NOTICE OF CONFIDENTIALITY RIGHTS: IF YOU ARE A NATURAL PERSON, YOU MAY REMOVE OR STRIKE ANY OR ALL OF THE FOLLOWING INFORMATION FROM ANY INSTRUMENT THAT TRANSFERS AN INTEREST IN REAL PROPERTY BEFORE IT IS FILED FOR RECORD IN THE PUBLIC RECORDS: YOUR SOCIAL SECURITY NUMBER OR YOUR DRIVER'S LICENSE NUMBER.

After recording, return to:
BOYARMILLER
Kirby Grove
2925 Richmond Ave., 14th Floor
Houston, Texas 77098
Attn: Hilary Tyson, Esq.

STATE OF TEXAS §
§ **KNOW ALL PERSONS BY THESE PRESENTS:**
COUNTY OF DALLAS §

MASTER DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS FOR LEGENDS CROSSING

This Master Declaration of Covenants, Conditions and Restrictions for Legends Crossing (this "**Declaration**") is executed effective as of May 1, 2020, by MM LEGENDS CROSSING, LLC, a Texas limited liability company (the "**Declarant**"). Declarant owns the real property described on **Exhibit A** of this Declaration, together with the improvements thereon (the "**Property**").

Declarant desires to establish a general plan of development for the planned community developed within the Property to be known as "Legends Crossing" (the "**Subdivision**") which is to consist of Residential Lots consisting of Villas, Bungalow, and Townhome Lots, to be governed by the Association (as hereinafter defined). Declarant also desires to provide a reasonable and flexible procedure by which Declarant may expand the Property to include additional real property, and to maintain certain development rights that are essential for the successful completion and marketing of the Property.

Declarant further desires to provide for the preservation, administration, and maintenance of portions of Subdivision, and to protect the value, desirability, and attractiveness of the Property therein. As an integral part of the development plan, Declarant deems it advisable to create the Association to perform these functions and activities more fully described in this Declaration and the other documents described below.

Declarant DECLARES that the Property, and any additional property made subject to this Declaration by recording one or more amendments of or supplements to this Declaration, will be owned, held, transferred, sold, conveyed, leased, occupied, used, insured, and encumbered subject to the terms, covenants, conditions, restrictions, and easements of this Declaration (the "**Covenants**"), which run with the real property and bind all Parties having or acquiring any right,

title, or interest in any part of the property, their heirs, successors, and assigns, and inure to the benefit of each Owner of any part of the Property.

ARTICLE 1

DEFINITIONS

1.1 Definitions. The terms set forth below shall have the indicated meanings when used in this Declaration; other terms are defined elsewhere herein and shall have the meaning given to them in this Declaration.

"**Architectural Control Committee**" or "**Committee**" or "**ACC**" shall be used interchangeably throughout this Declaration and shall have the meaning assigned to such term or terms in Section 7.1 hereof.

"**Architectural Approval**" shall have the meaning assigned to such term in Section 7.3 hereof. All architectural approvals during the Declarant Control Period and until such time as a Board of Directors consisting of all Class A Members is elected, the Declarant's Architectural Review Committee shall have sole review rights. Declarant appointed Members of the Review Committee need not be Owners or Members. Declarant may appoint and remove Members of the Review Committee at any time and from time to time, at its sole discretion. During the development period and so long as a Builder owns a Lot and will be constructing a dwelling on that Lot for the purpose of sale, the Declarant or its Review Committee shall retain all review rights for new construction homes.

"**Association**" shall mean and refer to Legends Crossing Master Homeowner's Association, Inc.

"**Attached Dwelling**" shall mean and refer to any dwelling constructed on a Townhome Lot as a single-family attached townhome.

"**Board of Directors**" or "**Board**" means the board of directors of the Association. From and after the date on which Declarant no longer has the right to appoint members to the Board, at least one (1) director on the Board shall be elected by a vote of the Board of the Sub-Association (the "**Townhome Director**"). Should no Member of the Sub-Association show an interest or submit for candidacy, the Association shall proceed with elections based on the candidates available.

"**City**" means the City of Irving, Texas, in which the Property is located.

"**City Zoning Ordinance(s)**" means any applicable zoning or use restrictions or ordinances, as the same may be modified, amended, or supplemented from time to time, promulgated by the City and applicable to the Properties.

"**Community-Wide Standard**" shall mean the standard of conduct, maintenance and appearance, including landscaping, generally prevailing throughout the Property or the minimum standards established pursuant to the Design Guidelines, Rules and Board resolutions, whichever is the highest standard. Declarant initially shall establish such standard. The Association, through its Board, shall ensure that the Community-Wide Standard established by the Declaration for the Property shall continue after the termination or expiration of the Development period. ***The Community-Wide Standard may contain objective elements, such as specific lawn or house maintenance requirements, setback standards, location, and other such matters subject to the Board's or ACC's discretion. The Community-Wide Standard may or may not be in writing and is enforceable the same as any violation or non-compliance with the restrictions, rules, and regulations, of this Declaration, or any other document now existing or adopted at any time and from time to time, that shall govern the Association.*** The Community-Wide Standard may evolve as development progresses and as the Property changes. The Community-Wide Standard shall not fall below the level established for the Property as of the date the Development Period terminates or expires.

"**Declarant**" means MM Legends Crossing, LLC, a Texas limited liability company and its successors in interest to the Land through (i) a voluntary disposition of all (or substantially all) of the assets of such limited liability company and/or the voluntary disposition of all (or substantially all) of the right, title and interest of the limited liability company in and to the Land where such voluntary disposition of right, title and interest expressly provides for the transfer and assignment of the rights of such limited liability company as Declarant as provided in Section 12.6 hereof, or (ii) an involuntary disposition of all or any part of the Land owned by Declarant prior to completion of development of the Land as a residential community. No Person or entity purchasing one or more Lots from such limited liability company in the ordinary course of business shall be considered as "Declarant". The Declarant, during the Declarant Control Period retains for itself reservations and representations containing certain rights and authorities designed to allow for the smooth and orderly buildout of the development. During the Declarant Control Period, powers of the Board may be limited by the Declarant and certain rights of the Declarant to undertake certain actions do not require the consent or joinder of the Board or any Member.

"**Design Guidelines**" shall have the meaning assigned to such term in Section 7.2 hereof.

"**Detached Dwelling**" shall mean and refer to any detached dwelling constructed on a Lot. Legends Crossing sub-division shall consist of Villas and Bungalow style detached homes.

"**Development Period**" means the period of time commencing on the date of this Declaration and continuing through and including the earlier of (i) the date on which Declarant no longer owns **any portion** of the Property, or (ii) the date which is twenty (20) years after recordation of this Declaration in the Official Public Records of Dallas County, Texas, or (iii) the date of recording in the Official Public Records of Dallas County, Texas, of a notice signed by the Declarant terminating the Development Period.

"**Dwelling**" means the improvement located on each Lot that is designed to be or appropriate for use as a single-family residence, together with any garage incorporated therein, whether or not such residence is actually occupied. Dwelling shall include "Villas" (herein so called) constructed on a Villa Lot, "Townhomes" (herein so called) constructed on a Townhome Lot, and "Bungalows" (herein so called) constructed on a Bungalow Lot.

"**Land**" means the real property in Dallas County, Texas, described on **Exhibit A**, attached hereto and incorporated herein, and such other real property as may be made subject to the terms of the Declaration in accordance with the provisions hereof.

