.

(c) Organizational Meeting. Before the end of the Declarant Control Period or within 120 days after the conveyance of 75 percent of the units that may be created (including property subject to annexation) to owners other than Declarant, the owners will elect directors to the board at an organizational meeting of the members of the Association. Declarant or the Association will give written notice of the organizational meeting to an owner of each unit at least 10 days before the meeting. For the organizational meeting, owners of 10 percent of the units constitute a quorum. The board elected at the organizational meeting will elect the officers of the Association not later than 30 days after the end of the Declarant Control Period. The directors elected at the organizational meeting will serve until the next annual meeting of the Association or a special meeting of the Association called for the purpose of electing directors, at which time the staggering of terms will begin.

(d) Obligation for Assessments. Until the Association first levies regular assessments, Declarant must pay all the expenses of the Property as they accrue. After the initial levy, the Declarant has the following 2 options until the earlier of (1) end of the Declarant Control period or (2) 3 years after the date on which Declarant first conveys a unit:

(i) For each unit owned by Declarant, Declarant is liable for assessments in the same manner as any owner.

(ii) Instead of paying assessments on units owned by Declarant, Declarant must pay to the Association an amount equal to all actual paid operational expenses (hence, not reserves), less the operational portion of the assessments paid by the other unit owners.

(e) Expenses of Declarant. Expenses related to the completion and marketing of the Property will be paid by Declarant and are not expenses of the Association.

(f) Budget Control. During the Declarant Control Period, the right of owners to veto special assessments or increases in regular assessments is not effective and may not be exercised.

(g) 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, but with at least 30 days notice to the manager, at any time after a board elected by the owners takes office.

(h) Common Elements. At or prior to termination of the Declarant Control Period, if title or ownership to any common element is capable of being transferred, Declarant will convey title or ownership to the Association. At the time of conveyance, the common element will be free of encumbrance except for the property taxes, if any, accruing for the year of conveyance. Declarant's conveyance of title or ownership is a ministerial task that does not require and is not subject to acceptance by the Association or the owners.

14.03 Development Period Rights, Representations & Reservations. Declarant makes the following representations and reservations regarding Declarant's development of the Property:

(a) Phasing. The Property is subject to expansion by phasing at any time during the Development Period. The Development Period means the 10-year period beginning the date this Declaration is recorded, during which Declarant has certain rights pursuant to this Article 14, including rights relating to development, construction, expansion, and marketing of the Property. The Development Period is for a term of years and does not require that Declarant own any portion of the property described in Exhibit A-1. Declarant may terminate the Development Period at any time by recording a notice of termination. During the Declarant Control Period, Declarant may, but is not required to, annex to the Property any real property: (1) any portion of which is contiguous with, adjacent to, or within 1,000 feet of any real property that is subject to this Declaration; and/or (2) any or all of the real property that Declarant may acquire during the Development Period and subject it to this Declaration and the jurisdiction of the Association by recording an amendment or supplement of this Declaration, executed by Declarant, in the county's real property records; and/or (3) any or all of the real property that Declarant may acquire after the Declarant Control Period and subject it to this Declaration and the jurisdiction of the Association, upon the consent of the Owners, by recording an amendment or supplement of this Declaration, executed by Declarant, in the county's real property records. The annexation instrument must include a legal description of the additional real property or a reference to the recorded plat that describes the additional real property and a revised schedule of allocated interests if units are annexed. When created, it is contemplated that the Property will contain 9 units. As each phase is added, the Property will contain the number of units listed in the most current Exhibit B. Declarant reserves the right to create up to and including 20 units. This Section does not require Declarant to expand the Property. Declarant's right to annex land is for a term of the Declarant Control Period and does not require that Declarant own the additional land or a unit in the Property described in Exhibit A at the time or times Declarant exercises its right of annexation.

(b) Withdrawal. The Property described in the initial Exhibit A is subject to a right of withdrawal of real property by Declarant.

(c) Changes in Development Plan. Declarant may modify the initial development plan to respond to perceived or actual changes and opportunities in the marketplace. Modifications may include, without limitation, changes in the sizes, styles, configurations, materials, and appearances of units, buildings, and common elements.

(d) Architectural Control. During the Declarant Control Period, Declarant has the absolute right to appoint an architectural control committee, consisting of any number of persons who serve at the pleasure of Declarant, and who may be removed and replaced by Declarant. Notwithstanding the foregoing, during the Declarant Control Period—after termination of Declarant control, or earlier if Declarant permits—the board may appoint or serve as a “modifications committee” to respond exclusively to modifications of completed units that are owned by persons other than Declarant. A modifications committee may not involve itself with the approval of new units or common elements.

(e) Transfer Fees. During the Declarant Control Period, Declarant may not be required to pay transfer-related and resale certificate fees.

(f) Statutory Development Rights. As permitted by the Condominium Act, Declarant reserves the following "Development Rights" which may be exercised during the Declarant Control Period: (1) to add real property to the Property; (2) to create units, general common elements, and limited common elements within the Property; (3) to subdivide units or convert units into common elements; (4) to withdraw from the Property any portion of the real property marked on the Plat and Plans as "Development Rights Reserved," provided that no unit in the portion to be withdrawn has been conveyed to an owner other than Declarant.

