

THE STATE OF TEXAS COUNTY OF COLLIN

DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS

FOR

STONE LAKE ESTATES

THIS DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS is made this 25th day of February, 1992, by TIBURON DEVELOPMENT, a Texas corporation (hereinafter referred to as "Declarant").

WITNESSETH:

WHEREAS, this Declaration affects certain real property situated in the City of Plano, Collin County, Texas, consisting of that certain real property referred in Article II and described on Exhibit "A" of this Declaration.

NOW, THEREFORE, KNOW ALL MEN BY THESE PRESENTS, that the real property referred to in Article II and described on Exhibit "A" of this Declaration, and such additions thereto as may hereafter be made pursuant to Article II hereof, is and shall be held, transferred, sold, conveyed and occupied subject to the covenants, conditions, restrictions, easements, changes and liens (hereinafter collectively referred to as the "Covenants and Restrictions") hereinafter set forth:

ARTICLE I

DEFINITIONS

The following words when used in this Declaration or any amendment or supplement hereto (unless the context shall otherwise clearly indicate or prohibit) shall have the following meanings:

- (a) "Adjoining Lot" shall mean and refer to a Lot which is adjacent to any other Lot as shown on any recorded plat of the Property. Any reference in Article VIII hereof to the visibility of an item from any Adjoining Lot shall mean the visibility of such item from the ground level of the Adjoining Lot and not from the second story of a two-story dwelling on such Adjoining Lot.
- (b) "Association" shall mean and refer to Stone Lake Estates Homeowners Association, Inc., a Texas non-profit corporation which has the power, duty and responsibility of maintaining and administering the Common Properties, and collecting the assessments and charges hereinafter prescribed, and has the right of administering and enforcing the Covenants and Restrictions.
- (c) "Common Properties" shall mean and refer to all of the following:
- (i) Lot 4 Block E according to the plat of Stone Lake Estates Section 2, an addition to the City of Plano, Collin County, Texas.
- (ii) Any and all additional property acquired in the future for use as "Common Property"
- (d) "Declarant" shall mean and refer to Tiburon Development, Inc. and the successors and assigns (if any) of Tiburon Development, Inc. with respect to the voluntary disposition of all (or substantially all) of the assets of Tiburon Development, Inc. and/or the voluntary disposition of all (or substantially all) of the right, title and interest of Tiburon Development, Inc. in and to the Property prior to the completion of development thereon. No person or entity purchasing one or more Lots from Tiburon Development, Inc. in the ordinary course of business shall be considered as "Declarant".
- (e) "Existing Property" shall mean and refer to the real property which is and shall be, held, transferred, sold, conveyed and occupied subject to this Declaration pursuant to Section 2.01 of Article II hereof.
- (f) "Lot" shall mean and refer to any plot or tract of land shown upon any recorded subdivision map(s) or plat(s) of the Property, as amended from time to time; which plot or tract is designated as a Lot therein and which is or will be improved with a residential dwelling in conformity with the building restrictions herein set forth. Although some portions of the Common Properties may be platted as a "Lot" on the subdivision plat, these Lots shall be excluded from the definition of "Lot" as used herein.
- (g) "Member" shall mean and refer to each Owner of a Lot.

- (h) "Owner" shall mean and refer to each and every person or business entity who is a record owner of a fee or undivided fee interest in any Lot subject to these Covenants and Restrictions; provided, however, "Owner" shall not include person(s) or entity(ies) who hold a bona fide lien or interest in a Lot as security for the performance of an obligation.
- (i) "Property" shall mean and refer to all such existing Property and any additions thereto, as are subject to this Declaration, or any amendment or supplement hereto, prepared and filed of record pursuant to the provisions of Article II hereof.

ARTICLE II

PROPERTY SUBJECT TO THIS DECLARATION: ADDITIONS THERETO

- 2.01 Existing Property. The Existing Property is located in the City of Plano, Collin County, State of Texas, and is more particularly described in Exhibit "A" attached hereto and incorporated herein by reference for all purposes.
- 2.02 Additions to Existing Property. Additional land(s) may become subject to this Declaration in any of the following manners:
- (a) Declarant may add or annex additional real property to the scheme of this Declaration by filing of record a Supplemental Declaration of Covenants, Conditions and Restrictions which shall extend the scheme of the covenants, conditions and restrictions of this Declaration to such additional property; provided, however, that such supplemental declaration may contain such complementary additions and modifications of the Covenants and Restrictions contained in this Declaration as may be necessary to reflect the different character, if any, of the additional property and as are not inconsistent with the concept of this Declaration.
- (b) In the event any person or entity other than the Declarant desires to add or annex additional residential and/or common areas to the scheme of this Declaration, such proposed annexation must have the prior written consent and approval of the majority of the outstanding votes within each voting class of the Association.
- (c) Any additions made pursuant to Paragraphs (a) and (b) of this Section 2.02 when made, shall automatically extend the jurisdiction, functions, duties and membership of the Association to the properties added.
- (d) Declarant shall have the right and option (without the joinder, approval or consent of such associations) to cause the Association to merge or consolidate with any similar association then having jurisdiction over real property located (in whole or in part) within one-half (1/2) mile of any real property then subject to the

jurisdiction of this Association. Upon a merger or consolidation of the Association with another association, its properties, rights and obligations may, by operation of law, be transferred to another surviving or consolidated association or, alternatively, the properties, rights and obligations of another association may, by operation of law, be added to the properties rights and obligations of the Association as a surviving corporation pursuant to a merger. The surviving or consolidated association may administer the Covenants and Restrictions established by this Declaration within the Existing Property together with the covenants, conditions and restrictions established upon any other properties as one scheme.

ARTICLE III

MEMBERSHIP AND VOTING RIGHTS IN THE ASSOCIATION

- 3.01 Membership. Every Owner of a Lot shall automatically be and must remain a Member of the Association in good standing. The Board of Directors of the Association (the "Board of Directors") may declare that an Owner is not a Member in good standing because of past unpaid dues, fines, late charges, interest, legal fees and/or any other assessments of any nature. The Board of Directors may temporarily suspend the voting rights of any Member who is not in good standing until such past unpaid amounts are paid in full.
- 3.02 Voting Rights. The Association shall have three classes of voting membership:
- CLASS A: Class A Members shall be all Members other than Class B and Class C Members. Class A Members shall be entitled to one (1) vote for each Lot in which they hold the interest required for membership. When more than one person holds such interest or interests in any Lot, all such persons shall be Members, and the vote for such Lot shall be exercised as they, among themselves, determine, but in no event shall more than one (1) vote be cast with respect to any such Lot.
- CLASS B: Class B Members shall be any bona fide Owner who is engaged in the process of constructing a residential dwelling on his Lot for sale to consumers. Class B Members shall be non-voting members of the Association. The Class B membership shall cease and each Class B Member shall become a Class A Member:
- (i) when the total number of votes outstanding in the Class A membership equals the total number of votes outstanding in the Class C membership; or
- (ii) on the tenth (10th) anniversary hereof, whichever occurs first in time.

CLASS C: The Class C Member shall be Declarant. The Class C Member shall be entitled to ten (10) votes for each Lot which it owns and for each Lot owned by all Class B Members.

Notwithstanding the aforementioned voting rights within the Association, until Declarant no longer owns record title to (or a lien interest in) any Lot, or until January 31, 2002, whichever occurs first in time, neither the Association nor the Members shall take any action inconsistent with this Declaration without the consent and approval of Declarant.

3.03 Quorum, Notice and Voting Requirements. The quorum, notice and voting requirements of and pertaining to the Association are set forth within the Articles of Incorporation and Bylaws of the Association, as same may be amended from time to time. Subject to the provisions of Section 3.02 above, any action by or on behalf of the Association may be taken with the assent given in writing and signed by Members who collectively hold or control more than sixty percent (60%) of the outstanding votes of the Association.