"**Lot**" means a residential lot shown as such on the Plat and which is intended to be improved with a dwelling. Some portions of the Master Common Area may be platted as one or more "lots" on the Plat, however, such Master Common Area lots are expressly excluded from the definition of "Lot" as used herein such Lots being designated for use as a Common Area only. The Lots include Villa Lots with a general Lot width and depth of 40' by 100', and Bungalow Lots with a general Lot width and depth of 39' by 63' and Townhome Lots with a general Lot width and depth of 21' by 81'..

"**Managing Agent**" means any individual, corporation, limited liability company, partnership or other entity of any kind or type whatsoever who has been engaged and designated by the Declarant or Board to manage the daily affairs and operations of the Association. The Declarant may enter into a contract with a Managing Agent during the Declarant Control Period to oversee the daily affairs and operation of the Association and other duties as may be assigned. Any contract entered into by the Declarant during the Declarant Control Period may not be terminated without the express written consent of the Declarant.

"**Master Common Area(s)**" means any common areas located in the Property to serve and benefit all Owners of Lots within the Subdivision and all Members of the Association, and which are to be dedicated and/or conveyed as Common Areas to the Association to be maintained by the Association. The Declarant shall at all times have and retain the right, but without obligation whatsoever, to effect minor redesigns or reconfigurations of the Master Common Area located on such Declarant's portion of the Property and to execute any open space declarations applicable to such Master Common Area which may be permitted in order to reduce property taxes, and to take whatever steps as may be appropriate to lawfully avoid or minimize the imposition of federal and state ad valorem and/or income taxes. All Master Common Area shall be maintained by the Association whether or not owned in fee by the Association.

"**Master Common Improvements**" means those improvements within the Master Common Area, together with such other improvements as may be made hereafter by the Association.

"**Member**" means an Owner who is a member of the Association. Membership in the Association is mandatory. Owners may not opt out of Membership.

"**Neighborhood Common Areas**" means any common area located in a Phase to serve and benefit all Owners of Lots made subject to the Sub-Declaration and all Members of the related Sub-Association with respect to such Phase, and which are to be dedicated and/or conveyed to such Sub-Association to be maintained by such Sub-Association pursuant to the terms of the Sub-Declaration. Notwithstanding anything to the contrary contained herein, any alleys, roads, or streets that are not publicly dedicated and accepted by the City for maintenance purposes within a Phase shall be Neighborhood Common Areas of such Phase the maintenance of which may be assigned to the Sub-Association.

"**Owner**" shall mean and refer to every person or entity who is a record owner of a fee or undivided fee interest in any Lot, including contract sellers. If a Lot is owned in undivided interests by more than one person or entity, each owner shall be an Owner for purposes of this Declaration. A person or entity that owns only a lien or other similar interest in a Lot as security for performance of an obligation is not an Owner with respect to that Lot.

"**Person**" shall mean and refer to any individual, partnership, corporation, limited liability company, trust or other entity.

"**Phase**" or "**Phases**" shall mean and refer generally to any portion of the Property separately platted and intended for development pursuant to a Plat thereof.

"**Planned Development Ordinance**" shall mean City of Irving Ordinance No. 1144 establishing S-P-2 Zoning / Building standards as approved under Zoning Case No. ZC18-0030, passed by the City Council on June 28, 2018, granting a change in the zoning of the Land to allow for the development contemplated by this Declaration, and any ordinance that may hereafter be adopted by the City Council of the City with respect to any addition to the Land, as such ordinance or ordinances may from time to time hereafter be modified, amended or superseded. City of Irving Ordinance No. 1144 establishes use for R-6 and R-TH uses subject to those requirements and conditions found in the above-mentioned Ordinance.

"**Plat**" means (i) initially, the preliminary plat, and thereafter the final plat, for any Phase or other portion of the Property submitted to and approved by the City, or any other applicable governmental entity; (ii) after recordation thereof, the final Plat for any Phase or other portion of the Property as recorded in the Official Public Records of Dallas County, Texas; and, (iii) any replat of, or amendment to, the foregoing made by the Declarant, the Sub-Declarant, the Owners or the Association in accordance with this Declaration and the applicable requirements of the City or other applicable governmental authority. The term "Plat" shall also include the final recorded plat of any additional property annexed into the Property pursuant to the terms of this Declaration. Dedications by Plat may have the same or greater authority regarding certain maintenance and ownership rights whether or not such dedications are included in this Declaration or any amendment thereto.

"**Property**" means the Land and all improvements thereto, whether now existing or hereafter placed thereon.

"**Sub-Association**" means the Property Owners Association created to administer the Townhome Lots pursuant to the terms of a Sub-Declaration. The formation of the Sub-Association must be approved in advance and in writing by the Declarant during the Development Period. During the Development period the Sub-Association shall be required to obtain written permission from the Declarant and thereafter, the Board before performing certain actions, such as, but not limited to, terminating contract for the Managing Agent or certain other contracts essential for the upkeep and overall aesthetic appearance of the area.

"**Sub-Declarant**" means the "Declarant" pursuant to the Sub-Declaration, and may include Declarant.

"**Sub-Declaration**" means a subordinate declaration of covenants pertaining to the Townhome Lots which provides for the creation of the Sub-Association and assessments to be levied by the Sub-Association to discharge costs and expenses anticipated to be incurred by the Sub-Association. The Sub-Declaration must be approved in advance and in writing by the Declarant during the Development Period. The Sub-Association may not amend the subordinate declaration during the Development period without the written approval of the Declarant and thereafter, by written approval of the Board of Directors of the Master Association. The Sub-Association may not terminate or discharge any vendor or Agent during the Development Period without the express written consent of the Declarant.

"**Townhome Building**" shall refer to a building containing two (2) or more Attached Dwellings that (i) is located on two (2) or more adjacent Townhome Lots, and (ii) has one (1) or more party walls separating the Attached Dwellings comprising such building.

"**Townhome Lots**" shall mean and refer to a Lot as shown on the Plat and which is to be improved with an Attached Dwelling.

"Valley Ranch Declaration" – shall mean and refer to that certain Master Declaration of Covenants, Conditions and Restrictions for The Valley Ranch executed as of September 30, 1983, and recorded in Volume 83196, Page 0748, of the Deed Records of Dallas County, Texas, as modified, supplemented and/or amended now or hereafter from time to time.

1.2 Establishment of the Sub-Declaration and Creation of the Sub-Association.

(a) The Sub-Declarant, may (but is in no way obligated to) establish the Sub-Declaration and the Sub-Association for a portion of the Property by recordation of such Sub-Declaration in the Official Public Records of Dallas County, Texas. The creation of the Sub-Association and establishment of the Sub-Declaration will not modify any obligations, limitations, rights, benefits or burdens established by this Declaration, except as may otherwise be expressly provided herein. The Sub-Declaration, as approved by Declarant and/or the Board, may provide for the performance of certain rights and/or obligations of the Declarant and/or the Association by the Sub-Declarant named in such Sub-Declaration or the Sub-Association. To ensure the smooth and orderly buildout of the development, it is to be understood that during the Declarant and Development period the Declarant retains and may exercise at its sole discretion, certain authorities which may not be amended, deleted, rescinded, or vetoed by any Owner without Declarant's written

approval. Declarant's rights shall include its ability to allow Builders certain privileges for the purpose of constructing model homes and transacting business for the purpose of home sales to include open house, neighborhood events, and extending construction hours during seasons when the days allow for longer work days. This rule applies to the Master Association as well as any Sub-Association and is absolute in its authority so long as the Development period continues and there are Lots owned by Builders who are constructing a home for the purpose of resale.

