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DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS FOR HUNTERS CREEK

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

THIS DECLARATION (herein so called) is made on the date set forth on the signature page hereof by HUNTERS CREEK DEVELOPMENT, L.L.C., a Texas limited liability company (the "**Declarant**").

W I T N E S S E T H:

WHEREAS, the Declarant is the owner of certain real property in the City of Frisco, Collin County, Texas, which is described in **Exhibit "A"** attached hereto and made a part hereof (the "**Property**");

WHEREAS, Declarant desires to create an exclusive planned community known as HUNTERS CREEK on the Property and such other land as may be added thereto pursuant to the terms and provisions of this Declaration;

NOW, THEREFORE, the Declarant declares that the Property, and any additional property which is approved in accordance with Article VIII below, shall be held, sold and conveyed subject to the restrictions, covenants and conditions contained in this Declaration, which shall be deemed to be covenants running with the land and imposed on and intended to benefit and burden each Lot and other portions of the Property in order to maintain within the Property a planned community of high standards. Such covenants shall be binding on all parties having any right, title or interest therein or any part thereof, their respective heirs, personal representatives, successors and assigns, and shall inure to the benefit of each Owner thereof.

ARTICLE I
DEFINITIONS

1.1 AMENITY CENTER. "**Amenity Center**" shall mean the playground area, the pool, the community center, the parking spaces, and all other improvements to be constructed on the two (2) acre Amenity Center Site as designated on the Plat of Phase 4 of the Property.

1.2 ASSOCIATION. "**Association**" shall mean and refer to FRISCO HUNTERS CREEK HOMEOWNERS ASSOCIATION, INC., a Texas non-profit corporation established for the purposes set forth herein, its successors and assigns.

1.3 BOARD. "**Board**" shall mean the Board of Directors of the Association.

1.4 CITY. "**City**" shall mean the City of Frisco, Texas.

1.5 COMMON AREA. "**Common Area**" shall mean any and all real and personal property and easements and other interests thereon, together with the improvements located thereon, if any, now or hereafter owned by the Association for the common use and enjoyment of the Owners, including, but not limited to, the following:

(a) Lots 1 and 2, Block X, Phase 1 of the Subdivision;

(b) Landscape/Sidewalk areas along Ridge Creek Parkway as shown on the Subdivision Plat for Phase 1 of the Subdivision;

(c) Lot 1, Block D, Phase 2 of the Subdiyision;

(d) Landscape/Sidewalk areas along Rolater Drive and Holland Drive as shown on the Subdivision Plat for Phase 2 of the Subdivision;

(e) Those certain landscaping improvements, screening walls, sprinkler systems and easements among other amenities as are designated on the Subdivision Plat for the Property, which improvements are intended to be devoted to common use and enjoyment;

(f) The Amenity Center; and

(g) Any areas of land, improvement or other property rights in the Property which are intended for or devoted to the common use or enjoyment of the members of the Association and which are designated as Common Areas by the Association together with any and all improvements which are now or may hereafter be constructed thereon.

1.6 DECLARANT. "**Declarant**" shall mean HUNTERS CREEK DEVELOPMENT, L.L.C., a Texas limited liability company, and its successors and assigns. Any successor or assignee who shall acquire for development or sale all or a portion of the remaining undeveloped or unsold portions of the Property and is designated as the "Declarant" hereunder in a recorded instrument executed by the immediately preceding Declarant, shall succeed to all the rights and obligations of "Declarant". It is understood that there shall be only one "Declarant" hereunder at any given time.

1.7 DECLARATION. "**Declaration**" shall mean this Declaration of Covenants, Conditions and Restrictions for Hunters Creek.

1.8 DESIGN GUIDELINES. "**Design Guidelines**" shall mean the Hunter's Creek Design Guidelines dated January 15, 2001, available at the offices of the Architectural Review Committee, as same may be amended from time to time by the Architectural Review Committee described in Article V below.

1.9 HOME, RESIDENCE OR DWELLING. "**Home**", "**Residence**" or "**Dwelling**" shall mean a single-family residential unit constructed on a Lot being a part of the Property, including the parking garage utilized in connection therewith and the Lot upon which the Home, Residence or Dwelling is located.

1.10 LIENHOLDER OR MORTGAGEE. "**Lienholder**" or "**Mortgagee**" shall mean the holder of a first mortgage lien, encumbering a Home and/or the Lot upon which the Home is located.

1.11 LOT. "**Lot**" shall mean and refer to a portion of the Property designated as a Lot on the Subdivision Plat of the Property, excluding streets, alleys and any Common Area. Where the context requires or indicates, the term Lot shall include the Home and all other improvements which are or will be constructed on the Lot.

1.12 MEMBER. "**Member**" shall mean and refer to every person or entity who holds membership in the Association. The Declarant and each Owner shall be a Member in the Association.

1.13 OWNER. "**Owner**" shall mean and refer to the record Owner, other than Declarant, whether one (1) or more persons or entities, of a fee simple title to any Lot, and shall include the homebuilder, but shall exclude those having such interest merely as security for the performance of an obligation. However, the term "**Owner**" shall include any Lienholder or Mortgagee who acquires fee simple title to any Lot which is a part of the Property, through deed in lieu of foreclosure or through judicial or nonjudicial foreclosure.

1.14 PROPERTY, PREMISES, SUBDIVISION OR DEVELOPMENT. "**Property**", "**Premises**", "**Subdivision**" or "**Development**" shall mean or refer to that certain real property known as HUNTERS CREEK and described in **Exhibit "A"** hereto, together with any additional property which is hereafter made subject to this Declaration in accordance with Article VIII.

1.15 SUBDIVISION PLAT. "**Subdivision Plat**" shall mean or refer to the map or plat which has been or will be filed with respect to the Property in the Map or Plat Records of Collin County, Texas, as same may be amended from time to time.

ARTICLE II
ASSOCIATION FUNCTION, MAINTENANCE RESPONSIBILITY AND PROPERTY RIGHTS

2.1 FUNCTION OF ASSOCIATION. The Association shall be the entity responsible for management, maintenance, operation and control of the Common Area. The Association shall be responsible for enforcement of this Declaration and such reasonable rules regulating use of the Lots and Common Area as the Board may adopt. The Architectural Review Committee established pursuant to Article V below shall be responsible for administering and enforcing the architectural standards and controls set forth in this Declaration and in the Design Guidelines. The Association shall perform its functions in accordance with this Declaration, the Bylaws, the Articles and Texas law.

2.2 MAINTENANCE RESPONSIBILITY. The Association shall maintain and keep the Common Area in good repair. This maintenance shall include, without limitation, maintenance, repair and replacement, subject to any insurance then in effect, of all landscaping and improvements situated on the Common Area including, without limitation, any recreational facilities situated thereon. The Association shall also maintain, repair and replace, if necessary: (a) all entry features and monuments for the Property including the expenses for water and electricity,

if any, provided to all such entry features; and (b) all landscaping (including sprinkler systems) located on the Common Area or public right-of-way within the Property.

In addition, the Association shall have the right, but not the obligation, to maintain property not owned by the Association, whether within or outside the Property including, without limitation, publicly-owned property and property dedicated to public use, where the Board has determined that such maintenance is necessary or desirable to maintain the standards of the community.