(g) Development Rights Reserved. Regarding portions of the real property shown on the Plat and Plans as "Development Rights Reserved," if any, 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.

(h) Amendment. During the Declarant Control Period, Declarant may amend this Declaration and the other Documents, without consent of other owners or any mortgagee, for the following limited purposes:

(i) To meet the requirements, standards, or recommended guidelines of an Underwriting Lender to enable an institutional or governmental lender to make or purchase mortgage loans on the units.

(ii) To correct any defects in the execution of this Declaration or the other Documents.

(iii) To add real property to the Property, in the exercise of statutory Development Rights.

(iv) To create units, general common elements, and limited common elements within the Property, in the exercise of statutory Development Rights.

(v) To subdivide, combine, or reconfigure units or convert units into common elements, in the exercise of statutory Development Rights.

(vi) To withdraw from the Property any portion of the real property marked on the Plat and Plans as "Development Rights Reserved," in the exercise of statutory Development Rights.

(vii) To resolve conflicts, clarify ambiguities, and to correct misstatements, errors, or omissions in the Documents.

(viii) To change the name or entity of Declarant.

(ix) For any other purpose, provided the amendment has no material adverse effect on any right of any owner.

(i) Special Declarant Rights. As permitted by the Condominium Act, Declarant reserves the below-described "Special Declarant Rights," to the maximum extent permitted by law, which may be exercised, where applicable, anywhere within the Property during the Declarant Control Period. 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.

- (i) The right to complete or make improvements indicated on the Plat and Plans.
- (ii) The right to exercise any Development Right permitted by the Condominium Act and this Declaration.
- (iii) The right to make the Property part of a larger condominium or planned community.
- (iv) 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.
- (v) For purposes of promoting, identifying, and marketing the Property, Declarant reserves an easement and right to place or install signs, banners, flags, display lighting, potted plants, exterior decorative items, seasonal decorations, temporary window treatments, and seasonal landscaping on the Property, including items and locations that are prohibited to other owners and residents. Declarant reserves an easement and right to maintain, relocate, replace, or remove the same from time to time within the Property.
- (vi) 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 Condominium Act and this Declaration.
- (vii) The right to appoint or remove any Declarant-appointed officer or director of the Association during the Declarant Control Period consistent with the Condominium Act.
- (j) Additional Easements and Rights. Declarant reserves the following easements and rights, exercisable at Declarant's sole discretion, for the duration of the Declarant Control Period:
  - (i) 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.
  - (ii) The right to sell or lease any unit owned by Declarant. Units owned by Declarant are not subject to leasing or occupancy restrictions or prohibitions contained elsewhere in this Declaration or the other Documents.
  - (iii) 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.
  - (iv) 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 120 days after termination of the Declarant Control Period.

(k) Working Capital Fund. Declarant may establish a working capital fund for the Association for each Unit so purchased in an amount at least equal to the product of the total square footage of the Unit purchased multiplied by \$0.25, and such amount shall be collected from the purchaser of each Unit. If Declarant establishes this fund, each unit's contribution 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. During the Declarant Control Period, the fund may not be used to pay the Association's operational expenses. 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.

(l) Successor Declarant. Declarant may designate one or more Successor Declarants for specified designated purposes and/or for specified portions of the Property, or for all purposes and all of the Property. To be effective, the designation must be in writing, signed and acknowledged by Declarant and Successor Declarant, and recorded in the Real Property Records of Collin County, Texas. Declarant (or Successor Declarant) may subject the designation of Successor Declarant to limitations and reservations. Unless the designation of Successor Declarant provides otherwise, a Successor Declarant has the rights of Declarant under this Section and may designate further Successor Declarants.

*[End of Declaration  
Signature Page Follows]*



EXHIBIT "A-1"

Legal Description

Being Lot 1, Block A of Preston One Addition, an addition to the City of Plano, Collin County, Texas, according to the plat or map recorded in Cabinet P, Page 848, Map Records of Collin County, Texas.

Description of Additional Land Subject to Annexation

During the Development Period, Declarant may – but is not required to – annex any real property any portion of which is contiguous with, adjacent to, or within 1,000 feet of any real property that is subject to this Declaration, and any or all of the below-described parcels of land:

SITUATED in the State of Texas, County of Collin and City of Plano, being part of the Collin County School Land Survey, Abstract No. 7, being part of Lot 2, Block A, Conveyance Plat of Preston One Addition, an addition to the City of Plano as recorded in Volume P, Page 848 of the Collin County Map Records with said premises being more particularly described as follows:

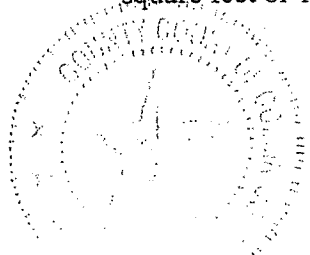
BEGINNING at a ½-inch iron rod found marking the most easterly corner of Lot 1, Block A, Conveyance Plat of Preston One Addition and the most southerly southeast corner of said Lot 2, said corner also being in the northwest line of Hedgcoxe Office Addition, an addition to the City of Plano as recorded in Volume N, Page 408 of the Collin County Map Records;