(b) The terms and provisions of the Sub-Declaration and/or governing documents of the Sub-Association, together with any modifications, supplements and/or amendments thereto, are subject to the review and approval of the Declarant in advance and in writing during the Development Period, and thereafter by the Board with Declarant's approval for as long as Declarant owns any portion of the Property, which approval of Declarant and/or the Board may be withheld in the Declarant's or Board's, as applicable, sole and absolute discretion. The Sub-Declaration (and/or any modifications, supplements and/or amendments thereto that conflict with the terms of this Declaration), filed in the Official Public Records of Dallas County, Texas, against all or any portion of the Property which has not been approved by Declarant or the Board, as evidenced by Declarant and/or an officer of the Association indicating Board approval of such Sub Declaration, as applicable, shall be void and of no force or effect.

(c) The Sub-Declaration may provide that the Sub-Association created by the Sub-Declaration and/or the Owners of Dwellings provide maintenance to the Townhome Lots and Dwellings thereon.

ARTICLE 2

PROPERTY SUBJECT TO THE DECLARATION

2.1 Initial Properties. The properties that shall initially be subject to this Declaration shall include the Land and all improvements now or hereafter constructed thereon.

2.2 Addition to Properties. Additional land may from time to time be made subject to this Declaration during the Development Period. The addition of any such additional land (referred to as "**Adjacent Land**") to this Declaration may be accomplished by the recordation in the Official Public Records of Dallas County, Texas, of a Supplementary Declaration, signed by Declarant and the owner of such Adjacent Land, which shall extend the scheme of this Declaration to such Adjacent Land, automatically extending the jurisdiction, functions, rights, and duties of Declarant, the Association (including membership therein) and the Architectural Control Committee to the Adjacent Land. In connection with the addition of any such Adjacent Land to this Declaration, Declarant shall have the right to extend then existing streets and other right-of-way's located on the Land to, through or across such Adjacent Land and to take any other actions which Declarant, in its sole discretion, deems advisable in order to connect such Adjacent Land to any of the Land or otherwise establish or maintain a link between them. If Declarant is not a Member immediately prior to the recordation of a Supplementary Declaration, then upon

the recordation of such Supplementary Declaration, Declarant shall become a Class C Member. No consent or approval of the Association or of any Owner shall be required in order to extend the scheme of this Declaration to any Adjacent Land or for Declarant to take any of the actions authorized by this Section. If any Adjacent Land is made subject to this Declaration, then, without the necessity of any further action, such Adjacent Land shall be included within the definition of the Land, and all other terms of this Declaration shall be modified as necessary to extend the coverage of this Declaration to the Adjacent Land. In any such Supplementary Declaration, Declarant and the owner of such Adjacent Land shall have the authority to make any amendments to this Declaration as Declarant and such owner deem advisable in connection with the addition of the Adjacent Land to this Declaration, without the joinder or consent of the Association or of any Owner. Notwithstanding anything to the contrary contained herein, until expiration of the Development Period, this Section 2.2 may not be modified or amended without the express written consent of Declarant.

ARTICLE 3

USE OF PROPERTY AND LOTS - PROTECTIVE COVENANTS

The Property and each Lot situated thereon shall be constructed, developed, occupied and used as follows:

3.1 Residential Purposes. Each Lot (including land and improvements) shall be used and occupied for single family residential purposes only, as such use is defined in accordance with the ordinances of the City from time to time in effect. Under no circumstance shall a residence, whether single family or townhome, be advertised, used, or made available for short-term rentals, VRBO's, Airband's, Vacation Rentals, or House Swapping. Homes may be leased for a period of not less than one (1) year and shall be subject to leasing rules and regulations which may be adopted by the Declarant or the Board of Directors by way of Resolution at any time and from time to time, as deemed necessary. Such rules shall be subject to amendment by the Declarant or the Board at any time and shall not require the consent or joinder of the Members.

3.2 Re-platting. No Lot shall be re-subdivided; provided, however, that Declarant shall have and reserves the right, at any time, or from time to time, to file a replat of the Plat or a portion thereof to effect a reconfiguration of any Lots in the Property then owned by Declarant, and subject to obtaining any necessary approval, joinder or consent of the appropriate county and/or municipal authorities. The consent or approval of Owners other than Declarant shall not be required for such re-platting.

3.3 Combining Lots. Any person owning two or more adjoining Lots may consolidate such Lots into a single building location for the purpose of constructing one (1) Dwelling thereon (the plans and specifications therefor being approved as set forth in this Declaration) and such other improvements as are permitted herein; provided, however, any such consolidation must comply with the rules, ordinances and regulations of any governmental authority having jurisdiction over the Property and must receive the prior written permission of the Declarant, during the Development Period, and thereafter written consent of the ACC. In the event of any such consolidation, the consolidated Lots shall be

deemed to be a single Lot for purposes of applying the provisions of this Declaration; ***provided, however, such Owner shall continue to pay assessments on such Lots as if such Lots had not been consolidated and shall be entitled to one vote for each Lot (determined prior to such consolidation) owned by such Owner***. Any such consolidation shall give consideration to easements as shown and provided for on the Plat and any required abandonment or relocation of any such easements shall require the prior written approval of Declarant, during the Development Period, or the Architectural Control Committee, (the "ACC"), thereafter, as well as the prior written approval of any utility company having the right to the use of such easements.

3.4 Drainage.

(a) Neither the Declarant nor its successors or assigns, shall be liable for, and each Owner hereby waives any right of recovery against Declarant, its successors and assigns for any loss of, use of, or damage done to, any shrubbery, trees, flowers, improvements, fences, sidewalks, driveways, or buildings of any type or the contents thereof on any Lot caused by any water levels, rising waters, or drainage waters.

(b) After completion of building construction on a Lot, the Owner of such Lot shall cause or shall be responsible for ensuring Lot is graded so that surface water will flow to streets, alleys, drainage easements, or Master Common Area. Such grading shall be in conformity with the general drainage plans for the Subdivision approved by the City. It shall be the responsibility of each Owner to maintain or modify, if necessary, the drainage characteristics of its Lot (i) with respect to any Lot on which Detached Dwellings are constructed, so that storm water runoff from such Lot will not run across or collect upon any adjacent Lot, and (ii) with respect to any Lot on which an Attached Dwelling is located, so that the Owners of Attached Dwellings within the same Townhome Building do not allow storm water run-off from the Lots on which such structure is located to run across or collect upon any adjacent Lot not including such structure, it being specifically acknowledged that cross Lot drainage shall be permitted between Lots on which Attached Dwellings which are part of the same Townhome Building are located. If a retaining wall or underground drainage improvements are necessary to control and prevent drainage from one Lot onto an adjacent Lot, it shall be the responsibility of the Owner of the Lot having the higher surface elevation to construct and maintain the retaining wall or underground drainage improvements, which shall be subject to the approval of the ACC. The ACC, when reviewing requests for modification may also take into account whether the construction or installation of any improvement or addition to the Lot or home may somehow create an obstruction to or block the established drainage flow on a Lot or any act of construction or installation, whether temporary or permanent, that may alter established drainage flows. The ACC may, at its sole discretion, require additional drawings or diagrams or reports proving drainage will not be affected or may, at its sole discretion, require additional setback requirements from an Owner, require gutters and downspouts, the installation of a french or short drain(s), and may limit the size, height, layout, and location of any structure or item to be constructed or installed. Failure of an Owner to comply with any reasonable request of the ACC shall constitute an immediate denial.