2.3 USE OF COMMON AREA. The Association shall have the following rights with regard to the Common Area:

(a) the right to dedicate or transfer all of any part of the Common Area to any public agency or authority subject to such conditions as may be agreed to by the Members. No such dedication or transfer shall be effective unless an instrument of agreement to such dedication or transfer, signed by Members holding not less than two-thirds (2/3) of the outstanding votes (determined pursuant to Section 3.2 hereof) is properly recorded, in the appropriate records of Collin County, Texas, and a written notice of proposed action under this Section 2.1 is sent by registered letter to every Owner (including Lienholders or Mortgagees) not fewer than thirty (30) days, nor more than sixty (60) days in advance of said action;

(b) the right to borrow money to be secured by a lien against the Common Area; however, the rights under such improvement mortgage shall be subordinate and inferior to the rights of the Owners hereunder; and

(c) the right to enter upon and make rules and regulations relating to the use of the Common Area.

2.4 TITLE TO THE COMMON AREA. The Declarant shall dedicate and convey to the Association (at such time as Declarant shall deem appropriate) without consideration, the fee simple title to the Common Area owned by Declarant free and clear of monetary liens and encumbrances other than those created in this Declaration.

2.5 RULES. The Association, through its Board, may make and enforce reasonable rules governing the use of the Lots and the Common Area including, but not limited to, imposing a schedule of monetary fines. Such rules shall be binding upon all Owners, occupants, invitees and licensees.

ARTICLE III
MEMBERSHIP AND VOTING RIGHTS

3.1 MEMBERSHIP. Declarant, during the time it owns any Lots and each person or entity, including any successive buyer(s), who is a record Owner of a fee or undivided fee interest in any Lot shall automatically and mandatorily become a Member of the Association. The foregoing is not intended to include persons or entities who hold an interest merely as security for the performance of an obligation. No Owner shall have more than one (1) membership. Membership shall be appurtenant to and may not be separated from any ownership of any Lot which is subject to assessment by the Association. Transfer of ownership, either voluntarily or by

operation of law, shall terminate such owner's membership in the Association, and membership shall be vested in the transferee; provided, however, that no such transfer shall relieve or release such owner from any personal obligation with respect to assessments which have accrued prior to such transfer.

3.2 VOTING RIGHTS. The Association shall have two (2) classes of voting membership:

(a) Class "A". The Class "A" Members shall be all Owners. The Class "A" Members shall be entitled to one (1) vote for each Lot owned. When more than one (1) person holds an interest in any Lot, all such persons shall be Members. 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 Lot. In the event more than one (1) person or a corporation or partnership holds an interest in any Lot, then any such group of persons, or any such corporation or partnership shall deliver a certificate to the Association indicating the name of the person authorized to cast the vote with respect to the Lot in question.

(b) Class "B". The Class "B" Member shall be Declarant. The Declarant shall be entitled to ten (10) votes for each Lot it owns and ten (10) votes for each 840 square feet of unplatted land within the Property it owns; provided however that Declarant shall cease to be a Class "B" Member and shall become a Class "A" Member entitled to one (1) vote per Lot upon the earlier to occur of the following events:

(i) when the total votes outstanding in the Class "A" membership equals the total votes outstanding in the Class "B" membership, or

(ii) upon the expiration of fifteen (15) years from the recording date of this Declaration in the appropriate records of Collin County, Texas.

3.3 NO CUMULATIVE VOTING. At all meetings of the Association, there shall be no cumulative voting. Prior to all meetings, the Board shall determine the total number of votes outstanding and Members entitled to vote.

3.4 NOTICE AND QUORUM. Written notice of any meeting called for the purpose of taking any action authorized herein shall be sent to all Members, or delivered to their residences, not less than thirty (30) days nor more than sixty (60) days in advance of the meeting. At any such meeting called, the presence of Members or of proxies of voting representatives entitled to cast ten percent (10%) of all the votes of all Members of the Association shall constitute a quorum. If the required quorum is not present, another meeting may be called subject to the same notice requirement, and the required quorum at such subsequent meeting shall be two-thirds (2/3) of the quorum requirement for such prior meeting. The Association may call as many subsequent meetings as may be required to achieve a quorum (the quorum requirement being reduced for each such meeting). No such subsequent meeting shall be held more than sixty (60) days following the preceding meeting.

3.5 SUSPENSION. All voting rights of an Owner shall be suspended during any period in which such Owner is delinquent in the payment of any Assessments duly established

pursuant to Article IV or is otherwise in default hereunder or under the Bylaws or rules and regulations of the Association.

ARTICLE IV
COVENANT FOR ASSESSMENTS

4.1 CREATION OF THE LIEN AND PERSONAL OBLIGATION FOR ASSESSMENTS. Each Owner of a Lot, by acceptance of a deed therefor, whether or not it shall be expressed in any such deed or other conveyance, covenants and agrees to pay to the Association: annual assessments or charges, and special assessments for capital improvements. Such assessments (collectively, the "**Assessments**") are to be fixed, established and collected as provided herein. Assessments, together with such interest thereon and costs of collection thereof, as hereinafter provided, shall be a charge on the Lot and shall be secured by a continuing lien which is hereby created and granted to and for the benefit of the Association, and impressed upon the Lot against which each such Assessment is made. Each such Assessment, together with such interest costs and reasonable attorney's fees shall also constitute a personal obligation of the person or entity who was the record Owner of such Lot at the time of the Assessment. The personal obligation for delinquent Assessments shall not pass to successors in title unless expressly assumed by such successors; however, the lien upon the Lot shall continue until paid.

4.2 PURPOSE OF ASSESSMENTS. The Assessments levied by the Association shall be used exclusively for the purpose of promoting the recreation, health, safety and welfare of the owners of the Lots, the improvement and maintenance of the Common Area and any other property owned by the Association or bound by a maintenance agreement, and the performance and/or exercise of the rights and obligations of the Association arising hereunder. Assessments shall include, but not be limited to, funds to cover actual Association costs for all taxes, insurance, repair, replacement, maintenance and other activities as may from time to time be authorized by the Board; legal and accounting fees, and any fees for management services; expenses incurred in complying with any laws, ordinances or governmental requirements applicable to the Association or the Property; reasonable replacement reserves and the cost of other facilities and service activities, including, but not limited to, mowing grass, grounds care, sprinkler system, landscaping, and other charges required or contemplated by this Declaration and/or that which the Board shall determine to be necessary to meet the primary purpose of the Association, including the establishment and maintenance of a reserve for repair, maintenance, taxes and other charges as specified herein. The reserve fund is to ensure the continuous and perpetual use, operation, maintenance, and/or supervision of all facilities, structures, improvements, systems, areas or grounds that are the Association's responsibility.

4.3 BASIS OF ANNUAL ASSESSMENTS; MAXIMUM AMOUNT.

(a) Until the first (1st) day of January of the year following the year in which the first Lot is conveyed to an Owner, the regular maximum annual Assessment shall be $480.00 per Lot.

(b) From and after the first (1st) day of January of the year following the year in which the first Lot is conveyed to an Owner, the maximum regular annual Assessment may be increased by an amount up to twenty-five percent (25%) over the preceding year's regular annual Assessment solely by vote of the Board of Directors. Any increase over and above twenty-five percent (25%) of the previous year's regular annual Assessment shall be done only by the

prior approval of fifty-one percent (51%) of the outstanding votes (determined pursuant to Section 3.2 hereof) held by the Members or by representatives holding proxies at a meeting at which a quorum is present.

(c) In addition to the regular annual assessment, each and every time a Lot in the Development is sold an additional assessment of $200.00 and the prorata share of annual assessments due on such Lot shall be paid to the Association by the purchaser of the Lot at the closing of each sale of said Lot.