ARTICLE IV

GENERAL POWERS AND DUTIES OF THE BOARD OF DIRECTORS

- 4.01 Powers and Duties. The affairs of the Association shall be conducted by its Board of Directors (hereinafter referred to as the "Board"). The Board shall be selected in accordance with the Articles of Incorporation and Bylaws of the Association. The Board, for the benefit of the Common Properties and the Owners, shall provide, and shall pay for out of the maintenance fund(s) provided for in Article V below, the following:
- (a) Care and preservation of the Common Properties and the furnishing and upkeep of any desired personal property for use in the Common Properties;
- (b) Any private trash and garbage collection service and security arrangements;
- (c) Taxes, insurance and utilities (including, without limitation, electricity, gas, water and sewer charges) which pertain to the Common Properties only;
- (d) The services of a person or firm to manage the Association or any separate portion thereof, to the extent deemed advisable by the Board, and the services of such other personnel as the Board shall determine to be necessary or proper for the operation of the Association, whether such personnel are employed directly by the Board or by a manager designated by the Board;

- (e) Legal and accounting services;
- (f) Any other materials, supplies, furniture, labor, services, maintenance, repairs, structural alteration, taxes or assessments which the Board is required to obtain or pay for pursuant to the terms of this Declaration or which in its opinion shall be necessary or proper for the operation or protection of the Association or for the enforcement of this Declaration.

The Board shall have the following additional rights, powers and duties:

- (g) To execute all declarations of ownership for tax assessment purposes with regard to any of the Common Properties owned by the Association;
- (h) To enter into agreements or contracts with insurance companies, taxing authorities and the holders of first mortgage liens on the individual Lots with respect to:
- (i) taxes of the Common Properties;
- (ii) maintenance of those Common Properties described in Article I, Section (c); and
- (iii) Insurance coverage (if any) on Common Properties, as they relate to the assessment, collection and disbursement process envisioned by Article VI herein below;
- (i) To borrow funds to pay costs of operation, secured by assignment or pledge of rights against delinquent Owners, if the Board sees fit or secured by such assets of the Association as deemed appropriate by the lender and the Association;
- (j) To enter into contracts, maintain one or more bank accounts, and, generally, to have all the powers necessary or incidental to the operation and management of the Association;
- (k) To protect or defend the Common Properties from loss or damage by suit or otherwise, to sue or defend in any court of law on behalf of the Association and to provide adequate reserves for repairs and replacements;
- (I) To make reasonable rules and regulations for the operation of the Common Properties and to amend them from time to time;
- (m) To make available to each Owner within ninety (90) days after the end of each year an annual report;

- (n) Pursuant to Article VII herein, to adjust the amount, collect and use any insurance proceeds to repair damage or replace lost property; and if proceeds are insufficient to repair damage or replace lost property, to assess the Members in proportionate amounts to cover the deficiency;
- (o) To enforce the provisions of this Declaration and any rules made hereunder and to enjoin and seek damages from any Owner for violation of such provisions or rules.
- 4.02 Board Powers Exclusive. The Board shall have the exclusive right to contract for all goods, services and insurance, and the exclusive right and obligations to perform the functions of the Board, except as otherwise provided herein.
- 4.03 Contracts With Owners. The Board, on behalf of the Association, shall have full power and authority to contract with any Owner (including, without limitation, Declarant) for the performance by the Association of services which the Board is not otherwise required to perform pursuant to the terms hereof, such contracts to be upon such terms and conditions and for such consideration as the board may deem proper, advisable and in the best interest of the Association.
- 4.04 Liability Limitations. Neither any Member, the Board, any Director, nor any Officer of the Association shall be personally liable for debts contracted for, or otherwise incurred by the Association, or for a tort of another Member, whether such other Member was acting on behalf of the Association or otherwise. Neither Declarant, the Association, its Directors, officers, agents or employees shall be liable for any incidental or consequential damages for failure to inspect any premises, improvements or portion thereof or for failure to repair or maintain the same. Declarant, the Association or any other person, firm or corporation liable to make such repairs or Maintenance shall not be liable for any personal injury or other incidental or consequential damages occasioned by any act or omission in the repair or maintenance of any premises, improvements or portion thereof.
- 4.05 Reserve Funds. The Board may maintain and establish funds which may be maintained and accounted for separately from other funds maintained for annual operating expenses and may establish separate irrevocable trust accounts in order to better demonstrate that the amounts deposited therein are capital contributions and not net income to the Association.

ARTICLE V

PROPERTY RIGHTS IN COMMON PROPERTY

5.01 Members' Easement of Enjoyment. Subject to the provisions of Section 5.03 of this Article, every Member and every tenant of every Member, who resides on a Lot,

and each individual who resides with either of them on such Lot shall have a right and easement of use, recreation and enjoyment in and to the Common Properties and such easement shall be appurtenant to and shall pass with the title of every Lot; provided, however, such easement shall not give such person the right to make alterations, additions or improvements to the Common Properties.

- 5.02 Title to the Common Properties. Declarant will hold record title to the Common Properties for an indefinite period of time, subject to the easement set forth in Section 5.01 hereof. Declarant shall have the right and option (without the joinder and consent of any person or entity, save and except any consent, joinder or approval required by the City of Plano) to encumber, mortgage, design, redesign, reconfigure, alter, improve, landscape and maintain the Common Properties, provided that Declarant fully and timely complies with any and all requirements of the City of Plano. At some point in time (deemed reasonable and appropriate by the Declarant but prior to December 31, 1995), the Declarant will convey title to the Common Properties to the Association for the purposes herein envisioned. Declarant reserves the right to execute any open space declarations applicable to the Common Properties which may be permitted by law in order to reduce property taxes.
- 5.03 Extent of Members' Easements. The rights and easements of use, recreation and enjoyment created hereby shall be subject to the following:
- (a) The right of Declarant or the Association to prescribe reasonable regulations and policies governing the use, operation and maintenance of the Common Properties.
- (b) Liens or mortgages placed against all or any portion of the Common Properties with respect to money borrowed by Declarant to develop and improve the Property or by the Association to improve or maintain the Common Properties.
- (c) The right of the Association to enter into and execute contracts with any party (including, without limitation, Declarant) for the purpose of providing maintenance or such other materials or services consistent with the purposes of the Association.
- (d) The right of Declarant or the Association to take such steps as are reasonably necessary to protect the Common Properties against foreclosure.
- (e) The right of Declarant or the Association to suspend the voting rights of any member and to suspend the right of any individual to use or enjoy any of the Common Properties for any period during which any assessment (including without limitation any "fines") against a Lot resided upon by such individual remains unpaid, and for any period not to exceed (60) days for an infraction of the then-existing rules and regulations.

- (f) The right of Declarant and/or the Association to dedicate or transfer all or any part of the Common Properties to any municipal corporation, public agency, authority, or utility company for such purposes and upon such conditions as may be agreed upon by Declarant and the Members having a majority of the outstanding eligible votes of the Association.
- (g) The right of Declarant and/or the Association to convey, sell or lease all or part of the Common Properties upon such terms and conditions as may be agreed upon by Declarant and the Members having a majority of the outstanding eligible votes of the Association.

ARTICLE VI

COVENANTS FOR ASSESSMENTS

- 6.01 Personal Obligation of Assessments. Each Owner of a Lot by acceptance of a deed therefor, whether or not it shall be so expressed in such deed, is deemed, as a part of the purchase money consideration for such deed and conveyance, to covenant and agree to pay to the Association (or to an independent entity or agency which may be designated by the Association to receive such monies):
- (a) Regular assessment or charges for maintenance, taxes and insurance on portions of the Property and Common Properties (including, without limitation, those matters described within Section 4.01 herein);
- (b) Special group assessments for capital improvements or unusual or emergency matters, such assessments to be fixed, established and collected from time to time as hereinafter provided;
- (c) Special individual assessments levied against individual Owners to reimburse the Association for extra cost for maintenance and repair caused by the willful or negligent acts of the individual Owner and not caused by ordinary wear and tear; and
- (d) Individual assessments and fines levied against individual Owners for violations of rules and regulations pertaining to the Association, the Property and/or the Common Properties;

such assessments to be fixed, established and collected from time to time as herein provided. The assessments described in (a) - (d) above, together with such late charges, interest and cost of collection thereof as hereinafter provided, shall be a charge on the land and shall be a continuing lien upon each Lot against which each

such assessment is made and shall also be the continuing personal obligation of the then-existing Owner of such Lot at the time which the assessment fell due.