3.5 Dirt Removal. The digging of dirt or the removal of any dirt from any Lot is prohibited, except as necessary in conjunction with landscaping or construction of improvements thereon. Any street cleaning the Association is required to do as a direct result of such dirt removal shall be billed back to the Owner of the Home or the Contractor responsible.

3.6 Utilities. All utilities shall be installed underground. Each residence situated on a Lot shall be connected to the water and sewer lines as soon as practicable. No individual water supply system shall be permitted on any Lot. No privy, cesspool, or septic tank shall be placed or maintained upon or in any Lot. However, portable toilets will be allowed during building construction. The installation and use of any propane, butane, liquid petroleum gas or other gas tank, bottle or cylinder of any type (except portable gas grills) shall require the explicit, itemized approval of the ACC, and, if so approved, the Architectural Control Committee may require that such tank, bottle or cylinder be installed underground. Any control boxes, valves, connection, utility risers or refilling or refueling devices shall be completely landscaped with shrubbery so as to obscure their visibility from the streets within or adjoining the Property or from any other Lot or the Master Common Area.

3.7 Setback Requirements, Building Location, and Other Construction Requirements. All front, side, and rear setbacks must be approved by the ACC and must meet the requirements of the Design Guidelines, Plat and the Planned Development Ordinance. Notwithstanding, the Builder shall be one-hundred percent (100%) responsible for ensuring required setbacks are met during the construction process. The location of the main residence on each Lot and the facing of the main elevation with respect to nearby streets shall be subject to the approval of the ACC, notwithstanding, the Builder shall be one-hundred percent (100%) responsible for ensuring location of the main residence on each Lot faces the main elevation with respect to nearby streets. All construction requirements, setbacks, minimum lot width and depth, maximum stories, as well as proper use and installation of building façade materials, fencing and lighting shall be the responsibility of the Builder during the construction process. All yard, lot coverage and minimum building separation requirements of the Planned Development Ordinance must be respected and upheld.

3.8 Minimum Floor Space. Each Dwelling constructed on any Lot shall contain a minimum amount of square feet of floor area to meet the applicable requirements, if any, of the Design Guidelines and the Planned Development Ordinance. No Townhome Lot shall contain less than 1,500 square feet of living space. Villas shall contain not less than 1,600 square feet of living space and Bungalows shall contain not less than 1,300 square feet of living space without the express written consent of the ACC.

3.9 Height. No Dwelling or other building on any Townhome Lot shall have a height in excess of thirty-five feet (35') and shall be limited to maximum of two (2) stories. No Dwelling or other building on any Bungalow Lot shall have a height in excess of thirty feet (30') and shall be limited to no more than two (2) stories. No Dwelling or other building on any Villa Lot shall have a height in excess of thirty-five feet (35') and shall be limited to no more than two (2) stories. No Dwelling or other building on any Lot shall exceed the maximum height and stories permitted by the Planned Development Ordinance.

3.10 Construction Requirements. All construction on any Lot shall meet the requirements of the Design Guidelines and the Planned Development Ordinance and shall be subject to the explicit, itemized approval of the ACC in accordance with this Declaration.

3.11 Garages. Each Dwelling erected on any Lot shall provide garage space that contains a minimum of 400 square feet and that measures twenty feet (20') deep, unless some greater number is required by the City or under the terms of the Planned Development Ordinance. All garages must comply with any and all setback requirements set forth in the Design Guidelines, Plat and the Planned Development Ordinance. Garage doors shall be closed at all times when not in use. All garage doors must be of material, design and color per the Design Guidelines and as approved by the ACC. Porte cocheres must be approved by the ACC. No carport shall be built, placed, constructed or reconstructed on any Lot. As used herein, the term "carport" shall not be deemed to include a porte cochere. No garage shall ever be changed, altered, reconstructed or otherwise converted for any purposes inconsistent with the garaging of automobiles.

3.12 Antennae and Satellite Dishes. 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 Architectural Control Committee shall be empowered to adopt rules governing the types of antennae, satellite dishes and similar devices that are permissible hereunder and establishing reasonable, non-discriminatory restrictions relating to safety, location, installation, removal and maintenance of antennae. An antenna, dish or similar device permissible pursuant to rules of the Architectural Control Committee may only be installed within the area on each Lot that is not visible from the street, the adjoining Lots, Neighborhood Common Area, or the Master Common Area and that is integrated with the Dwelling and surrounding landscape. Antennae, dishes and similar devices must be installed in compliance with all state and local laws and regulations, including zoning, land-use, and building regulations.

3.13 Fences. All fences shall comply with the restrictions and construction requirements found in the Design Guidelines. Fencing on the north-west corner of the development or any portion of the development backing commercial property shall be masonry fencing of a type and style to be determined by the Declarant. All service and sanitation facilities, wood piles, and air conditioning equipment must be enclosed within fences, walls or landscaping so as not to be visible from the immediate residential street, adjoining Lots, Neighborhood Common Area, or the Master Common Area. All service and sanitation facilities, wood piles, and air conditioning equipment must be enclosed within fences, walls or landscaping so as not to be visible from the immediate residential street, adjoining Lots, Neighborhood Common Area, or the Master Common Area.

3.14 Reserved

3.15 Retaining Walls. The design and materials for all retaining walls shall be limited to those designs and materials installed by the Declarant or as may be described in the Design Guidelines. Any wall installed by any person other than Declarant must have the explicit, itemized approval of the ACC for each particular retaining wall. **Retaining walls or approved landscape edging must be installed in areas of Lots where a slope or other grading attributes results in or causes erosion.** After the installation of retaining walls the maintenance and repair of walls shall be that of the Owner or the Association as set forth in this Declaration or by Plat.

3.16 Landscaping. Any and all plans for the landscaping of front yards and of side yards not enclosed by solid fencing, including alterations, changes or additions thereto, shall be subject to the approval of the ACC and shall comply with the requirements listed in the Design Guidelines. Lots shall further be landscaped and maintained as necessary to comply with the landscaping requirements of the Planned Development Ordinance. Subject to weather delay, each Lot shall be fully landscaped within sixty (60) days from the date on which the residence thereon is "substantially complete"; as such term is defined in Section 3.25.

3.17 Trash Receptacles and Collection; Trash Screening. Each Lot Owner shall make or cause to be made appropriate arrangements with the City for collection and removal of garbage and trash on a regular basis. Each and every Owner shall observe and comply with any and all regulations or requirements promulgated by the City and/or the Association in connection with the storage and removal of trash and garbage. All trash, garbage, or waste matter shall be kept in tightly sealed bags and deposited within an approved garbage container(s) that shall be maintained in a clean and sanitary condition. An Owner may place trash container on the street curb or access easement only after 6:00 p.m. on the evening before those days designated by the City as trash collection days. On all other days, an Owner must keep all trash, garbage and other waste material hidden from public view or screened from view of the street and any adjacent Lot, Neighborhood Common Area, or Master Common Area.

The construction or installation of concrete pads for trash cans requires prior written consent of the ACC and such approval may be considered on a case by case basis taking into consideration the close proximity of homes to one another as well as other factors such as slopes to the Lot, available location, as well as any other consideration. Allowance of a concrete pad shall be at the sole discretion of the ACC and shall require either a live or fence screening as approved by the ACC. The ACC may require proof of written permit or approval from the City prior to approving a concrete pad or any modification. No Lot shall be used for open storage of any materials whatsoever, except that building materials to be used in the construction of improvements erected on any Lot may be placed upon such Lot at the time construction is commenced and may be maintained thereon through completion of construction. Lots shall be kept clean and free of all debris, including pet feces, at all times. No garbage, trash, debris, or other waste matter of any kind shall be burned on any Lot. No Lot or area within the development may be used as a dumping ground. Any Owner or Builder

found dumping dirt or debris onto another Lot or anywhere within the development shall be subject to monetary fines.