4.4 SPECIAL ASSESSMENTS. In addition to the regular annual Assessment authorized above, the Association may levy, in any assessment year, a Special Assessment applicable to that year only, for the purpose of defraying, in whole or in part, the costs incurred by the Association pursuant to the provisions of this Declaration, provided that any such Assessment shall have received the prior written approval of fifty-one percent (51%) of the outstanding votes (determined pursuant to Section 3.2 hereof) held by the Members or by representatives holding proxies at a meeting at which a quorum is present. Any Special Assessments shall be prorated based on the period of time the Owner owns the Lot during such year.

4.5 NOTICE AND QUORUM FOR ANY ACTION AUTHORIZED UNDER SECTIONS 4.3 AND 4.4. Written notice of any meeting called for the purpose of taking any action authorized or required by Sections 4.3 and 4.4 hereunder shall be given to all Members not fewer than ten (10) days nor more than twenty (20) days in advance of such meeting. At such meeting, the presence of Members or of proxies entitled to cast fifty percent (50%) of all the votes entitled to be cast by the Members of the Association shall constitute a quorum. If the required quorum is not present, another meeting may be called subject to the same notice requirements and the required quorum at the subsequent meeting shall be one-half (1/2) of the required quorum at the preceding meeting. No such subsequent meeting shall be held more than sixty (60) days following the preceding meeting. The necessary approval may also be obtained by a canvas of the Members as set forth in the Bylaws.

4.6 UNIFORM RATE OF ASSESSMENT. Both the regular annual and special Assessments shall be fixed at a uniform rate for all Lots, and shall commence and be due in accordance with the provisions of Section 4.7 hereof. Each Owner shall pay one hundred percent (100%) of the established Assessment for each Lot he or it owns.

4.7 DATE OF COMMENCEMENT OF ANNUAL ASSESSMENTS; DUE DATES.

(a) The obligation to pay regular annual Assessments provided for herein shall commence on the first day of the month next following Declarant's conveyance of the Common Area to the Association. The Assessments shall be due on such payment dates as may be established by the Board. Assessments shall be due and payable on an annual basis unless otherwise designated by the Board.

(b) As long as Declarant is a Class "B" Member pursuant to Section 3.2 hereof, Declarant shall have the right (but not the obligation) to pay any resulting deficiency in the event the cost of maintenance exceeds the amount of the Assessments received from the Owners; provided, however, in such event, Declarant shall not otherwise be required to pay Assessments with respect to portions of the Property owned by Declarant; and further, provided, however, in no event shall Declarant be required to pay an amount which is in excess of one

hundred percent (100%) of the established Assessment for each Lot it owns. Declarant, in its sole discretion, may cause the Association to borrow any deficiency amounts from a lending institution at the then prevailing rate for such a loan in Collin County, Texas.

(c) The annual Assessments for the first Assessment year shall be fixed by the Association prior to the sale of the first Lot to an Owner. Except for the first Assessment year, the Association shall fix the amount of the annual Assessment at least thirty (30) days in advance of each Assessment year, which shall be the calendar year; provided, however, that the Association shall have the right to adjust the regular annual Assessment upon thirty (30) days written notice given to each Owner, as long as any such adjustment does not exceed the maximum permitted pursuant to Section 4.3 hereof. Written notice of the regular annual Assessment shall be given as soon as is practicable to every Owner subject thereto. The Association shall, upon demand at any time, furnish a certificate in writing signed either by the President, Vice President or the Treasurer of the Association setting forth whether the annual and special Assessments on a specified Lot have been paid and the amount of any delinquency. A reasonable charge may be made by the Board for the issuance of these certificates. Such certificates shall be conclusive evidence of payment of any Assessment therein stated to have been paid.

(d) No Owner may exempt himself from liability for Assessments by waiver of the use or enjoyment of any portion of the Development or Common Area or by abandonment of his/its Home.

4.8 EFFECT OF NON-PAYMENT OF ASSESSMENTS: REMEDIES OF THE ASSOCIATION.

(a) All payments of the Assessments shall be made to the Association as the Association may otherwise direct or permit. Payment shall be made in full regardless of whether any Owner has any dispute with Declarant, the Association, any other Owner or any other person or entity regarding any matter to which this Declaration relates or pertains. Payment of the Assessments shall be both a continuing affirmative covenant personal to the Owner and a continuing covenant running with the Property.

(b) Any Assessment provided for in this Declaration which is not paid when due shall be delinquent. If any such Assessment is not paid within thirty (30) days after the date of delinquency, the Assessment shall bear interest from the date of delinquency, until paid, at the rate of eighteen percent (18%) per annum or the maximum rate allowed by law, whichever is the least. The Association may, at its option, bring an action at law against the Owner personally obligated to pay the same; or, upon compliance with the notice provisions hereof, foreclose the lien against the Lot as provided in Subsection 4.8(d) hereof. There shall be added to the amount of such Assessment the costs of preparing and filing the complaint in such action, and in the event a judgment is obtained, such judgment shall include said interest and a reasonable attorney's fee, together with costs of action. Each owner vests in the Association or its assigns, the right and power to bring all actions at law or in equity foreclosing such lien against such Owner, and the expenses incurred in connection therewith, including interest, costs and reasonable attorney's fees shall be chargeable to the Owner in default. Under no circumstances, however, shall Declarant or the Association be liable to any Owner or to any other person or entity for failure or inability to enforce or attempt to enforce any Assessments.

(c) No action shall be brought to foreclose said Assessment lien or to proceed under the power of sale herein provided sooner than thirty (30) days after the date a notice of claim of lien is deposited with the postal authority, certified or registered, postage prepaid, to the Owner of the Lot against which such action is to be taken, and a copy thereof is recorded by the Association in the appropriate records of Collin County, Texas. The notice of claim must recite a good and sufficient legal description of the Lot, the record Owner or reputed owner thereof, the amount claimed (which may, at the Associations's option, include interest on the unpaid Assessment at the maximum legal rate, plus reasonable attorney's fees and expenses of collection in connection with the debt secured by said lien), and the name and address of the Association.

(d) Any such sale provided for above is to be conducted in accordance with the provisions applicable to the exercise of powers of sale in mortgages and deeds of trust as set forth in Section 51.002 of the Property Code of the State of Texas, or in any other manner permitted by the then applicable law. Each Owner, by accepting a deed to a Lot, expressly grants to the Association a power of sale as set forth in said Section 51.002 of the Property Code, in connection with the Assessment lien. The lien provided for in this Declaration shall be in favor of the Association and shall be for the benefit of all other Owners. The Association, acting on behalf of the Owners, shall have the power to bid on the Lot at foreclosure sale and to acquire and hold, lease, mortgage and convey the same.

(e) Upon the timely curing of any default for which a notice of claim of lien was filed by the Association, the officers of the Association are hereby authorized to file or record, as the case may be, an appropriate release of such notice, upon payment by the defaulting Owner of a fee, to be determined by the Association, but not to exceed the actual cost of preparing and filing or recording the lien and the release.

(f) The Assessment lien and the right to foreclosure sale hereunder shall be in addition to and not in substitution of all other rights and remedies which the Association and its successors or assigns may have hereunder and by law, including the right of suit to recover a money judgment for unpaid Assessments, as above provided.