- 6.02 Creation of Lien. Declarant hereby reserves a vendor's lien against each Lot to secure the payment of any assessment which may be levied pursuant to the terms and provision of Section 6.05, 6.06, 8.15 and/or 11.04 hereof, and the expenses incurred in connection with the enforcement thereof, including, without limitation, interest at the maximum rate permitted by law, costs and reasonable attorneys' fees. Such lien may be enforced by appropriate judicial proceedings, and the amount secured thereby shall be the obligation of and chargeable to Owner. Such lien shall be and is subordinate and inferior only to the following:
- (i) assessment, liens and charges in favor of the State of Texas and any political subdivision thereof for taxes past due and unpaid on the Lot; and
- (ii) amounts due under any first lien deed of trust duly recorded prior to the recordation of any lien assessment as provided in Section 6.03 of this Article VI.
- 6.03 Assessment Lien. (a) All sums assessed but unpaid, including interest thereon at the maximum rate permitted by law from the date such assessments are due until said assessments are paid (subject to the provisions hereof limiting the interest contracted for, charged or received to the maximum permitted by applicable law), shall constitute a lien on the Lot superior to all other liens and encumbrances, except as provided in Section 6.02 of this Article VI. Declarant, or the Board or its duly appointed agent, may (but shall not be required to) prepare a written notice setting forth the amount of such unpaid indebtedness, the name of Owner and a description of the Lot. Such notice shall be signed by Declarant or the Board or its duly appointed agent and may be recorded in the office of the County Clerk of Collin County, Texas. Such lien may be enforced by the foreclosure of it upon the Lot by the Declarant or the Board or its duly appointed agent. In any such proceeding, the Owner shall be required to pay the costs, expenses and attorney's fees incurred in connection with filing the lien, and in the event of any foreclosure proceeding. Declarant or the Board or its duly appointed agent shall have the power to bid on the Lot at foreclosure or other legal sale and to acquire and hold, lease, mortgage, convey or otherwise deal with the same.

Any mortgagee holding a lien on the Lot may pay, but shall not be required to pay, any unpaid assessments owing with respect to the Lot, but such payment shall not be deemed a waiver of Owner's default by either Declarant, the Board or such mortgagee.

(b) The amount of the assessments assessed against the Lot shall also be a personal obligation or indebtedness of the Owner thereof at the time the assessments are

made. Suit to recover a money judgement for unpaid assessments shall be maintainable without foreclosing or waiving the lien securing same.

- (c) Owner, by acceptance of the deed to his Lot, hereby expressly vests in Declarant, the Board or its agents the right and power to bring all actions against Owner personally for the collection of such charges as a debt, and to enforce the aforesaid liens by all methods available for the enforcement of such liens. No Owner may waive or otherwise escape liability for the assessments provided herein by non-use of the Common Properties or by abandonment of his Lot.
- (d) If any assessment remains unpaid at the expiration of fifteen (15) calendar days from and after the due date established by the Board, a late charge shall be assessed against the non-paying Owner for each month that any portion of an assessment remains unpaid. The late charges shall be in the amount of Twenty-five and No/100 Dollars (\$25.00) for all Class A Members. A service charge of Twenty and No/100 Dollars (\$20.00) shall be charged for each check that is returned because of insufficient funds. The amount of late charges and service charges may be adjusted, from time to time, by the Board consistent with any changes in the amounts of regular or special assessments.
- (e) In the event the Association is dissolved, all existing property liens and assessments will remain valid.
- (f) Any assessment owed to the Association at the time the Association is dissolved will be collected and equally returned to the Members of the Association in good standing.
- 6.04 Purpose of Assessment. The assessments levied by the Association shall be used exclusively for the purposes of
- (i) promoting the health, recreation, safety and welfare of the residents of the property;
- (ii) improving and maintaining the private walkways, jogging and bicycle trails, lakes, recreational areas, or other properties, services and facilities directly related to the use and enjoyment of the Common Properties;
- (iii) the payment of taxes on the Common Properties and insurance (if any) in connection with the Common Properties and the repair, replacement and additions thereto;
- (iv) the payment for electricity for street lights and exterior lights and the repair, replacement and additions of various items within the Common Properties;

- (v) trash and garbage collection and security arrangements, as may be determined necessary and appropriate by the Association from time to time;
- (vi) paying the cost of labor, equipment (including the expense of leasing any equipment) and materials required for, and the management and supervision of, the Common Properties;
- (vii) carrying out the duties of the Board as set forth in Article IV hereof;
- (viii) carrying out the various matters set forth or envisioned herein or in any amendment or supplement hereto; and
- (ix) for any matter or thing designated by the City of Plano in connection with any zoning, subdivision, platting, building or development requirements.
- 6.05 Basis and Amount of Regular Maintenance Assessments.
- (a) Until and unless otherwise determined by the board, the maximum regular assessment shall be Three Hundred Dollars (\$300) per Lot per year.
- (b) The Board may establish the maximum regular assessment for each Lot, provided that the maximum regular assessment may not be increased more than thirty percent (30%) above the maximum regular assessment for the previous year unless otherwise approved by the Members of the Association as provided in Section 3.03 of Article III. Notwithstanding the foregoing, in the event that the Board determines that due to unusual circumstances the maximum regular assessment even as increased by 30% will be insufficient to enable the Association to meet its expenses as set forth in Article IV hereof, then in such event, the Board shall have the right to increase the maximum regular assessment by the amount necessary to provide sufficient funds to cover the expenses of the Association without the approval of the members as provided in Section 3.03 of Article III; provided, however, that the Board shall only be allowed to make one such increase without obtaining approval of the Members.
- (c) After consideration of current maintenance costs and the future needs of the Association, the Board may fix the actual regular assessment at an amount equal to or less than the then-existing maximum regular assessment.
- (d) The Board may establish a time-price differential schedule of the payment of the regular assessment in which the lowest amount is the actual regular base assessment.

6.06 Special Group Assessments for Capital Improvements. In addition to the regular assessments authorized by Section 6.03 hereof, the Association may levy in any fiscal year a special group assessment, applicable to that year only, for the purpose of defraying, in whole or in part, the cost of any construction or reconstruction, unexpected repair or replacement of a described capital improvement upon the Common Properties, including any necessary fixtures and personal property related thereto; provided that any such assessment shall have the affirmative approval of the Members of the Association as provided in Section 3.03, Article III.

6.07 Uniform Rate of Annual and Special Assessments. Both regular and special group assessments must be fixed at a uniform rate for all Lots owned by Class A Members.

6.08 Date of Commencement of Assessments: Due Dates. The Board may prescribe from time to time that the regular base assessments are to be collected on an annual, semiannual, quarterly or monthly basis, and accordingly, the Board shall prescribe the appropriate due dates and, if applicable, the time-price differential rates and due dates. All regular base assessments shall be collected in advance. The due date or dates (if it is to be paid in installments) of any other assessments or special group assessment under Sections 6.05 and 6.06 hereof, shall be fixed in the respective resolution authorizing such assessment. The due date of any individual assessment, including fines levied against Individual Owners for violations of rules and regulations pertaining to the Association, the Property, and/or the Common Properties, shall be the date specified in the notice delivered to Owner setting forth the individual assessment.

6.09 Duties of the Board with Respect to Assessments:

- (a) In the event of a revision to the amount or rate of the regular base assessment, or establishment of a special group or special individual assessment, the Board shall fix the amount of the base assessment against each Lot, and the applicable due dates for each assessment, at least sixty (60) days in advance of such date or period, and the Board shall, at that time, prepare a roster of the Lots and assessments applicable thereto which shall be kept in the office of the Association.
- (b) Written notice of the assessment shall thereupon be delivered or mailed to every Owner subject thereto.
- (c) The Board shall upon demand at any time furnish to any Owner liable for said assessment, a certificate in writing signed by an Officer of the Association, setting forth whether said assessment has been paid. Such certificate shall be conclusive evidence of payment of any assessment therein stated to have been paid. A reasonable charge may be made by the Board for the issuance of such certificate.