3.18 Mailboxes. Mailboxes for Lots shall be cluster mailboxes which shall be installed during the development process. The design and location of cluster mailboxes is at the sole discretion of the Developer and shall conform to any applicable requirements of the City, the United States Postal Service or other applicable governmental authority. Generally, the Association will not be responsible for the issuing or replacement of mailbox keys. Owners should ensure they are issued a mailbox key by the time the closing on the home finalized. Owners purchasing a home as a resale from another Owner are responsible for receiving the key from the seller. In the event that any cluster mailbox installed in the Subdivision requires maintenance, replacement or repairs, such maintenance, replacement and/or repairs shall be performed by the Association and the costs and expenses incurred by the Association in connection therewith shall be charged on a pro rata basis (based on the total number of mailbox units within such cluster mailbox) as a special individual assessment to the Owners with mailbox units within the cluster mailbox that has been maintained, repaired and/or replaced. Such special individual assessment charged under this Section 3.18 shall be due and payable within thirty (30) days after invoicing therefor.

3.19 Parking. City of Irving Planned Development Ordinance requires a number of visitor spaces for each Lot type. The Developer, in conjunction with City requirements, shall ensure the number of visitor parking spaces required are constructed. As for parking spaces for individual Lots, each dwelling must provide at least two (2) spaces inside and two (2) spaces outside a garage. On-street parking shall generally be restricted to approved deliveries, pick-up or short-term guests and short-term invitees and shall be subject to such reasonable rules and regulations as shall be adopted by the Board of Directors. Parking in a driveway is permitted so long as the vehicle is moved at least every three (3) days and is licensed and operable at all times. There shall be no parking in any manner that blocks access to any alley. Each Owner shall additionally comply with any parking requirements contained in the Planned Development Ordinance. Parking rules and restrictions will be strictly enforced. Towing when allowed by applicable city and/or county ordinance will be enforced against non-operational vehicles and vehicles in violation of the Declaration. The Declarant, during the Declarant Control Period, and thereafter the Board of Directors shall determine at their sole discretion when and under what circumstances towing may be enforced. Parking allowances and rules for Villas may vary from parking rules for Bungalows and Townhomes. The Board may, by Resolution, when deemed necessary and appropriate, create, amend, supplement, or withdraw parking and towing rules affecting any portion of the development.

3.20 Temporary / Permanent Structures and Vehicles. No structure of any kind, temporary or permanent, shall be erected or placed upon any Lot without the prior written approval of the ACC notwithstanding, dog houses and some small low-lying greenhouses may be erected so long as the structure or any vegetation are not visible over the fence at any time and for those homes without fencing, such structures may be allowed only if placed directly behind the home in order to limit or prevent visibility from the street or the front of the home. All structures are subject to the terms of Section 3.27 and size, height and placement limitations for structures will apply. Generally, structures may not be visible from any front or side street, Neighborhood Common Area, or the Master Common Area, without

the express written permission of the Architectural Control Committee. Children's playsets, as a general rule, will not be allowed to extend more than two feet (2') over the top of the fence line and due to the limited size of some Lots, larger playsets or other play equipment may be restricted or denied. No trailer, mobile, modular or prefabricated home, tent, shack, barn or any other structure or building, other than the residence to be built thereon, shall be placed on any Lot. Any commercial vehicle, truck, bus, boat, boat trailer, trailer, mobile home, camp mobile, camper or any other vehicle other than conventional automobiles shall, if brought within the Property, be stored and parked within the garage of the appropriate Owner and concealed from view. This rule will be strictly enforced and Owners violating this rule shall be subject to monetary fines for every day any non-complying, restricted vehicle, trailer, or craft of any kind remains parked on the street or in the driveway. Towing shall be an avenue by which the Association may address and enforce restrictions outlined in this Section and elsewhere in this Declaration.

Declarant reserves the exclusive right to erect, place and maintain, and may in its sole discretion, permit builders to erect, place and maintain, such construction, sale and presale facilities and construction trailers upon the Property as may be necessary or convenient in connection with construction, development and sale activities. Any provisions or variance provided by the Declarant to a Builder may not be revoked by the Board or the ACC after the Declarant Control Period. Such facilities may include, without limitation, temporary construction or sales offices, storage areas and portable toilet facilities. Declarant and builders shall also have the temporary right to use a residence situated on a Lot as an office or model home in connection with construction and sales operations on the Property. Declarant and Builders shall retain certain rights and privileges which may not be challenged or revoked.

3.21 In order to ensure the timely and orderly buildout of the development, at no time shall the Board of Directors or an Owner interfere with a Builder's right to construct on its Lot. Builders shall keep Lots clean and use commercial grade waste bins to hold all construction debris and trash. Builders shall not allow contractors to throw trash and debris on the ground anywhere within the development and shall ensure that all equipment and construction related tools and items stay enclosed inside sealed containers or within a locked dwelling. The Declarant or the Association shall not be responsible for any item lost or stolen. Construction times shall be kept reasonable and only the Declarant or the ACC shall have the right to set, change, or extend construction hours and days. The ACC may work with the Builders regarding certain design, construction, and compliance matters notwithstanding, nothing shall prevent Builders from performing construction on their Lots so long as the Builder follows all rules and regulations of the Design Guidelines and the Declaration.

All requests from Builders for variances or considerations of any kind shall be heard and determined by the Declarant for so long as Declarant's review rights for new construction according to this Declaration remain in effect. An ACC consisting of Class A Members may not review Builder's plans for new construction so long as the Declarant or Development Periods remain in effect. If, after written request to a Builder to clean up a Lot or to hire street cleaners to clean mud and debris in street(s) resulting from construction taking place on a Lot or Lots or from construction and contractors vehicles traveling back

and forth, to and from a construction site, the Association shall have the right to hire and dispatch vendors to perform the work and the cost thereof shall be due and payable by the Builder(or Builders if more than one Builder is constructing in the same vicinity) upon receipt of a statement from the Association. Should Builder(s) fail to pay the amounts due the amount(s) owed shall be noted on the resale and collected at closing of the Lot or Lots in question.

3.22 Signs. No signs or flags shall be displayed to the public view on any Lot without the explicit, itemized approval of the ACC, with the following exceptions:

(a) Declarant and builders may erect and maintain a sign or signs and banners for the construction, development, operation, promotion and sale of the Lots;

(b) Each Owner may post one (1) professional, ground-mounted security sign of not more than one (1) square foot in size.