4.9 SUBORDINATION OF THE LIEN TO FIRST MORTGAGES. The lien securing the Assessments provided for herein shall be subordinate to the lien of any first lien mortgage granted or created by the Owner on the Lot to secure the payment of monies advanced and used for the purpose of purchasing and/or improving such Lot. The sale or transfer of any Lot shall not affect the Assessment lien. However, the sale or transfer of any Lot which is subject to a first lien mortgage, pursuant to a decree of foreclosure or a non-judicial foreclosure under such first lien mortgage or any proceeding in lieu of foreclosure thereof, shall extinguish the lien of such Assessments as to payments thereof which became due prior to such sale or transfer. No sale or transfer shall relieve such Lot from liability for any Assessment thereafter becoming due, in accordance with the terms herein provided, or from the lien therefor.

4.10 MANAGEMENT AGREEMENTS. The Association shall be authorized to enter into management agreements with third parties in connection with the operation and management of the Development and the performance of its obligations hereunder. A copy of all such management agreements shall be available to each Owner upon written request within sixty (60) days after receipt of such notice at the offices of the Association. The Association may, at its discretion, assume self management of the Development by the Association.

4.11 INSURANCE REQUIREMENTS. The Association, through its Board of Directors, or its duly authorized agent, shall obtain commercial general liability insurance, policies covering the Common Area and covering all damage or injury caused by the negligence of the Association, any of its employees, officers, directors and/or agents, directors and officers liability insurance, and such other insurance as the Association may from time to time deem necessary or appropriate.

4.12 FAILURE TO ASSESS. Failure of the Board to fix the annual Assessment amount or rate or to deliver or mail each Owner a notice of annual Assessment notice shall not be deemed a waiver, modification or a release of any Owner from the obligation to pay such assessments. In such event, each Owner shall continue to pay annual Assessments on the same basis as for the last year for which an Assessment was made, if any, until a new Assessment is made, at which time the Association may, without limitation, retroactively assess any shortfalls in collections or reimburse any excess in collections.

ARTICLE V
ARCHITECTURAL STANDARD

5.1 GENERAL. No structure shall be placed, erected or installed upon any Lot, and no improvements (including staking, clearing, excavation, grading and other site work, exterior alteration of existing improvements and planting or removal of landscaping materials) shall take place except in compliance with this Article and the Design Guidelines and upon approval of the Architectural Review Committee ("**ARC**") as required herein.

Any Owner may remodel, paint or redecorate the interior of structures on his Lot without approval. No approval shall be required to rebuild in accordance with originally approved plans and specifications.

All dwellings constructed on any portion of the Property shall be designed by and built in accordance with the plans and specifications of a licensed architect and shall conform to all applicable laws, codes and ordinances.

This Article shall not apply to improvements to the Common Area by or on behalf of the Association.

5.2 ARCHITECTURAL REVIEW COMMITTEE. Responsibility for administration of the Design Guidelines, as defined below, and review of all applications for construction and modifications under this Article shall be handled by an ARC consisting of not less than three (3) nor more than five (5) persons.

So long as the Declarant owns any property for development and/or sale in the Community, the Declarant shall have the right to appoint all members of the Architectural Review Committee. Upon the expiration of this right, the Board shall appoint the members of the ARC, a majority of whom shall be Board members. The remaining members of the ARC need not be Members of the Association or representatives of Members, and may, but need not, include architects, engineers or similar professionals, whose compensation, if any, shall be established from time to time by the Board. The Board may establish and charge reasonable fees for review of applications hereunder and may require such fees to be paid in full prior to review.

5.3 GUIDELINES AND PROCEDURES. The ARC may amend the Design Guidelines attached hereto and may adopt and amend application and review procedures which shall apply to all construction activities within the Community. Any amendments to the Design Guidelines shall apply to construction and modifications commenced after the date of such amendment only and shall not apply to require modifications to or removal of structures previously approved once the approved construction or modification has commenced.

The ARC shall make the Design Guidelines available to Owners and contractors who seek to engage in construction within the Community and all such Persons shall conduct their activities in accordance with such Design Guidelines.

5.4 SUBMISSION OF PLANS AND SPECIFICATIONS.

(a) No construction or improvements shall be commenced, erected, placed or maintained on any Lot, nor shall any exterior addition, change or alteration be made there to, until the plans and specifications ("**Plans**") showing, as applicable, site layout, structural design, exterior elevations, exterior materials and colors, signs, landscaping, drainage, lighting, irrigation, utility facilities layout, screening and estimated time schedules for commencement and completion of construction have been submitted to and approved in writing by the ARC or appropriate subcommittee. A complete copy of the final Plans shall be submitted at least thirty (30) days prior to the construction of improvements. The Plans shall show the nature, kind, shape, height, materials and improvements including, but not limited to, elevations and floor plans on each house intended to be built, square footage, roof pitch and percentage of brick or other material to be used as siding. Samples of proposed construction materials shall be delivered promptly to the ARC upon request. At such time as the Plans meet the approval of the ARC, the ARC shall send written authorization to proceed and will retain the Plans. If disapproved by the ARC, the Plans shall be returned marked "Disapproved" and shall be accompanied by a statement of the reasons for disapproval, which statement shall be signed by a representative of the ARC. Any modification of the approved set of Plans must again be submitted to the ARC for its approval. The ARC's approval or disapproval, as required herein, shall be in writing. In no event shall the ARC give verbal approval of any Plans. If the ARC fails to approve or disapprove such Plans within thirty (30) days after the date of submission, written approval of the matters submitted shall not be required and compliance with this Section 5.4 shall be deemed to have been completed. In case of a dispute about whether the ARC responded within such time period, the person submitting the Plans shall have the burden of establishing that the ARC received the Plans. The ARC's receipt of the Plans may be established by a signed certified mail receipt or by a signed delivery receipt. The ARC shall consider pre-approval of standard Builder plans and landscaping specifications for each home planned for construction in the subdivision. Each Builder shall provide to the ARC the following information for the preapproval process: (a) elevations of all home slides, (b) floor plan of first and second floors; and (c) landscaping standard specifications. The ARC may authorize certain types of modifications and improvements to be made without the necessity of applying for approval hereunder, provided they are made in strict compliance with the Design Guidelines.

(b) In reviewing each submission, the ARC may consider visual and environmental impact, ecological compatibility, natural platforms and finish grade elevation, harmony of external design with surrounding structures and environment, and location in relation to surrounding structures and plant life, among other things.

(c) Once the ARC has approved a set of final Plans submitted by a Builder for a house to be constructed on a Lot, that Builder may use such Plans for other homes it will construct in the Community without subsequent ARC approvals and those plans shall be deemed a "master set" of plans. Any material changes to the master set of plans must be approved by the ARC.

(d) If construction does not commence on a project for which Plans have been approved within sixty (60) days of the estimated commencement date set forth in such approved Plans, such approval shall be deemed withdrawn, and it shall be necessary for the Owner to re-submit the Plans to the ARC for reconsideration.

5.5 NO WAIVER OF FUTURE APPROVALS. Each Owner acknowledges that the members of the ARC will change from time to time and that interpretation, application and enforcement of the Design Guidelines may vary accordingly. Approval of proposals, plans and specifications or drawings for any work done or proposed, or in connection with any other matter requiring approval, shall not be deemed to constitute a waiver of the right to withhold approval as to any similar proposals, plans and specifications, drawings or other matters subsequently or additionally submitted for approval.