- 6.10 Rights of City of Plano. Unless otherwise approved by seventy-five percent (75%) of the outstanding votes within each voting class, the Association shall not by act or omission seek to abandon its obligations as established by this Declaration. However, in the event that:
- (a) The Association dissolves and the Common Properties shall not be either
- (i) dedicated to and accepted by an appropriate municipal corporation, public agency, authority or utility to be devoted to purposes as nearly as practicable the same as those to which such Common Properties were required to be devoted by the Association, or
- (ii) conveyed to another organization or entity which assumes all obligations imposed hereunder upon the Association to maintain said Common Properties; or
- (b) The association, its successors or assigns, shall fail or refuse to adequately maintain the appearance and condition of the Common Properties which it is obligated to maintain hereunder; then, in either such event, the City of Plano, Texas, shall have the right, but not the obligation, to assume the duty of performing all such maintenance obligations of the Association at any time after such dissolution, upon giving written notice to the Owners, or at any time after the expiration of twenty-one (21) days after receipt by the Association, its successors or assigns, of written notice specifying in detail the nature and extent of the failure to maintain without such failure being remedied. Upon assuming such maintenance obligations, the City of Plano may collect, when the same become due, all assessments, annual or special, levied by the Association pursuant to the provisions hereof for the purposes of repairing, replacing, maintaining or caring for the Common Properties; and, if necessary, enforce the payment of delinquent assessments in the manner set forth herein. In the alternative, upon assuming such maintenance obligations, the City of Plano may levy an assessment upon each Lot on a pro-rata basis for the cost of such maintenance, notwithstanding any other provisions contained in this Declaration, which assessment shall constitute a lien upon the Lot against which each assessment is made. During any period that the City of Plano assumes the obligation to maintain and care for the Common Properties, the Association shall have no obligation or authority with respect to such maintenance. The right and authority of the City of Plano to maintain the Common Properties shall cease and terminate when the Association, its successors or assigns, shall present to the City of Plano reasonable evidence of its willingness and ability to resume maintenance of the Common Properties. In the event the City of Plano assumes the duty of performing the maintenance obligations of the Association as provided herein, then the City of Plano, its agents, representatives and employees, shall have right of access, ingress and egress to and over the Common Properties for the purposes of maintaining, improving and preserving the same, and in no event, and under no circumstances,

shall the City of Plano be liable to the Association or any Owner or their respective heirs, devisees, personal representatives, successors and assigns for negligent acts or construction (excluding, however, malfeasance and gross negligence) relating in any manner to maintaining, improving and preserving the Common Properties.

6.11 Exempt Property.

- (a) All properties dedicated and accepted by the local public authority and devoted to public use; (b) All Common Properties as defined in Article I hereof;
- (c) Any and all areas which may be reserved by the Declarant on the recorded plat(s) of the Property.
- 6.12 Effect of Non-Payment of Assessment: The Personal Obligation of the Owner; the Lien; Remedies of the Association.
- (a) If any assessment or any part thereof is not paid on the date(s) when due, then the unpaid amount of such assessment shall be considered delinquent and shall, together with interest thereon at the rate per annum set by the Board, not to exceed the maximum rate allowed by law, and costs of collection thereof, thereupon become a continuing debt secured by a self-executing lien on the Lot of the non-paying Owner which shall bind such Lot in the hands of the Owner, his heirs, executors, devisees, personal representatives and assigns. The Association shall have the right to reject partial payments of an assessment and demand the full payment thereof. The personal obligation of the then-existing Owner to pay such assessment, however, shall remain his personal obligation and shall not pass to his successors in title unless expressly assumed by them. However, the lien for unpaid assessments shall be unaffected by any sale or assignment of a Lot and shall continue in full force and effect. No Owner may waive or otherwise escape liability for the assessment provided herein by abandonment of his Lot.
- (b) The Association may also give written notification to the holder(s) of the mortgage on the Lot of the non-paying Owner of such Owner's default in paying any assessment when such default has not been cured within thirty (30) days of the original date due, provided that the Association has theretofore been furnished in writing with the correct name and address of the holder(s) of such mortgage and a request to receive such notification.
- (c) If any assessment or part thereof is not paid when due, any unpaid amount of such assessment shall bear interest from and after the date when due at the rate per annum set by the Board, not to exceed the maximum rate allowed by law, and the Association may, at its election, retain the services of an attorney for collection and there shall also be added to the amount of such unpaid assessment any and all

collection cost incurred hereunder by the Association, including reasonable attorneys' fees.

(d) In the event of default in the payment of any assessment or interest thereon in accordance with the terms hereof, the Association may elect to sell such Lot pursuant to Article 3810, Texas Revised Civil Statutes, or any applicable successor legislation thereto, after advertising the time, place and terms of the sale of such Lot then subject to the lien hereof, for at least twenty-one (21) days preceding the date of sale by posting written or printed notice thereof at the Courthouse door of the County where said Lot is situated, which notice may be posted by any person acting for the Association and the Association has, at least twenty-one (21) days preceding the date of sale, served written or printed notice of the proposed sale by certified mail on each owner obligated to pay the indebtedness secured by the lien hereunder according to the records of the Association, by the deposit of such notice, enclosed in a postpaid wrapper, properly addressed to such Owner at such Owner's most recent address as shown by the records of the Association, in a post office or official depository under the care and custody of the United States Postal Service, any person acting for the Association shall sell such Lot, then subject to the lien hereof, at public auction in accordance with such notice at the Courthouse door of said county where such Lot is situated (provided where said Lot is situated in more than one county, the notice to be posted as herein provided shall be posted at the Courthouse door of each of such counties where said Lot is situated, and said Lot may be sold at the Courthouse door of any one of such counties, and the notices so posted shall designate the county where the Lot will be sold), on the first Tuesday in any month between the hours of ten o'clock A.M. and four o'clock P.M., to the highest bidder for cash, selling all of the Lot as an entirety or in such parcels as the Association acting may elect, and make due conveyance to the Purchaser or Purchasers, with special warranty binding such Owner, his heirs and assigns; and out of the money arising from such sale, the Association shall pay first, all the expenses of advertising the sale and making the conveyance, and then to the Association the full amount of principal, interest, attorney's fees and other charges due and unpaid on said Lot and all other indebtedness secured by such lien hereunder, rendering the balance of the sales price, if any, to such Owner, his heirs or assigns; and the recitals in the conveyance to the Purchaser(s) shall be full and conclusive evidence of the truth of the matters therein stated, and all prerequisites to said sale shall be presumed to have been performed, and such sale and conveyance shall be conclusive against such Owner, his heirs and assigns.

ARTICLE VII

INSURANCE: REPAIRS AND RESTORATION

- 7.01 Right to Purchase Insurance. The Association shall have the right and option to purchase, carry and maintain in force insurance covering any and all portions of the Common Properties, any improvements thereon or appurtenant thereto, for the interest of the Association and of all members thereof, in such amounts and with such endorsements and coverage as shall be considered good sound insurance coverage for properties similar in construction, location and use to the Common Properties. Such insurance may include, but need not be limited to:
- (a) Insurance against loss or damage by fire and hazards covered by a standard extended coverage endorsement in an amount which shall be equal to the maximum insurable replacement value, excluding foundation and excavation costs as determined annually by the insurance carrier.
- (b) Public liability and property damage insurance on a broad form basis.
- (c) Fidelity bond for all officers and employees of the Association having control of the receipts and disbursements of funds.
- (d) Officers' and Directors' liability insurance.
- 7.02 Insurance Proceeds. The Association and the Members shall use the net insurance proceeds to repair and replace any damage or destruction of property, real or personal, covered by such insurance. Any balance from the proceeds of insurance paid to the Association, as required in this Article VII, remaining after satisfactory completion of repairs and replacements, shall be retained by the Association as part of a general reserve fund for repair and replacement of the Common Properties.
- 7.03 Insufficient Proceeds. If the insurance proceeds are insufficient to repair or replace any loss or damage, the Association may levy a special group assessment as provided in Article VI of this Declaration to cover the deficiency.

ARTICLE VIII

CONSTRUCTION OF IMPROVEMENTS AND USE OF LOTS - PROTECTIVE COVENANTS

- 8.01 Designation of Lots. All Lots are hereby designated and described as residential Lots. No Lot or combination of Lots may be replatted so as to create from the total combined replatted Lots more separate building sites or Lots than existed in the original platting.
- 8.02 Types of Structures. No structure shall be erected, altered, placed or permitted to remain on any Lot other than one single-family dwelling not to exceed two stories

in height, private attached or detached garage, for not less than two (2) cars in Sections 1 and 3 and not less than three (3) cars in Section 2, unless approved otherwise in writing by the Architectural Control Committee. No garage constructed with servants quarters or other approved accessory building(s) which may be constructed on any Lot shall be used for rental purposes, and same may be used only by servants who are employed in the dwelling erected upon the same Lot where such quarters are located and/or by members or guests of the family occupying the dwelling on said Lot. The construction of any apartment house, duplex, hotel of any kind or character is expressly prohibited. Outbuildings for single-family use may be built only when the plans therefor are approved in writing by the Architectural Control Committee.