(c) Each Owner may display up to two (2) flags not exceeding 4' x 6' in size on or at a Dwelling, which flags may include the United States flag(s), Texas state flag(s) or other state flag(s), an official or replica flag of any branch of the United States armed forces, seasonal flags (displayed no more than three (3) months during the then applicable season), flags in support of college or other athletic teams, or any other banners or flags otherwise consistent with the covenants, conditions and restrictions contained in this Declaration;

(d) One (1) sign for each candidate and/or ballot item on advertising such political candidate(s) or ballot item(s) for an election shall be permitted in accordance with Section 202.009 of the Texas Property Code, provided that:

(i) such signs may not be displayed (A) prior to the date which is ninety (90) days before the date of the election to which the sign relates, and (B) after the date which is ten (10) days after that election date;

(ii) such signs must be ground-mounted; and

(iii) such signs shall in no event (A) contain roofing material, siding, paving materials, flora, one or more balloons or lights, or any other similar building, landscaping, or nonstandard decorative component, (B) be attached in any way to plant material, a traffic control device, a light, a trailer, a vehicle, or any other existing structure or object, (C) include the painting of architectural surfaces, (D) threaten the public health or safety, (E) be larger than four feet (4') by six feet (6'), (F) violate a law, (G) contain language, graphics, or any display that would be offensive to the ordinary person, as determined by the Association in its sole discretion, or (H) be accompanied by music or other sounds or by streamers or is otherwise distracting to motorists; and

(e) an Owner may erect a sign, which complies with standards established from time to time by the ACC, in order to advertise its Lot for sale or

lease. Such signs and the placement of signs may be limited or restricted during the Development Period.

Any signage must further comply with applicable provisions of the Planned Development Ordinance. No signage may be placed by an Owner within the public right-of-way or upon any Common Area.

3.23 Offensive Activities. No noxious or offensive activity shall be conducted on any Lot nor shall anything be done thereon which is or may become an annoyance or nuisance to the other Owners which shall include, but is not limited to, firework usage which is strictly prohibited. No animals, livestock, poultry, rodents of any kind shall be raised, bred or kept on any Lot, except that dogs (other than pit bull dogs, pit terriers or any animal that by nature or training has or displays vicious or aggressive tendencies). Any such animal will be reported to the local authorities and removal of the animal will be required. Cats or other household pets (not exceeding three (3) adult animals at any time) may be kept, provided that they are not kept, bred or maintained for commercial purposes. Excessive barking, howling, or other noises or nuisances from animals is prohibited. Owners must ensure their animals do not disturb their neighbors or surrounding homes and must pick up after their animals at all times. Dogs must be on a leash at any time the animal is outside the confines of the home or a fenced yard. Complaints received in writing from Owners, including reports made via e-mail or by website submission, will be considered sufficient proof of violation and acted upon accordingly. Failure of any Owner to properly contain and/or restrain their animals will result in a fine for non-compliance which may be levied upon each violation notice issued after just one (1) initial notice of violation of not less than three (3) days to the Owner is given. The Board may levy fines in increments or as a one-time fine per violation in an amount not to exceed $1,000.00 per violation occurrence. Violations considered to be of a non-curable nature may require less notice and be subject to greater fines.

3.24 Drilling and Mining Operations. No oil drilling, water drilling or exploration or development operations, oil refining, quarrying or mining operations of any kind shall be permitted upon or in any Lot, nor shall oil wells, water wells, tanks, tunnels, mineral excavations or shafts be permitted upon or in any Lot. No derrick or other structure designed for use in boring for oil, natural gas or water shall be erected, maintained or permitted upon any Lot.

3.25 Duty of Construction. All construction on any Lot shall be completed no later than one (1) year following the commencement of construction. For the purposes of this Section, the term "commencement of construction" shall be deemed to mean the date on which the foundation forms are set. For purposes of this Section, construction shall be deemed completed when: all plumbing fixtures are installed and operational; all cabinet work is completed and installed; all interior walls, ceilings, and doors are completed and installed, floors have been completed (with hardwood, carpet, tile or other similar floor covering installed); and the appropriate final finish has been applied to all surfaces within the structure, such as paint, wallpaper, paneling, stain or the like. During construction, each Lot shall keep within such Lot or an adjacent Lot an enclosed weather-

proof container which retains construction debris that holds a minimum of four cubic yards of debris. Any Lot under construction involving concrete shall have a designated site for the dumping of excess material and equipment cleaning ("Concrete Wash-out Lot"). If the designated Concrete Wash-out Lot is not owned by the same Owner as the Lot under construction or renovation, then the permission of the Owner of the proposed Concrete Wash-out Lot shall be required. The Owner of a Lot will be held liable for any damage caused by such Owner, or such Owner's employees, agents, contractors, and subcontractors performing construction or renovation work on such Lot, and the cost of the correction or clean-up of any such damage may be assessed by the Association to such Owner and its Lot as a special individual assessment due and shall be secured by the Assessment Lien hereunder.

3.26 Express Plat Requirements. Owners and Builders are deemed to be aware of all provisions of the Plat.

3.27 Development Activity. Notwithstanding any other provision hereof, Declarant and any builder of any initial Dwellings and their respective successors and assigns shall be entitled to conduct on the Property all activities normally associated with and convenient to the development of the Property, the initial construction of the Master Common Improvements, and the initial construction and sale of Dwellings thereon. A builder of any initial Dwellings shall have the right to leave any gates located on the Property open during any times that construction activities are permitted, without liability to any person. In the absence of a construction gate for use, Owners are deemed to be aware of Builders and Contractors use of any access gate(s) available for the entry into and exiting the development.

3.28 Basketball Goals; Permanent and Portable. All basketball goals, whether permanent or portable, must be approved by written consent of the ACC prior to being placed on any Lot. Owners are deemed to be aware that the allowance of permanent or portable basketball goals may be contingent upon room for proper placement upon the Lot and may be considered by the ACC on a case by case basis. Neither permanent nor portable basketball goals are permitted in any street, street right of way, or within or in a manner that blocks a sidewalk. Neither permanent nor portable basketball goals are permitted to be placed in the grass area located between the front building line and street. Although storage of a basketball goal out of public view may not always be possible for some Lot Owners, storage or placement of any basketball goal, whether permanent or portable to be the least visible is preferred and the ACC may consider such placement and visibility factors when reviewing a request. Use of permanent or portable basketball goal in the front of any home is discouraged. All permanent and portable basketball goals must be kept in good repair at all times and may not use unsightly weights such as tires, sand bags, or rocks unless Owner can provide written proof from the manufacturer that such weights are the recommended means of weighing down the goal. Any basketball goal approved by the ACC must have a backboard made of transparent material with white regulation markings, net of white, cloth or nylon, or other similar materials (metal nets are not permitted), the rim shall be orange or painted to match the Dwelling, and the support bracket shall be metal and painted black or to match the Dwelling. The Owner must keep any permitted basketball goal in good

condition and repair and periodically replace the net and backboard, and repaint the poles or support bracket as needed. The ACC, at its sole discretion, may require any permanent or portable basketball goal to be a crank style goal which allows for quick and easy lowering of the goal when not in use.

3.29 Side or Rear Yard Structures. No temporary or permanent structures may be constructed or brought onto any Lot without the prior written consent and approval of the ACC, including, but not limited to, (i) children's playhouses, playsets, and other play equipment such as trampolines; (ii) large greenhouses; (iii) decks, pergolas or gazebos, free-standing or otherwise; (iv) fence arbors or arches; (v) pools, spas, swim spas, and other water features of any kind (above ground pools, swim spas, and other similar large above ground items are prohibited); (vi) outdoor kitchens; and (vii) any type of building (including storage building) regardless of its use or intent. Every Owner has a right to the reasonable use and enjoyment of their Lot to include the ability to install or place certain structures or improvements in or on their Lots however, consideration for surrounding Owners and the impact that structure or improvement may have upon the Owner's Lot and any surrounding Lots or Common Area is equally important and will be taken into consideration during every review process by the ACC.