5.6 VARIANCE. The ARC may authorize variances from compliance with any of its guidelines and procedures when circumstances such as topography, natural obstructions, hardship or aesthetic or environmental considerations require, but only in accordance with duly adopted rules and regulations. Such variances may only be granted, however, when unique circumstances dictate and no variance shall (a) be effective unless in writing, (b) be contrary to this Declaration, or (c) estop the ARC from denying a variance in other circumstances. For purposes of this Section, the inability to obtain approval of any governmental agency, the issuance of any permit, the cost of compliance, or the terms of any financing shall not be considered a hardship warranting a variance.

5.7 LIMITATION OF LIABILITY. Review and approval of any application pursuant to this Article is made on the basis of aesthetic considerations only and not for engineering, structural design or quality of materials. Neither the ARC nor the Declarant shall bear any responsibility for ensuring the structural integrity or soundness of approved construction or modifications, for reviewing drainage plans or ensuring the effectiveness thereof, nor for ensuring compliance with building codes and other governmental requirements. Neither the Declarant, the Association, the Board, the ARC, nor any member of any of the foregoing shall be held liable for any injury, damages or loss arising out of the manner or quality of approved construction on or modifications to any Lot, nor for any defect in any structure constructed from approved Plans.

Neither the Declarant, the Association, the ARC, the Board nor the officers, directors, members, employees and agents of any of them, shall be liable in damages to anyone submitting plans and specifications to any of them for approval, or to any Owner of property affected by these restrictions, by reason of mistake in judgment, negligence or nonfeasance arising out of or in connection with the approval or disapproval or failure to approve or disapprove any such plans or specifications. Every Person who submits Plans and every Owner agrees that he will not bring any action or suit against the Declarant, the Association, the ARC, the Board or the officers, directors, members, employees and agents of any of them, to recover any such damages and hereby releases, promises, quitclaims and covenants not to sue for all claims, demands and causes of action arising out of or in connection with any judgment, negligence or

nonfeasance and hereby waives the provisions of any law which provides that a general release does not extend to claims, demands and causes of action not known at the time the release is given.

5.8 ENFORCEMENT. Any structure or improvement placed or made in violation of this Article shall be deemed to be nonconforming. Upon written request from the Board or the Declarant, Owners shall, at their own cost and expense, remove such structure or improvement and restore the land to substantially the same condition as existed prior to the nonconforming work. Should an Owner fail to remove and restore as required, the Board or its designees shall have the right to enter the Lot, remove the violation and restore the Lot to substantially the same condition as previously existed. All costs, together with the interest at the maximum rate then allowed by law, may be assessed against such Lot and collected in accordance with Article VII below.

Any contractor, subcontractor, agent, employee or other invitee of an Owner who fails to comply with the terms and provisions of this Article and the Design Guidelines may be excluded by the Board from the Community, subject to the notice and hearing procedures contained in the Bylaws. In such event, neither the Association, its officers, nor its directors shall be held liable to any Person for exercising the rights granted by this paragraph.

In addition to the foregoing, the Association shall have the authority and standing to pursue all legal and equitable remedies available to enforce the provisions of this Article and the decisions of the ARC.

5.9 NOTICE. To evidence any violation of this Declaration, the Bylaws, rules or Design Guidelines by any Owner or Occupant, the Board of Directors may file, but is not required to file, in the deed records of Collin County, Texas, a notice of violation setting forth (i) the violation, (ii) the name of the Owner and Lot, and (iii) a sufficient legal description of the Lot. Such notice shall be signed and acknowledged by an officer or duly authorized agent or attorney of the Association. The cost of preparing and recording such notice shall be assessed against the Owner who is responsible (or whose Occupants are responsible) for violating the foregoing pursuant to Article VII below.

ARTICLE VI
CONSTRUCTION OF IMPROVEMENTS AND USE OF LOTS

6.1 RESIDENTIAL USE. The Property shall be used for single-family residential purposes only. No building shall be erected, altered, placed or permitted to remain on any Lot other than one (1) detached single family residence, which residence may not exceed two (2) stories in height, and a private garage as provided below.

6.2 SINGLE-FAMILY USE. Each residence shall be limited to occupancy by only one family group, or no more than two (2) unrelated persons residing together as a single housekeeping unit, in addition to any household or personal servant staff.

6.3 GARAGE REQUIRED. Each residence shall have an enclosed garage suitable for parking a minimum of two (2) standard size automobiles, which garage shall conform in design and materials with the main structure and the Design Guidelines.

6.4 RESTRICTIONS ON RESUBDIVISION. No Lot shall be subdivided into smaller Lots.

6.5 DRIVEWAYS. All driveways shall be surfaced with concrete or similar substance approved by the ARC.

6.6 USES SPECIFICALLY PROHIBITED.

(a) No temporary dwelling shop, trailer or mobile home of any kind or any improvement of a temporary character (except children's playhouses, dog houses, greenhouses, gazebos and buildings for storage of lawn maintenance equipment which may be placed on a Lot only in places which are not visible from any street) shall be permitted on any Lot except that the builder or contractor may have temporary improvements (such as a sales office and/or construction trailer) on a specifically permitted Lot during construction of the residence on that Lot. Unless Declarant has given its written approval, and subject to the provisions of the applicable development codes and local ordinances of the City, no building material of any kind or character shall be placed or stored upon the Property until construction is ready to commence, and then such material shall be placed totally within the property lines of the Lot upon which the improvements are to be erected.

(b) No boat, trailer, marine craft, hovercraft, aircraft, recreational vehicle, pick-up camper, travel trailer, motor home, camper body or similar vehicle or equipment may be parked for storage in the driveway or front yard of any Residence or parked on any public street on the Property, nor shall any such vehicle or equipment be parked for storage in the side or rear yard of any residence unless properly concealed from public view. No such vehicle or equipment shall be used as a residence or office temporarily or permanently. This restriction shall not apply to any vehicle, machinery or equipment temporarily parked while in use for the construction, maintenance or repair of a Residence in the immediately vicinity.

(c) Trucks with tonnage in excess of one and one-half (1.5) tons and any commercial vehicle with painted advertisement shall not be permitted to park overnight on the Property except those used by a builder during the construction of improvements.

(d) No motorized vehicle or similar equipment shall be parked or stored in an area visible from any street except passenger automobiles, passenger vans, motorcycles, pick-up trucks (including those with attached bed campers) that are in operating condition and have current license plates and inspection stickers and are in current use.

(e) No structure of a temporary character, such as a trailer, tent, shack, barn, underground tank or structure or other out-building shall be used on the Property at any time as a Residence; provided, however, that any builder may maintain and occupy model houses, sales offices and construction trailers during the construction period, but not as a Residence.

(f) No oil drilling, oil development operation, oil refining, quarrying or mining operations of any kind shall be permitted in or on the Property, nor shall oil wells, tanks, tunnels, mineral excavations or shafts be permitted upon or in any part of the Property. No derrick or other structure designed for use in quarrying or boring for oil, natural gas or other minerals shall be erected, maintained or permitted on the Property.

(g) No animals, livestock or poultry of any kind shall be raised, bred or kept on the Property except that dogs, cats or other domesticated animals may be kept as household pets. Animals are not to be raised, bred or kept for commercial purposes or for food. It is the purpose of these provisions to restrict the use of the Property so that no person shall quarter on any portion of the Property cows, horses, bees, hogs, sheep, goats, guinea fowls, ducks, chickens, turkeys, skunks or any other animals that may interfere with the peace and quiet and health and safety of the community. No more than four (4) pets will be permitted on each Lot. Pets must be restrained or confined to the homeowner's rear yard within a secure fenced area or within the Residence. It is the pet owner's responsibility to keep the Lot clean and free of pet debris or odor noxious to adjoining Lots. All animals must be properly registered and tagged for identification in accordance with local ordinances.