THENCE with the northeasterly line of Lot 1 and a southwest line of Lot 2, North 43°19'00" West, 272.50 feet to a ½-inch iron rod found marking the northeast corner of Lot 1 and an interior corner of Lot 2;

THENCE North 46°41'00" East, 475.85 feet to a Roome capped ½-inch iron rod set marking the most northerly corner of the herein described premises, said corner being in a northeast line of said Lot 2 and a southwesterly line of Lot 1, Block A of Jefferson on the Bend, an addition to the City of Plano as recorded in Volume L, Page 910 of the Collin County Land Records;

THENCE with a northeast line of Lot 2 and a southwest line of said Jefferson on the Bend Lot 1 as follows: South 56°35'25" East, 0.14 feet to a point for corner and South 30°49'31" East, 278.97 feet to a Roome capped ½-inch iron rod set marking the most easterly corner of Lot 2 and the northeast corner of the aforementioned Lot 2, Block A of Hedgcoxe Office Addition;

THENCE with the most southerly southwest line of Lot 2 and the northwest line of Lot 2 of Hedgcoxe Office Addition, South 46°41'00" West, passing at 106.66 feet a floodway monument for reference and continuing for a total distance of 415.54 feet to the point of beginning and containing 121,460 gross square feet or 2.79 gross acres of land less that area in a floodplain leaving 74,058 net square feet or 1.70 net acres of land.

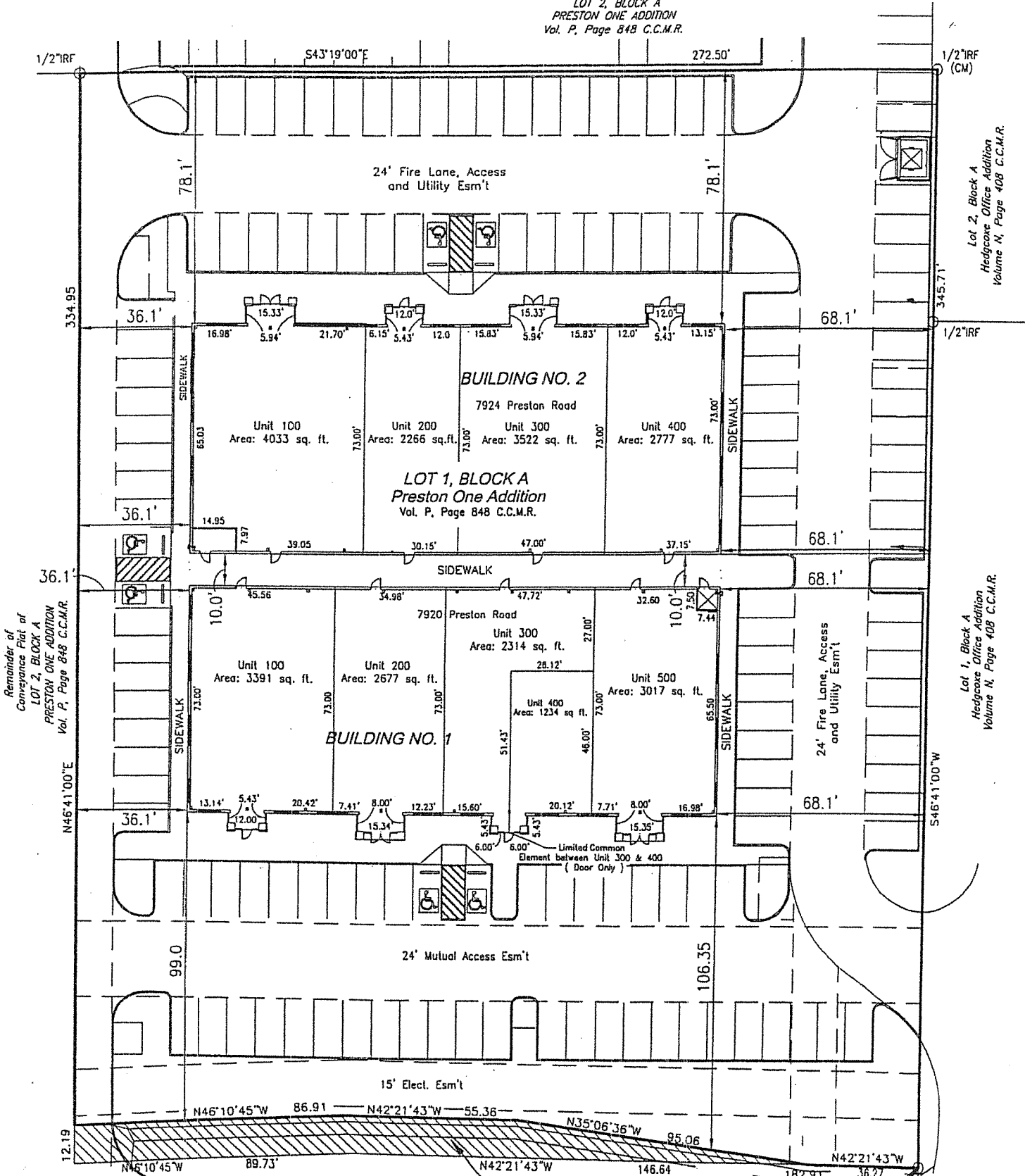


**EXHIBIT "A-2"**

**Site Plan**

# Preston One Condominiums Site Plan

*Remainder of  
Conveyance Plat of  
LOT 2, BLOCK A  
PRESTON ONE ADDITION  
Vol. P, Page 848 C.C.M.R.*