The ACC has the right to impose additional restrictions or requirements when it is deemed necessary and/or appropriate. The failure or refusal of an Owner to comply with the ACC's conditions or requirements shall be grounds for immediate denial of the modification request. Any failure to comply with all conditions set forth in the written approval issued by the ACC may result in a request for the removal of any unauthorized item or structure or any construction of any item or structure that does not comply fully with the conditions provided in the written approval. Additionally, Owners failing to respect and comply with the conditions set forth in a written approval issued by the ACC shall also be subject to a monetary fine up to $500.00 per day for every day the item or structure remains. From time to time, when deemed necessary or appropriate, the ACC may require an Owner to gain written consent of the adjoining Owner(s) prior to issuing an approval for modification and this particularly holds true for fence extensions or replacements, but is not limited to this type of modification alone. The ACC shall require the written consent of the Association or any adjoining Lot Owner when a modification to be performed would result in the need to enter another Owner's Lot or to encroach upon any Common Area or City Owned or Maintained property.

As a Community Wide Standard, all structures, whether permanent or temporary shall be placed to the back of the home in an effort to restrict or limit visibility. Structures, walkways, pavers, and other construction or items on the sides of the home, whether inside the fence or not, is discouraged. The ACC may consider placement when reviewing an application for modification and is not required to approve any structure or item requested for use or installation on the sides or in the front of the Lot or Home. Structures that exceed the height of the fence line shall be reviewed and approved on a case by case basis and shall be allowed at the sole discretion of the ACC.

3.30 Painting of Dwellings. Painting the exterior of all Dwellings shall occur often enough so that there is no cracked or peeling paint. The ACC may require Owners to repaint the entire Dwelling if any façade is twenty-five percent (25%) or more faded, mildewed, chipped or cracked. Written approval to re-paint the entire dwelling will be required notwithstanding, as long as the same color paint or a color that is within one shade lighter is used, prior approval of the ACC is not required when painting only trims, gutters, and other minor exterior portions of the home. If the Dwelling was not originally painted, the exterior is to be maintained sufficiently to appear as new.

3.31 Lawn and Landscape Maintenance. The Association shall be responsible for the landscape maintenance of Villas, Bungalows, and Townhome Lots for any portion of the lawn and landscape located in the front and at the side of each unit, as applicable. Owners may not change any landscaping in any area of the Lot where the Association provides maintenance. Notwithstanding, if the individual controls for irrigation are located within the Owner's individual unit, the Owner will be responsible to ensure proper watering of all lawn and landscape and any failure by Owner to ensure proper watering and as a result, there is a loss of lawn or landscape, the cost for removal and replacement will be a cost to the Owner levied by the Association as a Special Individual Assessment. The Association may rely upon a report from a licensed landscaper regarding cause of any loss of lawn or landscape. If the Owner notes any dead or dying landscape the Owner should report that to the Association or its Managing Agent right away. The Back yards of Villas, Bungalows and Townhomes shall be the responsibility of the Owner.

3.32 All sodded areas shall be mowed at least once per week during March through October, and as needed in the remaining months. Proper installation and maintenance of edging approved by the ACC must be installed around trees and plant beds, which may include continuous metal edging, brick or stone designed for contact with ground surfaces and installed to be one continuous wall with mortar, the brick or stone matching that of the main residence. Metal landscape edging is discouraged due to safety concerns and metal corrosion or rust. Landscape edging shall be installed in an attractive, professional and workmanlike manner. Trimming shrubbery and vegetation on a Lot at a frequency that will maintain an orderly and uniform appearance within the Subdivision is required. Removal of weeds, lawn clippings and leaves such that there are not excessive or noticeable in the yard areas is required. Weeds, lawn clippings and leaves as well as any other debris may never be blown or swept into the street or drain. Violation of this restriction may result in a fine of $500.00 per violation occurrence. Owners are responsible for ensuring their landscapers pick up and properly dispose of lawn clippings, weeds and leaves as needed.

At any time Owners are responsible for their own landscape and tree maintenance, tree pruning is required on a regular basis to keep trees well-maintained and healthy. Each Owner is required to maintain the trees located within such Owner's Lot in accordance with American National Standards Institute's standards for tree care; which standards include (1) cleaning – removal of any part that is dead, diseased, and/or broken branches, (2) thinning – reducing density of live branches, (3) raising – providing vertical clearance, and (4) reducing height and/or spread. Each Owner shall be required to replace dead or dying tress located in front or street-visible side yards, with a tree that is approximately the same height as the original tree, unless the ACC approves otherwise.

Where the Association is tasked with the maintenance and upkeep of landscape and trees in a front or side yard, it shall be the Association who shall ensure the proper maintenance and upkeep of landscaped areas and tree pruning as needed or required. Landscaped areas on a Lot must be one hundred percent (100%) irrigated, subject to applicable City regulations and restrictions on watering in effect from time to time, so that there are no areas of dead or brown vegetation. Owners are responsible for ensuring proper irrigation and watering.

3.33 Driveways. Driveways are to be maintained by each Owner free from potholes, cracks and stains. Driveways should not be used for storage and should be kept clear for entry in and from the Home's garage and for parking of authorized vehicles in the driveway. No extension or widening of driveway, painting or staining of driveway is allowed without the prior written consent of the ACC.

3.34 Accessory Items. Owners are deemed to be aware that lifestyle accessories or ornaments, including, but not limited to, flower containers, pots, planters, globes, gnomes, spinners, yard art, birdhouses, fountains, urns and such may not be placed within the front yards of any Lot, on or near sidewalk or public right-of-way. Consideration to neighboring Owners should be given and all lifestyle accessories should be of a generally acceptable theme and limited to the back yard of the Home. The Board of Directors and/or the ACC has the right to remove or require the removal of any accessory or ornament at any time without notice to the Owner. There shall be no trespass and no liability whatsoever to the Association, the Board, the ACC, the Managing Agent, or to any person or vendor assigned with the task of removal of such accessory or ornament. Small fountains or bird baths if they do not consist of a theme may be allowed in front flowerbeds and shall require the prior written consent of the ACC prior to installation. Absolutely no statutes or themed item whatsoever shall be allowed. The maximum number of lifestyle accessories or ornaments that may be displayed on a Lot unless restricted to the back of the Lot and not visible from the front of the home or street, shall be two (2). This Section excludes political signage and flags allowed under the provisions of this Declaration.

Seasonal ornaments and decorations are something many Owners enjoy and look forward to displaying during certain times of the year. The Association shall permit to be displayed within one month prior to and two weeks after the applicable holiday seasonal ornaments and decorations, notwithstanding, all Owners shall be required to respect each other's right during certain seasons and holidays to display and enjoy ornaments and certain decorations so long as it is done in a tasteful and respectful manner. Any item deemed to be inappropriate shall be subject to request for removal. Owners shall respect each other's rights to display and enjoy seasonal ornaments and decorations specific to their taste and desire. Should any form of community conflict arise due to the display of seasonal ornaments and decorations the Board may, but is not required, to ban further use of all such ornament, decoration, or display either temporarily or permanently.

3.35 Lighting. Low voltage site lighting may be installed in landscaped beds so long as the power cable is buried or not visible. Floodlights may be mounted on the Dwelling or in landscaping beds adjacent to the Dwelling, however, floodlights shall not be directed toward other Lots, Common Areas or Streets. Upon written consent of the ACC, pole mounted lanterns may be installed in the front yard of a Lot at least ten feet (10') from the

property line shared with other Lots. Each Lot is limited to two post lanterns in the front yard. All lighting fixtures shall be dark neutral in color except as otherwise approved in writing by the ACC. Each Lot is limited to eight 150-watt floodlights or sixteen low voltage lamps in the front, rear and side yard areas without written consent of the ACC. Tree lighting may be installed with prior written approval of the ACC.