No house, dwelling and/or structure of any kind or character whatsoever may be moved upon any Lot in the Addition. A new structure only shall be erected on and permitted to remain on any Lot in the Addition.

8.03 Temporary Structures. No structure of a temporary character, such as a trailer, mobile home, tent, shack, garage, barn or other outbuilding shall be permitted on any Lot or used on any property any time as a dwelling house. No building material of any kind or character shall be placed or stored upon any Lot until the owner is ready to commence improvements, and then such material shall be placed or stored within the property line of the Lot upon which the improvements are to be erected.

8.04 Location of Buildings on Lots. The main building shall not be located on any Lot nearer to the property line than the building line indicated on the recorded plat unless otherwise approved by the City of Plano and the Architectural Control Committee. The main building shall be erected in accordance with the building codes of the City of Plano from the side property lines. On corner Lots, the main building shall be constructed to conform to the building line as indicated on the recorded plat, from the side street property line, except as may be specifically approved by the City of Plano and the Architectural Control Committee. Detached and attached garages and accessory buildings on corner Lots shall not be nearer to a side street property line than the setback line as indicated on the recorded plat. Detached garages, servants quarters and outbuildings not attached to the main building shall be erected in accordance with the building codes of the City of Plano from the side property lines, except as may be specifically approved by the City of Plano and the Architectural Control Committee. For the purpose of these Restrictive Covenants, eaves and steps shall not be considered as part of a building; provided, however, that this shall not be construed to permit any portion of a building on a Lot to encroach upon another property.

8.05 Dwelling Size. The main dwelling of every residence in the Addition shall contain a minimum total floor area (living space) as follows:

	Section 1	Section 2	Section 3
Total Floor Space	2500	3000	2250
Ground Floor of 1 1/2 & 2 Stories	1500	2000	1500

unless approved otherwise in writing by the Architectural Control Committee. Such living area shall be calculated exclusive of any areas contained in garages, porches, breezeways, servants quarters, outbuildings and terraces, etc., all of which areas shall be completed and finished simultaneously with the first construction of such structure. Notwithstanding the foregoing, however, with the express written consent of the Architectural Control Committee, dwellings may be constructed having less than the above specified square footage requirements, but in no event shall the Architectural Control Committee consent to a reduction in such requirements greater than ten percent (10%).

8.06 Construction. The exterior walls of any improvement or structure placed or erected on any Lot or tract shall follow the City of Plano Building Code. No dwelling shall be constructed or permitted to exist on any Lot unless at least one hundred percent (100%) of the street elevation exterior and seventy-five percent (75%) of the total exterior other than windows, doors and glassed areas, consist of brick, stone or other masonry materials approved in writing by the Architectural Control Committee. Any Chimney visible from the street shall have an exterior finish of brick, stone or other masonry material unless approved in writing by the Architectural Control Committee. Only the upper floor of one and one-half (1.5) story and two (2) story residences may be of frame exterior and must be approved in writing by the Architectural Control Committee. Servants quarters, carports, garages or other outbuildings which may be detached from the main dwellings are specifically required to conform with this construction requirement.

8.07 Roof Construction. Roof cladding material must be approved in writing by the Architectural Control Committee. The following roof materials are to be used unless an alternate is approved in writing by the Architectural Control Committee.: No. 1 fire retardant treated wood shingles or cedar shakes, copper, slate, tile and concrete tile or composition shingles.

Specifications for composition shingle roofs shall include the following:

1. Composition shingles must meet Underwriters Laboratories, Inc. (UL), or equivalent specifications in general.

- 2. The shingles must have a UL Class A fire-resistant rating.
- 3. The shingles must be UL Class A wind-resistant.
- 4. The shingles must be of multi-layered laminated construction.
- 5. The shingles must have a minimum weight of 240 pounds per square (100 square feet).
- 6. The shingles must have a manufacturer's warranty of at least 25 years.
- 7. The shingles shall have an appearance very similar to a cedar shingle roof as relates to its color, shadow, and pattern.

All roofs must be constructed on a minimum pitch of 8/12 unless otherwise approved by the Architectural Control Committee.

There shall not be erected on any Lot a residence whose quality of structure and finish does not meet minimum property standards established by the Building Code of the City of Plano, nor shall any alteration or addition to any residence be made which does not meet the same minimum property standards.

- 8.08 Landscaping and Irrigation: A complete landscaping plan for the front and side yards including irrigation system shall be submitted to the Architectural Control Committee for review and approval at least thirty (30) days prior to completion of the main residence located on each Lot. The approved landscaping shall be installed within sixty (60) days after completion of the main residence. The landscaping design shall be in keeping with the general theme of the neighborhood.
- 8.09 Retaining Walls. Each individual Lot owner shall be responsible for proper grading of his Lot both during and after construction to insure water does not flow from his property to the adjacent Lots. All water must be diverted to the streets and/or alleys in accordance with the requirements of the City of Plano.

If fills or cuts are made on the Lot requiring retaining walls, those retaining walls shall be constructed of a finished masonry material approved in writing by the Architectural Control Committee. Treated 6" x 6" wood timbers may be used on the rear yards and side yards behind the building line as shown on the final Plat of Section 1 with the written approval of the Architectural Control Committee. Concrete retaining walls must be covered with a finished masonry product or have a special finish approved in writing by the Architectural Control Committee.

8.10 Occupancy. No house shall be occupied as a residence until it is completed in accordance with the provisions of these Covenants And Restrictions. All houses and structures permitted under these Covenants And Restrictions shall be completed within twelve (12) months after construction is started.

No house shall be occupied as a residence unless and until the premises are connected in a proper way with the city sewerage system.

No garage, servants house, garage house or outbuilding on any property shall be occupied by owner, tenant or anyone prior to the erection of a dwelling house.

8.11 Water Supply and Sewage System. No individual water supply system shall be permitted on any property unless the system is located, constructed and equipped in accordance with the requirements, standards and recommendations of state or local public health authorities. Approval of such system, as installed, shall be obtained from such authority.

No individual sewage disposal system shall be permitted on any property.

- 8.12 Utility and Drainage Easements. Easements for drainage facilities and easements for the installation and maintenance of utilities are reserved as shown on the recorded plat. Easements are reserved for the benefit of The City of Plano, Texas, Telephone Company, TU Electric, Lone Star Gas Company, and their respective successors in their installation, operation, maintenance and ownership of service lines from the property lines to the residence in the Addition. Neither the developer, any utility company nor the City of Plano, Texas, using such easements shall be liable for any damage done to shrubbery, trees, flowers, swimming pools or any other property and/or improvements of the owner which are located within the area covered by said easement.
- 8.13 Garages. All garages must be side entry or rear entry only. The side entry garage must be at a ninety degree (90) angle to the street or side Lot line. Written approval of the Architectural Control Committee must be obtained for any variation to the garage auto entrance location requirement.
- 8.14 Fences, Walls and Meters. Chainlink fences shall not be permitted; all fences shall be of either wood, ornamental iron or masonry construction unless approved otherwise in writing by the Architectural Control Committee. Such fences shall not be in excess of eight (8) feet in height. No fence, wall or meter (which extends above the surface of the ground), or other structure shall be placed or permitted to remain on any Lot nearer to the street or streets adjoining such Lots than is permitted for the main dwelling on such Lots, unless approved otherwise in writing by the Architectural Control Committee.