*Remainder of  
Conveyance Plat of  
LOT 2, BLOCK A  
PRESTON ONE ADDITION  
Vol. P, Page 848 C.C.M.R.*

*Lot 2, Block A  
Hedgecove Office Addition  
Volume N, Page 408 C.C.M.R.*

*Lot 1, Block A  
Hedgecove Office Addition  
Volume N, Page 408 C.C.M.R.*



**ROOME LAND SURVEYING, INC.**  
2000 AVENUE G  
SUITE B10  
PLANO, TX 75074  
Phone Number (972) 423-4372  
Fax Number (972) 423-7523



**Preston Road**  
(S.H. 289)

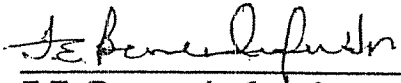
**POINT OF  
BEGINNING**

*Dedicated Right-of-Way  
Vol. P, Page 848 C.C.M.R.  
2,287 sq.ft.*

**SURVEYOR'S DECLARATION  
SITE PLAN**

THAT I, F.E. Bemenderfer, Jr., do hereby certify that this survey was made on the ground on February 17, 2005 by me or under my personal supervision and the plat hereon is a true, correct, and accurate representation of the corners of said property being as indicated by the plat. There are no visible or apparent easements, encroachments, conflicts or protrusions except as shown hereon.

The map and property description contained herein contain all information required by Section 82.059 of the Texas Property Code.



F.E. Bemenderfer, Jr.  
Texas Registered Professional  
Land Surveyor No. 4051

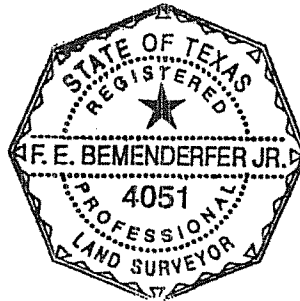
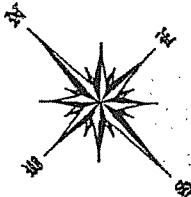
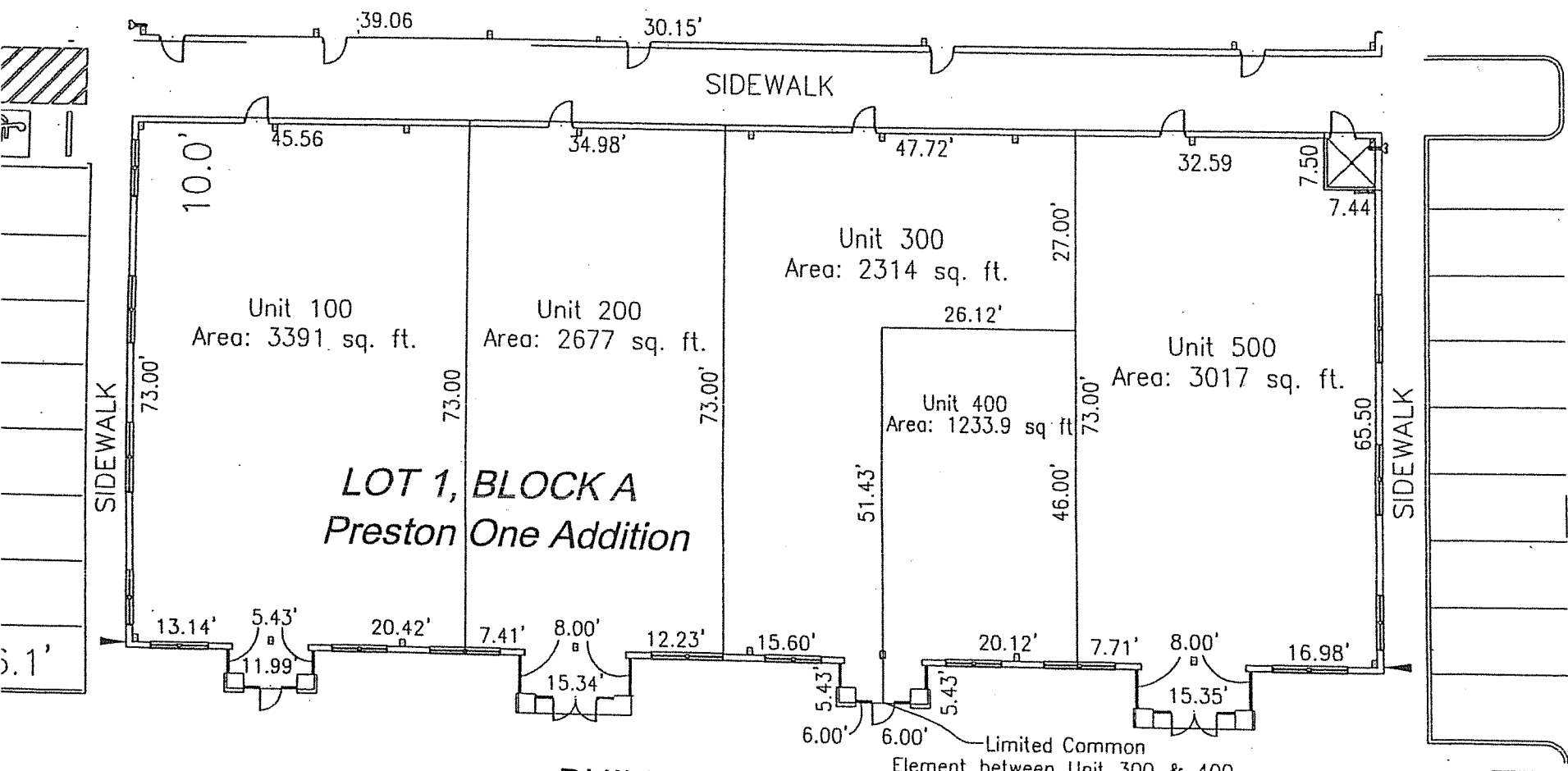