(h) No Lot or other area of the Property shall be used as a dumping ground for rubbish or accumulation of unsightly materials of any kind, including without limitation, broken or rusty equipment, disassembled or inoperative cars and discarded appliances and furniture. Trash, garbage or other waste shall not be kept except m sanitary containers. All containers for the storage or other disposal of such material shall be kept in clean and sanitary condition. Materials incident to construction of improvements may only be stored on Lots during construction of the improvement thereon.

(i) No individual water tower or other independent source of water supply shall be permitted on any Lot.

(j) No individual sewage disposal system shall be permitted on any Lot.

(k) No garage, garage house or other out-building (except for sales offices and construction trailers during the construction period) shall be occupied by any Owner, tenant or other person prior to the erection of a Residence.

(l) No air-conditioning apparatus shall be installed on the ground in front of a Residence or otherwise in public view. No air-conditioning apparatus shall be attached to any front wall or window of a Residence or otherwise in public view. No evaporative cooler shall be installed on the front wall or window of a Residence or otherwise in public view.

(m) No television, radio, or other electronic towers, aerials, antennae, satellite dishes or device of any type for the reception or transmission of radio or television broadcasts or other means of communication shall hereafter be erected, constructed, placed or permitted to remain on any Lot or upon any improvements thereon, except that this prohibition shall not apply to those antennae specifically covered by 47 C.F.R. Part 1, Subpart S Section 1.4000 (or any successor provision) promulgated under the Telecommunications Act of 1996, as amended from time to time or satellite dishes or devices under twenty inches (20") in diameter as long as they comply with the installation and other requirements set forth below. The Association shall be empowered to adopt rules governing the types of antennae that are permissible hereunder and establishing reasonable, non-discriminatory restrictions relating to safety, location and maintenance of antennae. To the extent that reception of an acceptable signal would not be impaired, an antenna permissible pursuant to rules of the Association may only be installed in a side or rear yard location, not visible from the street, and integrated with the dwelling and surrounding landscape. Antennae shall be installed in compliance with all state and local laws and regulations, including zoning, land-use, and building regulations.

(n) No Lot or improvement thereon shall be used for a business or for professional, commercial or manufacturing purposes of any kind. No business activity shall be conducted on the Property which is not consistent with single family residential purposes. No noxious or offensive activity shall be undertaken on the Property, nor shall anything be done which is or may become an annoyance or nuisance to the neighborhood. Nothing in this subparagraph shall prohibit a builder's temporary use of a residence as a sales/construction office for so long as such builder is actively engaged in construction on the Property. Nothing in this subparagraph shall prohibit an Owner's use of a residence for quiet, inoffensive activities such as tutoring or giving art lessons so long as such activities (i) do not materially increase the number of cars parked on the street, (ii) do not interfere with adjoining homeowners' peaceful use and enjoyment of their residences and yards, (iii) are not apparent or detectable by sight, sound or smell from outside the Residence,(iv) the activity does not involve regular visitation of the Lot by clients, customers, suppliers or other business invitees or door-to-door solicitation of Residences, and (v) the activity is consistent with the residential character of the community and does not constitute a nuisance or hazardous or offensive use or threaten the security or safety of other residents of the community, as may be determined in the sole discretion of the Board. Notwithstanding the above, the leasing of the Lot shall not be considered a business or trade within the meaning of this section. This section shall not apply to any activity conducted by the Declarant or a Builder approved by the Declarant with respect to its development and sale of the community or its use of any Lots which it owns within the community.

(o) No fence, wall, hedge, shrub planting or other obstructions to view in excess of two feet (2') in height, except trees pruned high enough to permit unobstructed vision to automobile drivers, shall be placed or permitted to remain on any corner Lot within the triangular area formed by the street right-of-way lines, or in the case of a rounded property corner, from the intersection of the street right-of-way lines as extended. The same sight-line limitations shall apply on any Lot within any area that is ten (10) feet from the intersection of a street right-of-way line with the edge of a private driveway or alley pavement. No tree shall be permitted to remain within such distance of such intersections unless the foliage line is maintained at a minimum height of six (6) feet above the adjacent ground line.

(p) Except for children's playhouses, dog houses, greenhouses, gazebos and buildings for storage of lawn maintenance equipment, no building previously constructed elsewhere shall be moved onto any Lot, it being the intention that only new construction be placed and erected on the Property.

(q) Within those easements on each Lot as designated on the Subdivision Plat of the Development, no improvement, structure, planting or materials shall be placed or permitted to remain which might damage or interfere with the installation, operation and maintenance of public utilities, or which might alter the direction of flow within drainage channels or which might obstruct or retard the flow of water through drainage channels.

(r) The general grading, slope and drainage plan of a Lot as established by the approved development plans may not be altered without the approval of the City and/or other appropriate agencies having authority to grant such approval.

(s) No sign of any kind or character shall be displayed to the public view on any Lot except for (i) one (1) professionally fabricated sign of not more than five (5) square feet

advertising the property for rent or sale, (ii) signs used by Declarant or a builder to advertise the property during the construction and sales period, and (iii) political signs advocating the election of one or more political candidates or the sponsorship of a political party, issue or proposal provided that such signs shall not be erected more than a reasonable period of time (in no event to exceed thirty (30) days in advance of the election to which they pertain) and are removed within fifteen (15) days after the election. Declarant or its agents 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.

(t) Outdoor clothes lines and drying racks visible to adjacent Lots are prohibited. Owners or residents of Lots where the rear yard is not screened by solid fencing or other such enclosures, shall construct a drying yard or other suitable enclosure or screening to shield from public view clothes drying racks, yard maintenance equipment and/or storage of materials.

(u) Except within fireplaces in the main residential dwelling and equipment for outdoor cooking, no burning of anything shall be permitted anywhere on the Property.

(v) All exterior mechanical equipment, including, but not limited to, HVAC equipment, shall be located on the side or rear yard of each Lot and shielded from public view from any adjacent street.

(w) All utilities shall be installed underground. No gas meter shall be set nearer the street than the front or side of the Residence unless the meter is designed for and installed underground.

(x) No above-ground swimming pools shall be erected, constructed or installed on any Lot. Jacuzzis, whirlpools or spas approved pursuant to Article V shall not be considered an above-ground pool for the purposes of this section.

(y) Except for traditional holiday decorative lights, which may be displayed for two (2) months prior to and one (1) month after any commonly recognized holiday for which lights are traditionally displayed, all exterior lights must be approved in accordance with Article V of this Declaration.

(z) No artificial vegetation or permanent flag poles shall be permitted on the exterior of any porch in the Development. No exterior sculpture, fountains, flags and temporary flag poles, birdhouses, bird baths, other decorative embellishments, or similar items shall be permitted unless approved in accordance with Article V of this Declaration, with the exception of flagpoles in model homes.

(aa) No person shall engage in picketing on any Lot, easement, right-of-way, Common Area within or adjacent to the Development, nor shall any vehicle parked, stored or driven in or adjacent to the Development bear or display any signs, slogans, symbols, words or decorations intended to create controversy, invite ridicule or disparagement, or interfere in any way with the exercise of the property rights, occupancy or permitted business activities of any Owner, Declarant or any builder.

6.7 MINIMUM FLOOR AREA. The total air-conditioned living area of the main residential structure, as measured to the outside of exterior walls (but exclusive of open porches, garages, patios and detached accessory buildings), shall be the minimum floor area as specified by the City.