- 8.15 Grass and Weeds. Grass, weeds and other vegetation on each Lot must be kept mowed at regular intervals so as to maintain the property in a neat and attractive manner. Upon failure to maintain any Lot, the Declarant or the Association may, at its option, have the grass, weeds and vegetation cut as often as necessary in its judgement, and the owner of such property shall be obligated, when presented with an itemized statement, to reimburse said Declarant or Association for the cost of such work. This provision, however, shall in no manner be construed to create a lien in favor of any party on any piece of property for the cost or charge of such work or the reimbursement for such work.
- 8.16 Refuse and Garbage. No property shall be used as a dumping ground for rubbish. Trash, garbage or other waste shall not be kept except in sanitary containers; all equipment for the storage or other disposal of such material shall be kept in a clean and sanitary condition.
- 8.17 Drilling. No oil drilling, oil development operation, oil refining, quarrying or mining operation of any kind shall be permitted upon or in any property, nor shall oil wells, tanks, tunnels, mineral excavations or shafts be permitted upon or in any property. No derrick or other structure designed for use in quarrying for oil or natural gas shall be erected, maintained or permitted upon any property.
- 8.18 Signs or Billboards. The construction or maintenance of signs or advertising structures of any kind on any Lot is prohibited, except that one (1) sign advertising the sale of property is permitted, provided it does not exceed two feet by three feet (2'x3') in size. However, the Declarant shall be allowed to place several larger signs in the Addition during the initial period of development. The Association, or its duly authorized representative, shall have the right to remove any unauthorized sign, advertisement, billboard or other advertising structure which is erected or placed on any Lot without such consent and, in doing so, it shall not be subject to any liability whatsoever in connection therewith.
- 8.19 Boats, Trailers, Recreational Vehicles, Commercial Vehicles and Non-operational Vehicles. All boats, pickup campers, travel trailers, motor homes and any other type recreational vehicles, commercial vehicles and non-operational vehicles must be kept stored at the rear of each Lot and all such vehicles must be completely shielded from all streets. None of these vehicles, trailers or motor homes shall at any time be used as a residence or office temporarily or permanently.
- 8.20 Animals. No animals, livestock or poultry of any kind shall be raised, bred or kept on any property except that (a) dogs, cats and other household pets may be kept provided that they are not raised, bred or kept for commercial purposes, and (b) the Association shall have the right and authority to limit the number and variety of household pets permitted.

- 8.21 Air Conditioning. No air conditioning apparatus shall be installed on the ground in the front of a dwelling house nor any closer than twenty (20) feet to the front of the main residence and must be screened from view from any street. No air conditioning apparatus shall be attached to any front wall of a dwelling house. No evaporative cooler shall be installed on the front wall or a side wall of a dwelling house.
- 8.22 Mail Boxes. All mail boxes, unless affixed to the dwelling house, shall be brick or shall be affixed to a substantial and decorative pole or stand permanently placed in the ground, and such mail boxes and supporting poles or stands shall be of a design approved by the Architectural Control Committee.
- 8.23 Antennas. No antennas shall be permitted in the Addition except AM and FM radio reception, and UHF and VHF television reception antennas. Said antennas shall be located in such a manner so as to be not visible from the street(s) adjacent to the house. Satellite dish T.V. antennas are permitted except that said antenna must set on ground levels, not exceed eight (8) feet in height above ground elevation and be totally concealed when viewed at normal ground levels from adjacent Lots, alleys or streets.
- 8.24 Nuisances or Illegal Activities. No trash, ashes or other residue may be dumped, thrown or placed on any Lot in the Addition. No noxious or offensive trade or possession shall be carried on in any structure or upon any Lot, nor shall any illegal or immoral activity be permitted, nor shall anything be done or allowed to exist therein or thereon which is, or could become, a nuisance or annoyance to the neighborhood; specifically in this regard, the number and type of pets kept or maintained on any Lot in this Addition shall be limited to that type and number that will not be unreasonably noisy or odor-causing; the lighting of swimming pools, trees, grounds and structures shall be permitted only in areas screened from public view; trucks with tonnage in excess of one (1) ton and any vehicle with painted advertisement shall not be permitted to park overnight on the streets, driveways or otherwise within this Addition at any time; and no vehicle of any size which transports inflammatory or explosive cargo may be kept in this Addition at any time.

ARTICLE IX

ARCHITECTURAL CONTROL

9.01 Architectural Control. Architectural Control shall be supervised by an Architectural Control Committee, hereinafter called the "Committee", consisting of either the Construction Group, as hereinafter described, or the Board, in the following manner:

- (a) The Construction Group shall consider and may act as the Committee only with respect to request for approval of variances made by or on behalf of Class B Members or made by or on behalf of Class A Members with respect to the initial construction of a residence on a Lot. Any request for approval or variance made by or on behalf of Class A Members with respect to additions or remodeling of an existing residence on a Lot must be considered and acted upon only by the Board, under which circumstances, the Board will be acting as the Committee. Provided, however, that for purposes of this Section, a Class B Member shall be treated as a Class A Member commencing upon occupancy of the residence constructed on such Class B Member's Lot.
- (i) The Construction Group shall be composed of three (3) or more individuals selected and appointed by Declarant. The Construction Group shall use its best efforts to promote and ensure a high level of quality, harmony and conformity throughout the property.

A majority of the Construction Group's members may act on behalf of the entire Construction Group. In the event of death or resignation of any member of the Construction Group, the remaining members shall have full authority to designate and appoint a successor. No member of the Construction Group shall be entitled to any compensation for services performed hereunder and neither the Construction Group nor any of its members shall be liable to any Owner, for any claims, causes of action or damage of what ever kind (except where occasioned by gross negligence) arising out of service performed, actions taken, or inaction in connection with any undertaking, responsibility, or activity hereunder or request for same.

- (b) No building, structure, fence, wall or improvement of any kind or nature shall be erected, placed or altered on any Lot until all plans and specifications (including, but not limited to, erection plans) and/or a plot plan have been submitted to and approved in writing by the Committee as to:
- (i) quality of workmanship and materials; adequacy of site dimensions; adequacy of structural design; proper facing of main elevation with respect to nearby streets;
- (ii) conformity and harmony of the external design, color, type and appearance of exterior surface and landscaping;
- (iii) location with respect to topography and finished grade elevation and effect of location and use on neighboring Lots and improvements situated thereon and any drainage arrangement;
- (iv) the other standards set forth within this Declaration (and any amendments hereto) or as may be set forth within bulletins promulgated by the Committee, or

matters in which the Committee has been vested with the authority to render a final interpretation and decision.

- (c) Final plans and specifications shall be submitted in duplicate to the Committee for approval or disapproval. At such time as the plans and specifications meet the approval of the Committee, one complete set of plans and specifications will be retained by the Committee and the other complete set of plans will be marked "Approved" and returned to the Owner or his designated representative or marked "Approved", based on certain conditions and specifications. If found not to be in compliance with these Covenants and Restrictions, one set of such plans and specifications shall be returned marked "Disapproved", accompanied by a reasonable statement of items found not to comply with these Covenants and Restrictions. Any modification or change to the approved set plans and specifications must again be submitted to the Committee for its inspection and approval. The approval or disapproval of the Committee, as required herein, shall be narrative and in writing. If the Committee, or its respective designated representative, fails to approve or disapprove such plans and specifications within thirty (30) days after the date of submission, then approval shall be presumed; provided, however, that no such approval shall be presumed if the request is submitted by or on behalf of a Class B Member (or a Class A Member, if relating to initial construction) to the Board as the Committee or if the request is submitted by or on behalf of a Class A Member relating to additions or remodeling of existing residences to the Construction Group as the Committee. Further provided, however, that nothing in this paragraph shall affect in any way the method for seeking or granting variances, as described in the following paragraph, nor shall any failure of the Committee to act on a variance request within any particular period of time constitute the granting or approval of any such variance request.
- (d) Upon submission of a written narrative request for same, the Committee may, from time to time, in its sole discretion, permit Owners to construct, erect or install improvements which are in variance from these Covenants and Restrictions which are provided in this Declaration or which may be promulgated in the future. In any case, however, such variances shall be in basic conformity with and shall blend effectively with the general architectural style and design of the community. No member of the Committee shall be liable to any Owner or other person claiming by, through or on behalf of any Owner, for any claims, causes of action or damages arising out of the granting or denial of or other action or failure to act upon, any variance request by any Owner or any person acting for or on behalf of any Owner. Each request for a variance submitted hereunder shall be reviewed separately and apart form other such requests and the grant of a variance to any Owner shall not constitute a waiver of the Committee's right to strictly enforce these Covenants and Restrictions against any other Owner. Each such written request must identify and set forth in narrative detail the specific restriction or standard from which a variance

is sought and describe in complete detail the exact nature of the variance sought. Any grant of a variance by the Committee must be in writing and must identify in narrative detail both the standard from which a variance is being sought and the specific variance being granted. Any variance granted by the Committee shall be considered a rule made under this Declaration.