EXHIBIT "A-3"

Unit Plans

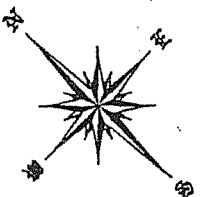


Scale: 1"=20'

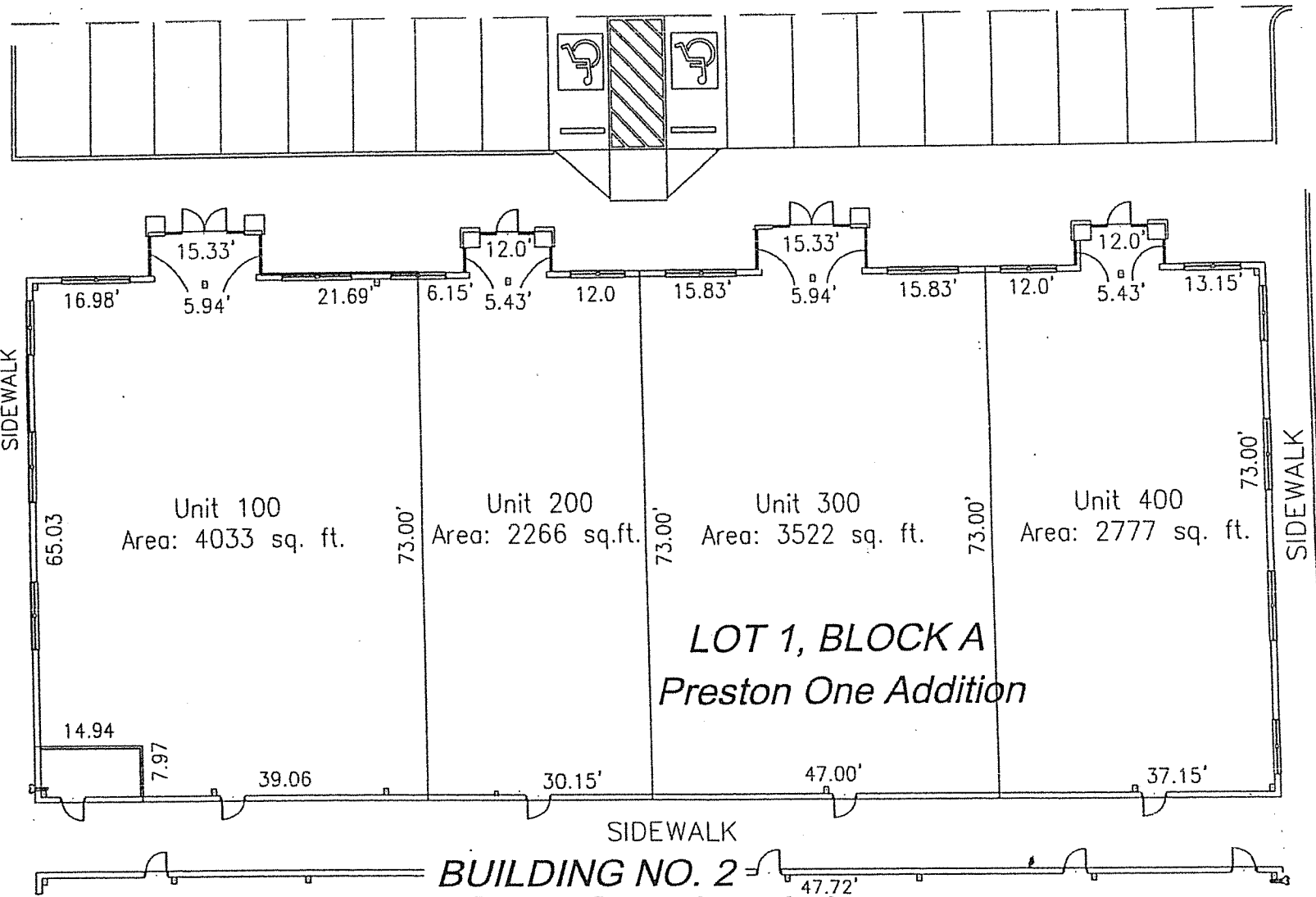
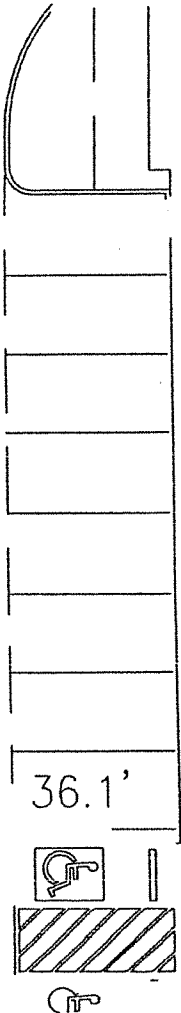