6.8 BUILDING MATERIALS. The total exterior wall area (excluding windows, doors and gables) of each residence constructed on a Lot shall be the minimum percentage as established by the City by ordinance or building code requirement of brick, brick veneer, stone, stone veneer, or other masonry material approved by the ARC. Windows, doors, other openings, gables or other areas above the height of the top of standard height first-floor windows are excluded from calculation of total exterior wall area. All roofing shall be dimensional type shingles or better in **"Weathered Wood"** or other ARC approved color. All main residences shall have a minimum 7/12 roof pitch on the major portions of the building.

6.9 SIDE LINE AND FRONT LINE SETBACK REQUIREMENTS. No Residence shall be located on any Lot nearer to the front lot line or nearer to the side lot line than the minimum setback lines shown on the Subdivision Plat or as required by the City.

6.10 WAIVER OF FRONT SETBACK REQUIREMENTS. With the prior written approval of the ARC, any building may be located farther back from the front property line of a Lot than provided in Section 6.9 where, in the opinion of the ARC, the proposed location of the building will enhance the value and appearance of the Lot and will not negatively impact the appearance of adjoining Lots.

6.11 FENCES AND WALLS.

(a) All fences and walls shall be constructed of masonry, brick, wood or other material approved by the ARC and erected in accordance with the Design Guidelines and the applicable development codes and ordinances of the City. No fence or wall on any Lot shall extend nearer to any street than the front of the residence thereon. Except as otherwise specifically approved in writing by the ARC, all streetside side yard fencing on corner Lots shall be set no closer to the abutting side street than the Property line as shown on the Subdivision Plat. All wood fences shall be stained a uniform standard subdivision color approved by the ARC.

(b) Each of the Owners of Lots 21-28, 30-35, 37-40, and 42-44 of Block M, Phase 3 of the Subdivision shall erect four foot (4') high black wrought iron fences along the rear or any side(s) of such Lots facing the creek. No other type of fence shall be permitted at such locations.

6.12 SIDEWALKS. All walkways along public rights-of-way shall conform to the minimum property standards of the City.

6.13 MAILBOXES. Mailboxes shall be standardized and shall be constructed of a material and design approved by the ARC (unless gangboxes are required by the U.S. Postal Service).

6.14 WINDOWS. Windows, jambs and mullions shall be composed of anodized aluminum, vinyl or wood. All front elevation windows shall have baked-on painted aluminum divided light windows (no mill finish).

6.15 LANDSCAPING. As to any improvement by a person or entity other than Declarant, landscaping of each Lot shall be completed within thirty (30) days, subject to extension for delays caused by inclement weather, after the Residence construction is completed and shall include sodded front, rear and side yards with a fully functional sprinkler system and shrubs and trees that meet the minimum planting standards set forth in the Design Guidelines.

6.16 GENERAL MAINTENANCE

(a) Following conveyance of the Residence upon any Lot, each Owner shall maintain and care for the Residence, all improvements and all trees, foliage, plants, and lawns on the Lot and otherwise keep the Lot and all improvements thereon in good condition and repair and in conformity with the general character and quality of properties in the immediate area, such maintenance and repair to include but not be limited to: the replacement of worn and/or rotted components; the regular painting of all exterior surfaces, provided that if the colors change, the change shall be approved by the ARC; the maintenance, repair and replacement of roofs, rain gutters, downspouts, exterior walls, windows, doors, walks, drives, parking areas and other exterior portions of the improvements to maintain an attractive appearance; and regular mowing and edging of lawn and grass areas. Upon failure of any Owner to maintain a Lot owned by him/it in the manner prescribed herein, the Declarant or the Association, or either of them, at its option and discretion, but without any obligation to do so, but only after ten (10) days written notice to such Owner to comply herewith, may enter upon such Owner's Lot and undertake to maintain and care for such Lot to the condition required hereunder and the Owner thereof shall be obligated, when presented with an itemized statement, to reimburse said Declarant and/or Association for the cost of such work within ten (10) days after presentment of such statement. This provision, however, shall in no manner be construed to create a lien in favor of any party on any Lot for the cost or charge of such work or the reimbursement for such work.

(b) The Association shall operate, maintain, repair and replace all improvements including landscaping, irrigation systems and fencing in the Common Area.

ARTICLE VII
GENERAL PROVISIONS

7.1 EASEMENTS. Easements for the installation and maintenance of utilities and drainage facilities are reserved as shown on the Subdivision Plat. Easements are also reserved for the installation, operation, maintenance and ownership of utility service lines from the Lot lines to the Residences. Declarant reserves the right to make changes in and additions to the above easements for the purpose of most efficiently and economically installing improvements.

7.2 ENFORCEMENT.

(a) In the event of any default by any Owner under the provisions of this Declaration, the Bylaws or rules and regulations of the Association, the Declarant and/or the Association shall have each and all of the rights and remedies which may be provided for in this Declaration, the Bylaws and said rules and regulations, and those which may be available at law or in equity, and may prosecute any action or other proceedings against such defaulting Owner and/or others for enforcement of any lien, statutory or otherwise, including foreclosure of such lien and the appointment of a receiver for the Lot and ownership interest of such Owner or for

damages or injunction, or specific performance or for judgment for payment of money and collection thereof, or for any combination of remedies, or for any other relief. No remedies herein provided or available at law or in equity shall be deemed mutually exclusive of any other such remedy. All expenses of the Declarant and/or the Association in connection with any such actions or proceedings, including court costs and attorneys' fees and other fees and expenses, and all damages, liquidated or otherwise, together with interest thereon at the maximum rate permitted by law, from the due date until paid, shall be charged to and assessed against such defaulting Owner, and shall be added to and deemed part of his/its Assessment (to the same extent as the lien provided herein for unpaid Assessments), upon the Lot and upon all of his/its additions and improvements thereto, and upon all of his/its personal property upon the Lot. Any and all of such rights and remedies may be exercised at any time and from time to time, cumulatively or otherwise, by the Declarant and/or the Association.

(b) Should the Declarant or the Association fail or refuse to maintain the Common Area to City's specifications for an unreasonable time, not to exceed ninety (90) days after written request to do so, the City, by and through a majority of the City Council members, shall have the right, power and authority as is herein given to the Declarant and/or the Association and its Board to enforce this Declaration and levy Assessments in the manner set forth herein. It is understood that in such event, the City may elect to exercise the rights and powers of the Declarant and/or the Association or its Board, to the extent necessary to take any action required and levy any Assessment that the Declarant and/or the Association might have, either in the name of the Declarant and/or the Association, or otherwise, that cover the cost of maintenance of such Common Area.

7.3 SEVERABILITY. Invalidation of any one (1) of the covenants or restrictions by judgment or court order shall in no wise affect any other covenants, restrictions or other provisions of this Declaration which shall remain in full force and effect.

7.4 TERM. This Declaration shall run with and bind the Property, and shall inure to the benefit of and be enforceable by Declarant (during the time it owns any Lots), the Association, or the Owner of any Lot subject to this Declaration, their respective legal representatives, heirs, successors and assigns, for a term of twenty-five (25) years from the date this Declaration is recorded, after which time said covenants shall be automatically extended for successive periods of ten (10) years, unless by vote, the then owners of sixty-seven percent (67%) of the Lots and the City agree in writing to terminate or change this Declaration in whole or in part and such writing is recorded in the appropriate records of the county clerk(s) of the county or counties in which the Property is located.