(e) The Committee may from time to time publish and promulgate architectural standards bulletins which shall be fair, reasonable and uniformly applied and shall carry forward the spirit and intention of these Covenants and Restrictions, provided, however, that the Construction Group may publish such bulletins only with respect to Class B Members and initial construction by Class A Members and the Board may do so only with respect to additions or remodeling by Class A Members. Such bulletins shall supplement these Covenants and Restrictions and are incorporated herein by reference. Although the Committee shall not have unbridled discretion with respect to additions or remodeling by class A Members. Such bulletins shall supplement these Covenants and Restrictions and are incorporated herein by reference. Although the Committee shall not have unbridled discretion with respect to taste, design and any absolute standards specified herein, the Committee shall be responsive to technological advances or general changes in architectural designs and related conditions in future years and use its best efforts to balance the equities between matters of taste and design (on the one hand) and use of private property (on the other).

ARTICLE X

EASEMENTS

10.01 Utility Easements. Easements for installation, maintenance, repair and removal of utilities and drainage facilities over, under and across the Property are reserved as set forth in Section 8.12 hereinbefore. Full rights of ingress and egress shall be had by Declarant and any bona fide utility company at all times over the easement areas for the installation, operation, maintenance, repair or removal of any utility together with the right to remove any obstruction that may be placed in such easement that would constitute interference with the use of such easement, or with the use, maintenance, operation or installation of such utility.

10.02 Ingress, Egress and Maintenance by the Association. Full rights of ingress and egress shall be had by the Association at all times over and upon the Common Properties for the purpose of maintaining the Common Properties as set forth herein.

10.03 Police Power Easement. With respect to the Common Properties and streets, easements and rights-of-way within the Property, the City of Plano and all other governmental agencies and authorities shall have full rights of ingress, egress,

regress and access for personnel and emergency vehicles for maintenance, police and fire protection, drainage and other lawful police powers designed to promote the health, safety and general welfare of the residents within the Property.

ARTICLE XI

GENERAL PROVISIONS

- 11.01 Duration. The Covenants and Restrictions of this Declaration shall run with and bind the land subject to this Declaration, and shall inure to the benefit of and be enforceable by the Association and/or the Owners subject to this Declaration, their respective legal representatives, heirs, successors and assigns, for a term ending January 1, 2050, after which time said Covenants and Restrictions shall be automatically extended for successive periods of ten (10) years unless an instrument is signed by the Members entitled to cast seventy-five percent (75%) of the votes of each voting class of the Association and recorded in the Land Records of Collin County, Texas, which contains and sets forth an agreement to abolish the Covenants and Restrictions; provided, however, no such agreement to abolish shall be effective unless made and recorded one (1) year in advance of the effective date of such abolishment.
- 11.02 Amendments. Notwithstanding Section 11.01 of this Article, these Covenants and Restrictions may be amended and/or changed in part as follows:
- (a) During a five (5) year period commencing on the date hereof, Declarant may amend or change these Covenants and Restrictions with the consent of at least sixty percent (60%) of the outstanding votes of the Members of the Association;
- (b) In all other situations, these Covenants and Restrictions may be amended or changed upon the express written consent of at least seventy-five percent (75%) of the outstanding votes of the Members of the Association; or by a resolution passed by the majority of the Board evidencing the consent of seventy-five percent (75%) of the Owners and authorizing the President of the Association to execute such amendments.
- (c) Notwithstanding (a) and (b) above, section 6.10 cannot be amended without written consent of city.

Any and all amendments, if any, shall be recorded in the office of the County Clerk of Collin County, Texas.

11.03 Enforcement. Enforcement of these Covenants and Restrictions shall be by a proceeding initiated by any Owner, any member of the Construction Group or the

Board or by the City of Plano, against any person or persons violating or attempting to violate any Covenant or Restriction contained herein, either to restrain or enjoin such violation or to recover damages for the violation, or both or to enforce any lien created by this instrument. The Construction Group, and each of its appointed members, shall have an election and right, but not an obligation or duty, to enforce these Covenants and Restrictions by a proceeding or proceedings at law or in equity. Notwithstanding any provision to the contrary in this Declaration, Declarant shall not have any duty, obligation or responsibility to enforce any of these Covenants and Restrictions. Failure by any party to enforce any Covenant or Restriction herein contained shall in no event be deemed a waiver of the right to do so thereafter. With respect to any litigation hereunder, the prevailing party shall be entitled to recover reasonable attorneys' fees from the non-prevailing party. Further, and with respect to any litigation brought against the Construction Group, the Board or any of their members or representatives arising out of any action, failure to act, or performance or nonperformance of duties imposed hereby, by the Construction Group, the Board or any of their members or representatives so sued shall be entitled to recover their reasonable attorneys' fees from the person or entity bringing such action against it or them, unless the Construction Group, the Board or their members or representatives shall specifically by adjudicated liable to such claimant.

11.04 Imposition of Violation Fines. In the event that any person fails to cure (or fails to commence and proceed with diligence to completion) the work necessary to cure any violation of the Covenants and Restrictions contained herein with in ten (10) days after receipt of written notice from the Board designating the particular violation, the Board shall have the power and authority to impose upon that person a fine for such violation (the "Violation Fine") not to exceed five hundred dollars (\$500.00). If, after the imposition of the Violation Fine, the violation has not been cured or the person has still not commenced the work necessary to cure such violation, the Board shall have the power and authority, upon ten (10) days written notice, to impose another Violation Fine which shall also not exceed five hundred dollars (\$500.00). There shall be no limit to the number or the aggregate amount of Violation Fines which may be levied against a person for the same violation. The Violation Fines shall be an individual assessment as described in Article VI hereof, shall be due and payable in accordance with article VI, and together with interest at the highest lawful rate per annum and any costs of collection, including attorneys' fees, shall be a continuing lien upon the Lot against which such Violation Fine is made.

11.05 Severability. If any one of these Covenants or Restrictions is held to be invalid, illegal or unenforceable, the validity, legality and enforceability of the remaining Covenants and Restrictions shall not be affected thereby.

11.06 Headings. The headings contained in this Declaration are for reference purposes only and shall not in any way affect the meaning or interpretation of this Declaration.

11.07 Notices to Owners. Any notice required to be given to any Owner under the provisions of this Declaration shall be deemed to have been properly delivered when deposited in the United States mails, postage prepaid, addressed to the last known address of the person who appears as an Owner on the records of the Association at the time of such mailing.

11.08 Disputes. Matters of dispute or disagreement between Owners with respect to interpretation or application of the provisions of this Declaration or the Association Bylaws, shall be determined by the Board, whose reasonable determination shall be final and binding upon all Owners.

IN WITNESS WHEREOF, Tiburon Development, Inc., being the Declarant herein, has caused this instrument to be executed this 25th day of February, 1992.

By: TIBURON DEVELOPMENT, INC.

By: S/B R. K. Lambert

R. K. Lambert

President

STATE OF TEXAS

COUNTY OF COLLIN

BEFORE ME, the undersigned authority, on this day personally appeared R. K. Lambert, known to me to be the person and officer whose name is subscribed to the foregoing instrument, and acknowledged to me that the same was the act of the said Tiburon Development, Inc. a Texas Corporation, in his capacity as President of Tiburon Development, Inc., executed the same as the act of such corporation for the purposes and consideration therein expressed and in the capacity therein stated.

GIVEN UNDER MY HAND AND SEAL OF OFFICE this the 25th day of February, 1992.