**BUILDING NO. 1**  
**Preston One Condominiums**  
**Unit Plan**  
 7920 Preston Road

 **ROOME LAND SURVEYING, INC.**  
 2000 AVENUE G  
 SUITE 810  
 PLANO, TX 75074  
 Phone Number (972) 423-4372  
 Fax Number (972) 423-7023



Scale: 1"=20'



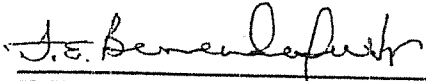
**LOT 1, BLOCK A**  
**Preston One Addition**  
**BUILDING NO. 2**  
**Preston One Condominiums**  
**Unit Plan**  
7924 Preston Road

 **ROOME LAND SURVEYING, INC.**  
2008 AVENUE G  
SUITE 810  
PLANO, TX 75074  
Phone Number (972) 423-4372  
Fax Number (972) 423-7525

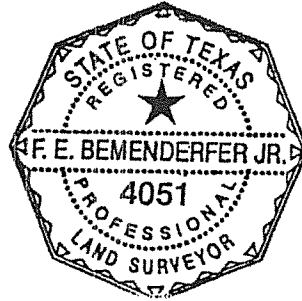
**SURVEYOR'S DECLARATION  
BUILDING NO. 1 & BUILDING NO. 2**

THAT I, F.E. Bemenderfer, Jr., do hereby certify that this survey was made on the ground on February 17, 2005 by me or under my personal supervision and the plat hereon is a true, correct, and accurate representation of the corners of said property being as indicated by the plat. There are no visible or apparent easements, encroachments, conflicts or protrusions except as shown hereon.

The map and property description contained herein contain all information required by Section 82.059 of the Texas Property Code.



F.E. Bemenderfer, Jr.  
Texas Registered Professional  
Land Surveyor No. 4051



**EXHIBIT "B"**

**Schedule of Allocated Interests**

UNIT	PERCENTAGE COMMON ELEMENT OWNERSHIP	PERCENTAGE LIABILITY FOR COMMON EXPENSES	WEIGHT OF VOTE
<b>BUILDING NO. 1 (7920 Preston Road)</b>			
100	13	13	13
200	11	11	11
300	9	9	9
400	5	5	5
500	12	12	12
<b>BUILDING NO. 2 (7924 Preston Road)</b>			
100	16	16	16
200	9	9	9
300	14	14	14
400	11	11	11
<b>TOTALS</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>

## EXHIBIT "C"

All signage utilized and installed at Preston One Condominiums shall be subject to the following restrictions:

### A. Preston Road Monument Signage

1. Exterior Signage shall conform to City of Plano sign regulations.
2. Two Buildings shall use One monument sign on Preston Road.
3. The building owners in the two buildings shall be allowed one area on the Preston Road monument sign.
4. The monument sign shall be back lighted per the sign plan and maintained by the Association.
5. Each Owner is responsible for the placement and cost of their sign area.

### B. Preston One Building Signage

1. Signage will be allowed only on the West and East building frontage.
2. Signage will be installed only above an entry with approved layout.
3. Only four signs allowed per building; and 1 per entry for the 4 largest unit Owners per building.
4. Exterior signs shall be no larger than 18" in height and 48" in width with neon lighting and faces to match Rohm Haas #7128 White Plexiglas. The sizing of letters is subject to approval by an architectural control committee or Declarant. Raceway 1" slim line required. No larger raceways, capsules or exterior light boxes allowed.
5. All signage to be neutral, non obtrusive and approved by the builder or Association with permit by the City of Plano prior to installation at Owner's expense.
6. No signage will be allowed in the windows.

### C. Preston One Entry Door Signage

1. Signage will be only allowed on the front entry doors at the building front.
2. Signage shall be gold lettering only with layout approved by the builder or Association. Copy area shall not exceed 1 foot high by 2 feet wide with a maximum of four lines of copy in the area.
3. No signage allowed prior to written approval of layout.