7.5 AMENDMENT. This Declaration may be amended or modified upon the express written consent of at least sixty-six and two-thirds percent (66-2/3%) of the outstanding votes (determined pursuant to Section 3.2 hereof) held by Members at a meeting at which a quorum is present. Any and all amendments, if any, shall be recorded in the appropriate records of Collin County, Texas. Notwithstanding the foregoing, Declarant shall have the right to execute and record amendments to this Declaration without the consent or approval of any other party if the sole purpose of the amendment is to correct technical errors or for purposes of clarification. Notwithstanding anything contained herein to the contrary, the authority and power given to the City as set forth in Section 7.2(b) may not be amended or modified without the express written consent of the City of Frisco, Texas.

7.6 GENDER AND GRAMMAR. The singular wherever used herein shall be construed to mean the plural when applicable, and the necessary grammatical changes required to make the provisions hereof apply either to corporations or individuals, men or women, in all cases shall be assumed as though fully expressed in each case.

7.7 NOTICES TO MEMBER/OWNER. Any notice required to be given to any Member or Owner under the provisions of this Declaration shall be deemed to have been properly delivered forty-eight (48) hours after deposited in the United States Mail, postage prepaid, certified or registered mail, and addressed to the last known address of the person who appears as Member or Owner on the records of the Association at the time of such mailing.

7.8 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.

7.9 FORMATION OF ASSOCIATION; INSPECTION OF DOCUMENTS, BOOKS AND RECORDS. The Association shall be formed by Declarant as a non-profit corporation in accordance with the laws of the State of Texas. Management and governance of the Association shall be implemented and/or undertaken in accordance with its Articles of Incorporation, in accordance with this Declaration, and in accordance with the Bylaws which shall be adopted by the Association following its formation. The Association shall make available copies of the Declaration, Bylaws, Articles of Incorporation, and rules and regulations governing the Association, as well as the books, records and financial statements of the Association for inspection by Owners or any Mortgagee during regular business hours or other reasonable times.

7.10 INDEMNITY. The Association shall indemnify, defend and hold harmless the Declarant, the Board, the ARC and each director, officer, employee and agent of the Declarant, the Board and the ARC from all actions, suits, proceedings, judgments, penalties (including excise and similar taxes), fines, settlements and reasonable expenses (including attorneys' fees) incurred by such indemnified person under or in connection with this Declaration or the Property to the fullest extent permitted by applicable law, such indemnity to include matters arising as a result of the sole or concurrent negligence of the indemnified party, to the extent permitted by applicable law, but such indemnity is not intended to include indemnification of the indemnified party for acts of willful misconduct or bad faith.

7.11 CONFLICTS. In the event of conflict between the terms of this Declaration and the Articles of Incorporation, Bylaws or rules or regulations of the Association, this Declaration shall control.

ARTICLE VIII
ANNEXATION AND WITHDRAWAL OF PROPERTY

8.1 ANNEXATION WITHOUT APPROVAL OF MEMBERSHIP. The Declarant shall have the unilateral right, privilege and option, from time to time at any time until the Declarant no longer owns property for development and/or sale in the Development or until December 31, 2015, whichever is earlier, to subject to the provisions of this Declaration and the jurisdiction of the Association any property within a one (1) mile radius of the perimeter boundaries of the Development.

Such annexation shall be accomplished by filing a supplemental declaration annexing such property in the County Clerk official records of Collin County, Texas. Such supplemental Declaration shall not require the consent of members but shall require the consent of the owner of such property, if other than Declarant. Any such annexation shall be effective upon the filing for record of such supplemental declaration unless otherwise provided therein.

8.2 WITHDRAWAL OF PROPERTY. The Declarant reserves the right to amend this Declaration unilaterally at any time so long as it holds an unexpired option to expand the Development pursuant to Section 8.1 of this Article VIII without prior notice and without the consent of any Person, for the purpose of removing certain portions of the Development then owned by the Declarant or its affiliates or the Association from the provisions of this Declaration, to the extent originally included in error or as a result of any changes whatsoever in the plans for the Development desired to be effected by the Declarant, provided such withdrawal is not unequivocally contrary to the overall, uniform scheme of development for the Property.

8.3 ADDITIONAL COVENANTS AND EASEMENTS. The Declarant may unilaterally subject any portion of the property submitted to this Declaration initially or by supplemental declaration to additional covenants and easements, including covenants obligating the Association to maintain and insure such property on behalf of the Owners and obligating such Owners to pay the costs incurred by the Association through assessments. Such additional covenants and easements shall be set forth in a supplemental declaration filed either concurrent with or after the annexation of the subject property, and shall require the written consent of the owner(s) of such property, if other than the Declarant.

8.4 AMENDMENT. This Article shall not be amended without the prior written consent of Declarant so long as the Declarant owns any property in the Development.

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IN WITNESS WHEREOF, the undersigned, being the Declarant herein, has executed this Declaration to be effective as of January 31, 2001.

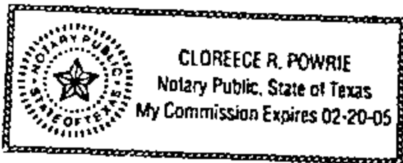
DECLARANT:

HUNTERS CREEK DEVELOPMENT, L.L.C.,
a Texas limited liability company

By: John A. Baker
John A. Baker,
Manager

STATE OF TEXAS §
§
COUNTY OF Dallas §

BEFORE ME, the undersigned, a Notary Public in and for the State of Texas, on the 31st day of January, 2001, personally appeared JOHN A. BAKER, Manager of HUNTERS CREEK DEVELOPMENT, L.L.C., a Texas limited liability company, on behalf of said limited liability company.



Cloreece R Powrie
Notary Public in and for
the State of TEXAS
My Commission Expires: 02-20-05

AFTER RECORDING RETURN TO:
Jessica E. Schwarz-Zik
Snell, Brannian & Trent
8150 North Central Expressway
Suite 1800
Dallas, Texas 75206

EXHIBIT "A"

DESCRIPTION OF PROPERTY

Being All Lots and All Blocks of HUNTERS CREEK PHASE I, an Addition to the City of FRISCO, COLLIN County, Texas, according to the Plat thereof recorded in Volume M, Page 549-551, Map Records, COLLIN County, Texas.

Being All Lots and All Blocks of HUNTERS CREEK PHASE 2, an Addition to the City of FRISCO, COLLIN County, Texas, according to the Plat thereof recorded in Volume M, Page 552-555, Map Records, COLLIN County, Texas.

Being All Lots and All Blocks of HUNTERS CREEK PHASE 3, an Addition to the City of FRISCO, COLLIN County, Texas, according to the Plat thereof recorded in Volume M, Page 546-548, Map Records, COLLIN County, Texas.

Being All Lots and All Blocks of HUNTERS CREEK PHASE 4, an Addition to the City of FRISCO, COLLIN County, Texas, according to the Plat thereof recorded in Volume M, Page 544-545, Map Records, COLLIN County, Texas.

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

(THE STATE OF TEXAS) (COUNTY OF COLLIN)

I hereby certify that this instrument was FILED in the File Number Sequence on the date and the time stamped hereon by me; and was duly RECORDED, in the Official Public Records of Real Property of Collin County, Texas on

MAR 2 1 2001

Helen Starnes

Filed for Record in:
Collin County, McKinney TX
Honorable Helen Starnes
Collin County Clerk

On Mar 21 2001
At 10:13am

Doc/Num : 2001- 0029408

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