S/B Clyde L. Denham

Notary Public in and for the State of Texas

My commission Expires: 3/14/95

Exhibit "A"

Stone Lake Estates Section 1

The Property

WHEREAS, TIBURON DEVELOPMENT, INC. is the owner of a tract of land situated in the J. F. Chenowith Survey, Abstract No. 222 in the City of Plano, Collin County, Texas and also being part of a 212.582 acre tract of land as conveyed to Parkway Venture by deed recorded in Volume 1336, Page 156, Deed Records, Collin County, Texas and being the Called Tract II in the Deed to Tiburon Development, Inc. as recorded in Volume 3496, Page 038, Deed Records of Collin County, Texas and being more particularly described as follows:

BEGINNING at a one-inch iron rod set in concrete at the intersection of the east line of Parkwood Boulevard (85 foot right-of-way) with the north line of Plano Parkway (120 foot right-of-way);

THENCE, N 00š 44' 23" W, along the said east line of Parkwood Boulevard for a distance of 22.69 feet to a one-inch iron rod set for corner at the beginning of a curve to the right having a central angle of 17š 14' 31", a radius of 1,457.50 feet, a tangent of 220.97 feet and a chord bearing and distance of N 07š 52' 53" E, 436.95 feet;

THENCE, continuing along said east line of Parkwood Boulevard and along said curve for an arc distance of 438.60 feet to a one-inch iron rod set for corner at the end of said curve and the beginning of a curve to the left having a central angle of 15š 53' 00", a radius of 1642.50 feet, a tangent of 229.13 feet and a chord bearing and distance of N 08š 33' 38" E, 453.87 feet;

THENCE, continuing along the said east line of Parkwood Boulevard and along said curve for an arc distance of 455.33 feet to a one-inch iron rod set for corner at the intersection of the said east line of Parkwood Boulevard with the south line of Tiburon Drive (60 foot right-of-way);

THENCE, N 89š 52' 08" E, along the said south line of Tiburon Drive for a distance of 27.16 feet to a one-inch iron rod set for corner at the beginning of a curve to the left

having a central angle of 22s 39' 35", a radius of 930.00 feet, a tangent of 186.34 feet and a chord bearing and distance of N 78s 32' 21" E, 365.41 feet;

THENCE, continuing along said south line of Tiburon Drive and along said curve to the left for a distance of 367.80 feet to a one-inch iron rod set for corner:

THENCE, N 67š 12' 33" E, continuing along said south line for a distance of 83.30 feet to a one-inch iron rod set for corner at the beginning of a curve to the right having a central angle of 22š 47' 27", a radius of 770.00 feet, a tangent of 155.20 feet and a chord bearing and distance of N 78š 36' 16" E, 304.27 feet;

THENCE, continuing along said south line of Tiburon Drive and along said curve to the right for an arc distance of 306.29 feet to a one-inch iron rod set for corner;

THENCE, N 00š 00' 00" E, continuing along said south line of Tiburon Drive for a distance of 324.58 feet to a one-inch iron rod set for corner at the intersection of the said south line of Tiburon Drive with the west line of Balcones Drive (60 foot right-ofway);

THENCE, S 00š 05' 22" W, with the said west line of Balcones Drive for a distance of 957.46 feet along the said west line of Balcones Drive to a one-inch iron rod set for corner at the intersection of said west line of Balcones Drive with the said north line of Plano Parkway;

THENCE, N 89š 54' 38" W, along the said north line of Plano Parkway for a distance of 9.04 feet to a one-inch iron rod set for corner at the beginning of a curve to the left having a central angle of 06š 23' 48" a radius of 3,334.00 feet, a tangent of 186.30 feet and a chord bearing and distance of S 86š 53' 28" W, 372.02 feet;

THENCE, continuing with the said north line of Plano Parkway and with said curve to the left for an arc distance of 372.22 feet to a one-inch iron rod set for corner;

THENCE, S 83š 41' 34" W, continuing with the said north line of Plano Parkway for a distance of 835.17 feet to the POINT OF BEGINNING and containing 1,074,673 square feet or 24.671 acres of land.

Exhibit "A"

Stone Lake Estates Section

WHEREAS, TIBURON DEVELOPMENT, INC. is the owner of a tract of land situated in the J.F. Chenowith Survey, Abstract No. 222 and the W.M. Miller Survey, Abstract No. 568 in the City of Plano, Collin County, Texas and also being part of 212.582 acre tract of land as conveyed to Parkway Venture by deed recorded in Volume 1336, Page 156, Deed Records, Collin County, Texas and being called Tract III in the Deed to Tiburon Development, Inc. as recorded in Volume 3496, Page 038, Deed Records of Collin County, Texas and being more particularly described as follows:

BEGINNING at a one-inch iron rod set for corner at the intersection of the east line of Parkwood Boulevard (an 85 foot right-of-way) with the north line of Tiburon Drive (a 60 foot right-of-way);

THENCE, N 00š 07' 52" W, 1,293.72 feet along the said east line of Parkwood Boulevard to a one-inch iron rod set for corner, said point being the most westerly southwest corner of Glen Heather, an addition to the City of Plano as recorded in Plat Cabinet "G", Page 415 of the Plat Records of Collin County, Texas;

THENCE, along the said south line of Glen Heather the following courses and distances:

- 1. S 59š 37' 33" E, 215.89 feet to a one-inch iron rod set for corner;
- 2. East 148.00 feet to a one-inch iron rod set for corner;
- 3. S 53š 12' 57" E, 133.60 feet to a one-inch iron rod set for corner;
- 4. N 71š 51' 58" E, 60.91 feet to a one-inch iron rod set for corner on the southerly line of Jubilee Drive (a 60 foot right-of-way), said point also being in a curve to the left running in a southeasterly direction and having a central angle of 74š 21' 13" a radius of 355.00 feet and a chord bearing of S 55š 18' 36" E;

THENCE, along said curve, and the said southerly line of Jubilee Drive, 460.69 feet to the end of said curve, to a one-inch iron rod set for corner;

THENCE, N 87š 30' 47" E, 121.30 feet along the said southerly line of Jubilee Drive to a one-inch iron rod set for corner at the intersection of the said southerly line of Jubilee Drive with the west line of Balcones Drive (a 60 foot right-of-way), said point also being in a curve to the left running in a southerly direction and having a central angle of 12š 54' 30" a radius of 1,030.00 feet and chord bearing of S 09š 33' 09" E;

THENCE, along said curve, and the said west line of Balcones Drive, 232.05 feet to the end of said curve, to a one-inch iron rod set for corner, said point being the

beginning of a curve to the right having a central angle of 14s 29' 35" a radius of 1,970.00 feet, and a chord bearing of S 08s 45' 37" E;

THENCE, along said curve, and the said west line of Balcones Drive, 498.32 feet to the end of said curve, to a one-inch iron rod set for corner at the intersection of the said west line of Balcones Drive with the said north line of Tiburon Drive (a 60 foot right-of-way);

THENCE, along the north line of Tiburon Drive the following courses and distances:

- 1. WEST, 323.91 feet to a one-inch iron rod set for corner and being the beginning of a curve to the left having a central angle of 22š 47' 27" a radius of 830.00 feet and a chord bearing of S 78š 36' 16" W;
- 2. Southwesterly, along said curve 330.15 feet to the end of said curve to a one-inch iron rod set for corner;
- 3. S 67š 12' 33" W, 83.30 feet to a one-inch iron rod set for corner and being the beginning of a curve to the right having a central angle of 22š 39' 35" a radius of 870.00 feet and a chord bearing of S 78š 32' 21" W;
- 4. Southwesterly, along said curve 344.07 feet to the end of said curve, to a one-inch iron rod set for corner;
- 5. S 89š 52' 08" W, 27.02 feet to the Point of Beginning and containing 22.530 acres (981,421 square feet) of land.

Exhibit "A"

Stone Lake Estates Section

3

WHEREAS, TIBURON DEVELOPMENT, INC. is the owner of a tract of land situated in the J.F. Chenowith Survey, Abstract No. 222 and the W.M. Witt Survey, Abstract No. 1006 in the City of Plano, Collin County, Texas and also being part of 212.582 acre tract of land as conveyed to Parkway Venture by deed recorded in Volume 1336, Page 156, Deed Records, Collin County, Texas and being called Tract I in the Deed to Tiburon Development, Inc. as recorded in Volume 3496, Page 038, Deed Records of Collin County, Texas and being more particularly described as follows:

BEGINNING at a one-inch iron rod set for corner at the intersection of the east line of Balcones Drive (a 60 foot right-of-way) with the north line of Plano Parkway (a 120 foot right-of-way);

THENCE, N 00š 05' 22" E, 962.35 feet along the said east line of Balcones Drive to a one-inch iron rod set for corner, said point also being the beginning of a curve to the left running in a northerly direction having a central angle of 02š 33' 07" a radius of 2,030.00 feet and a chord bearing of N 01š 11' 11" W;

THENCE, along said curve and the said easterly line of Balcones Drive, 90.41 feet to the end of said curve to a one-inch iron rod set for corner;

THENCE, EAST 402.01 feet to a one-inch iron rod set for corner;

THENCE, S 00š 05' 22" W, 1053.36 feet to a one-inch iron rod set for corner on the said north line of Plano Parkway;

THENCE, N 89š 54' 38" W, 400.00 feet along the said northerly line of Plano Parkway to the POINT OF BEGINNING and containing 9.671 acres (421,280 square feet) of land.

(4.828 acres in W.M. Witt Survey, 4.843 acres in J.F. Chenowith Survey)