EXHIBIT "D"

Recorded Easements and Encumbrances

A description of and the recording data for recorded easements, licenses, restrictions, liens, leases, or encumbrances 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, include the following:

- A. Easement for water line granted to the City of Plano, by James J. Birmingham Trustee for the J&H Birmingham 1989 Trust, by instrument dated October 28, 1996, filed December 20, 1996, recorded Under Clerk's File Number 96-0107858 of the Deed Records of Collin County, Texas.
- B. Terms, conditions and stipulations of that certain Roadway Agreement by and between Preston Meadow, Ltd.; J. Lawrence Martin and Preston 10 Joint Venture and Preston 32 Joint Venture, dated November 13, 1984, filed November 16, 1984, recorded in Volume 2017, Page 472, Deed Records, Collin County, Texas and re-recorded in Volume 2043, Page 441 of the Deed Records of Collin County, Texas.
- C. Terms, conditions and stipulations of that certain Easement and Access Agreement by and between Colonial Bank and Precision One, L.P., a Texas limited partnership, dated August 11, 2004, filed August 12, 2004, recorded in Volume 5730, Page 1074, Land Records, Collin County, Texas of the Deed Records of Collin County, Texas.
- D. Terms, conditions and stipulations of that certain Access and Utility Agreement by and between J&H Birmingham 1989 Trust and Precision One, L.P., a Texas limited partnership, dated August 5, 2004, filed August 12, 2004, recorded in Volume 5730, Page 1051, Land Records, Collin County, Texas of the Deed Records of Collin County, Texas.
- E. Terms, conditions and stipulations of that certain Cross Access Easement Agreement by and between Hedgcoxe Gardner/Moore Limited Partnership, a Texas limited partnership and Colonial Bank, dated February 27, 2003, filed March 3, 2003, recorded in Volume 5366, Page 4925 of the Deed Records of Collin County, Texas. (Affects Tract 2).
- F. Easement Estate. Being a tract of land situated in the Collin County School Land Survey No. 7, Abstract No. 153, City of Plano, Collin County, Texas, and being part of Lot 1, Block A of Amended Plat of Hedgcoxe Office Addition, as recorded in Volume N, Page 408, of the Collin County Map Records, and being more particularly described as follows:

Beginning at a point on the Northwest line of Hedgcoxe Office Addition, said Point being North 46 degrees 34 minutes 34 seconds East, along the said Northwest line of said Lot One, a distance of 29.80 feet from the West corner of Lot 1 Block A of said Amended Hedgcoxe Office Addition;

Thence North 46 degrees 34 minutes 34 seconds East, along the said Northwest line of said Lot One, a distance of 39.02 feet to a non tangent curve to the left having a central angle of 77 degrees 40 minutes 09 seconds and a chord bearing of South 82 degrees 15 minutes 41 seconds East and chord distance of 25.08 feet and a radius of 20.00 feet;

Thence around said curve, an arc length of 27.11 feet to the end of said curve and being on the Northwest line of an existing 24 foot Utility and Access Easement, and the beginning of a non tangent curve to the right having a central angle of 6 degrees 52 minutes 42 seconds

and a chord bearing of South 62 degrees 20 minutes 35 seconds West with a chord distance of 18.00 feet and a radius of 150.00 feet;

Thence along the Northwest line of said Utility and Access Easement, around said curve, an arc length of 18.01 feet to the end of said curve, and the beginning of a curve to the left having a central angle of 19 degrees 45 minutes 22 seconds and a chord bearing of South 56 degrees 10 minutes 45 seconds west and a chord distance of 50.05 feet and a radius of 150.00 feet,

Thence around said curve, an arc length of 50.28 feet to the end of said curve;

Thence South 46 degrees 34 minutes 34 seconds West, a distance of 7.15 feet to the beginning of a non tangent curve to the left having a central angle of 36 degrees 34 minutes 02 seconds and a chord bearing of on North 28 degrees 17 minutes 33 seconds and a chord distance of 20.08 feet and a radius of 32.00 feet;

Thence around said curve, and leaving the existing 24 foot Access and Utility Easement, an arc length of 20.42 feet to the Place of Beginning and containing 480 square feet of land.

- G. Easement Estate. Being two tracts of land out of a 10.00 acre tract as recorded in Volume 3650, Page 96 of the Collin County Records and being easement estates as created by Access and Utility Agreement executed by and between J&H Birmingham 1989 Trust and Precision One, L.P., a Texas limited partnership, dated August 11, 2004, filed August 12, 2004, recorded in Volume 5730, Page 1051, Land Records, Collin County, Texas of the Deed Records of Collin County, Texas.

Parcel A:

12' Firelane, Access and Utility Easement

BEING a 5,206 square feet tract of land situated in the Collin County School Land Survey No. 7, Abstract No. 153, City of Plano, Collin County, Texas, and being a part of a 10.00 acre tract as recorded in Volume 3650, Page 96 of the Collin County Land Records, said 5,206 square feet being more particularly described by metes and bounds as follows:

COMMENCING at a 5/8 inch iron rod found at the most Southerly corner of said 10.00 acre tract on the Northeast right of way of Preston Road, said point also being the most Westerly corner of Lot 1, Block A of Hedgcoxe Office Addition, an Addition to the City of Plano as recorded in Volume N, Page 408 of the Collin County Map Records;

THENCE North 42 degrees 21 minutes 43 seconds West, along the existing right of way of Preston Road, a distance of 182.91 feet to an angle point;

THENCE North 46 degrees 10 minutes 45 seconds West, continuing along the existing right of way to Preston Road, a distance of 89.73 feet to the POINT OF BEGINNING;

THENCE North 46 degrees 10 minutes 45 seconds West, continuing along the existing right of way to Preston Road, a distance of 12.00 feet to an angle point;

THENCE North 46 degrees 41 minutes 00 seconds East, leaving the existing right of way of Preston Road, a distance of 274.68 feet to an angle point;

THENCE along a curve to the left having a central angle of 90 degrees 00 minutes 00 seconds, a radius of 30.00 feet, a chord distance of 42.43 feet that bears North 01 degrees 41 minutes 00 seconds East, around said curve an arc distance of 47.12 feet to an angle point;

THENCE North 46 degrees 41 minutes 00 seconds East, a distance of 21.94 feet to an angle point;

THENCE along a curve to the left having a central angle of 72 degrees 46 minutes 07 seconds, a radius of 30.00 feet, a chord distance of 35.59 feet that bears South 79 degrees 42 minutes 04 seconds East, around said curve an arc distance of 38.10 feet to an angle point;

THENCE South 43 degrees 19 minutes 00 seconds East, a distance of 13.35 feet to an angle point;

THENCE South 46 degrees 41 minutes 00 seconds West, a distance of 347.14 feet to the POINT OF BEGINNING and containing 5,206 square feet or land, more or less.

Parcel B:

15' Drainage Easement

BEING a 4,453 square feet tract of land situated in the Collin County School Land Survey No. 7, Abstract No. 153, City of Plano, Collin County, Texas, and being a part of a 10.00 acre tract as recorded in Volume 3650, Page 96 of the Collin County Land Records, said 4,453 square feet being more particularly described by metes and bounds as follows:

COMMENCING at a 5/8 inch iron rod found at the most Southerly corner of said 10.00 acre tract on the Northeast right of way of Preston Road, said point also being the most Westerly corner of Lot 1, Block A of Hedgcoxe Office Addition, an Addition to the City of Plano as recorded in Volume N, Page 408 of the Collin County Map Records;

THENCE North 46 degrees 41 minutes 00 seconds East, leaving the existing right of way of Preston Road and along the common line of said 10.00 acre tract with Lot 1, Block A of Hedgcoxe Office Addition, a distance of 345.71 feet to an angle point;

THENCE North 43 degrees 19 minutes 00 seconds West, leaving said common line, a distance of 24.52 feet to the POINT OF BEGINNING;

THENCE North 43 degrees 19 minutes 00 seconds West, a distance of 15.00 feet to an angle point;

THENCE North 46 degrees 41 minutes 00 seconds East, a distance of 294.13 feet to an angle point;

THENCE South 63 degrees 46 minutes 26 seconds East, a distance of 16.01 feet to an angle point;

THENCE South 46 degrees 41 minutes 00 seconds West, a distance of 299.73 feet to the POINT OF BEGINNING and containing 4,453 square feet of land, more or less.

**EXHIBIT "E"**

**Approval of Lien Holder**

Hibernia National Bank is a national bank ("Hibernia National Bank") whose address is 2318 Richmond Road, Texarkana, Texas 75503.

Hibernia National Bank holds a promissory note signed by Precision One, LP. The promissory note is secured by a deed of trust lien against real property that includes the property described in Exhibit A of this Declaration. The deed of trust was recorded on August 6, 2004, in Volume 5726, Page 05219, Real Property Records, Collin County, Texas.

By signing this instrument, Hibernia National Bank consents to the recording of the Declaration of Preston One Condominiums, which will not be extinguished by foreclosure of any lien assigned to or for the benefit of Hibernia National Bank, or its successors and assigns.

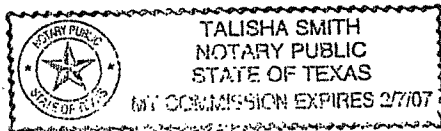
SIGNED on the 24<sup>th</sup> day of February, 2005.

Hibernia National Bank

By: *Michael L. Galloway*  
Printed Name: Michael L. Galloway  
Title: Vice President

THE STATE OF TEXAS    §  
                                  §  
COUNTY OF Collin    §

This instrument was acknowledged before me on the 24 day of February, 2005, by *Michael Galloway* VP of Hibernia National Bank, on behalf of the bank.



*Talisha Smith*  
Notary Public, The State of Texas

Filed for Record in:  
Collin County, McKinney TX  
Honorable Brenda Taylor  
Collin County Clerk

On Feb 25 2005  
At 11:34am

Doc/Num : 2005- 0023742

Recording/Type:FD 124.00  
Receipt #: 8059

ANY PROVISION HEREIN WHICH RESTRICTS THE SALE,  
RENTAL OR USE OF THE DESCRIBED REAL PROPERTY  
BECAUSE OF COLOR OR RACE IS INVALID AND UNEN-  
FORCEABLE UNDER FEDERAL LAW.

THE STATE OF TEXAS  
COUNTY OF COLLIN

I, Clerk County Court  
Collin County, Texas

Do hereby certify that the foregoing instrument of writing is  
a full, true and correct copy of the instrument as filed for  
record in my office the 25<sup>th</sup> day of February, 2005  
No. 2005-0023742

Witness my hand and official seal at my office in McKinney,  
Texas, this 25<sup>th</sup> day of February, 2005

Collin County Clerk  
Collin County, Texas

By [Signature], deputy