3.36 Use of Association Name/Logo. The use of the name of the Association or Subdivision, or any various thereof, in any capacity without the express written consent of the Declarant during the Development Period, and thereafter the Board, is strictly prohibited. Additionally, the use of any logo adopted by the Association or the Subdivision, or use of any photographs of the entryway signage or other Subdivision signs or monuments or Master Common Areas without the express written consent of the Declarant during the Development Period, and thereafter the Board, is strictly prohibited.

ARTICLE 4

PROPERTY RIGHTS IN MASTER COMMON AREA

4.1 Title to the Master Common Area; Maintenance. The Declarant shall dedicate and convey the fee simple title to the Master Common Area to the Association prior to or upon completion of the Declarant Control Period. After the initial construction, the Association shall maintain the Master Common Area in good condition and shall make such repairs and replacements as necessary to maintain good order and the aesthetic harmony of the Property; provided, however, that Declarant shall have no responsibility for maintenance, repair, replacement, or improvement of the Master Common Area or any improvements thereon after initial construction. The Sub-Declarant and/or Sub-Association shall maintain the Neighborhood Common Areas in good condition and repair, in accordance with the terms and requirements of the Sub-Declaration, as approved by Declarant in accordance with Section 1.21.2 hereof.

4.2 Owner's Easement of Enjoyment. Subject to the provisions of Section 4.3, every Owner and every tenant of every Owner, who resides on a Lot, and each individual who resides with either of them, respectively, on such Lot shall have a non-exclusive right and easement of use and enjoyment in and to the Master Common Areas 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 Master Common Areas.

4.3 Extent of Owners' Rights and Easements. The rights and easements of enjoyment created hereby shall be subject to the following:

(a) The right of the Association to adopt, amend, enforce and revoke rules and regulations governing the use, operation and maintenance of the Master Common Area, including, without limitation, the authority to charge reasonable fees and the authority to assess fines against Owners violating such rules and regulations. The Association is further authorized and empowered to prohibit the use, or to limit the manner and extent of use, of the Master Common Area by Owners owing unpaid fines, fees or assessments, violating

rules and regulations of the Association or known to cause a disturbance, issue threats to other Owners or detract from the peaceable enjoyment of any Master Common Area. Tenants, Residents, and Guests are subject to the same rules and may be prohibited from use. Owners are responsible for ensuring the orderly conduct of their Tenants, Residents, and Guests and must ensure a copy of this Declaration, any Subordinate Declaration and rules and regulations are provided.

(b) The right of the Association, by and through the Board, to enter into and execute contracts with a Managing Agent or any third parties (including the Declarant, any builder of the initial Dwelling on any Lot, or an affiliate of either of them) for the purpose of providing management, maintenance or other materials or services consistent with the purposes of the Association. Contracts entered into by the Declarant on behalf of the Association must be upheld by the Board of Directors and may not be terminated or renewed without the Declarant's prior written consent during the Declarant Control Period. This restriction applies to the Board of Directors and to any contract entered into by the Declarant on behalf of the Master or any Sub-Association; and

(c) The right of the Association, subject to approval by written consent by the Member(s) having a majority of the outstanding votes of the Association, in the aggregate, regardless of class, to dedicate or transfer all or any part of the Master Common Area to any public agency, authority, or utility company for such purposes and upon such conditions as may be approved by such Members; and

(d) The right of the public to the use and enjoyment of public rights-of-way, if any, located within the Master Common Area.

4.4 Restricted Actions by Owners. No Owner shall permit anything to be done on or in the Master Common Area which would violate any applicable public law or City Zoning Ordinance (including without limitation the Planning Development Ordinance), which would result in the cancellation of or increase of any insurance carried by the Association, or which would be in violation of any law. No waste shall be committed in the Master Common Area. The Master Common Area designated as the open space and/or to be maintained by the Association on the Plat shall be used only for recreational and other similar purposes as approved by the Declarant. The Master Common Area consisting of landscaping, maintenance, wall maintenance easements, or similar areas shall be used for such purposes or similar purposes as approved by Declarant. The Master Common Area consisting of sanitary sewer easements, drainage easements, utility easements or similar areas shall be used for such purposes or similar purposes as approved by the applicable Declarant.

4.5 Damage to the Master Common Area. Each Owner shall be liable to the Association for all damage, other than ordinary wear and tear, to the Master Common Area caused by the Owner or such Owner's family, pets, tenants or other occupants of such Owner's Lot or by any guest or invitee of any of the foregoing. The Master Common Area may be subject to storm water overflow, natural bank erosion and other natural or man-made events or occurrences which cannot be defined or controlled. Under no circumstances shall Declarant or the Association ever be liable, and each person hereafter becoming an Owner

hereby waives any right to recovery from Declarant or the Association, for any damages or injuries of any kind or character or nature whatsoever resulting from: (i) the occurrence of any natural phenomena; (ii) the failure or defect of any structure or structures situated on or within the Master Common Area, including failures or defects occurring through the negligence of contractors employed by Declarant or the Association; or (iii) any negligent or willful act, conduct, omission or behavior of any individual, group of individuals, entity or enterprise occurring on, within or related to the Master Common Area.

4.6 Risk. **Each Owner, Owners' immediate family, guests, agents, permittees, licensees and residents shall use the Master Common Areas at his/her own risk. The Master Common Area is unattended and unsupervised. Each Owner, Owners' immediate family, guests, agents, permittees, licensees and residents is solely responsible for his/her own safety, health, and welfare, and assumes all risks including risk of loss in connection with the use of the Master Common Area and related amenities and improvements within the Subdivision. Neither the Association nor the Declarant, nor any Managing Agent engaged by the Association or Declarant, shall have any liability to any Owner or their family members or guests, or to any other person or entity, arising out of or in connection with the use, in any manner whatsoever, of the Master Common Area or any improvements comprising a part thereof from time to time, and the Association, Declarant and managing agent disclaims any and all liability or responsibility for any sickness, injury or death occurring from visiting or using in any manner or to any degree, the Master Common Area.**

ARTICLE 5

HOMEOWNER'S ASSOCIATION

5.1 Purposes. The Association shall have the duty and responsibility to administer and maintain the Master Common Area, to maintain all commonly-owned road medians located within the Property, to discharge any maintenance obligations imposed upon it by the Plat, to discharge the additional maintenance obligations with respect to Lots and Dwellings imposed upon it by this Declaration, to procure insurance, to establish and collect assessments and to disburse collected funds as so permitted, to enforce this Declaration, and to perform any other functions imposed upon the Association by this Declaration.

5.2 Membership. Every Owner shall automatically be a Member of the Association. No Owner may refuse, sever, or otherwise dissolve its Membership of the Association. Membership is not contingent upon the construction or existence of any common grounds, common element, or amenity.

5.3 Classes of Membership. The Association shall have three (3) classes of membership:

(a) Class A. Class A Members shall be all Owners who are not Class B Members or Class C Members. Class A Members shall be entitled to one 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 Class A Members; however, the vote for such Lot shall be exercised as the Owners of such Lot jointly determine, among themselves, and such vote shall not be counted if the Owners of such Lot cannot unanimously agree on such vote.

(b) Class B. Class B Members shall be any Owner (other than Declarant) of a Lot who acquired the Lot for the purpose of the initial construction of a Dwelling on the Lot for sale to consumers. Each Class B Member shall be entitled to three (3) votes for each Lot owned by it. The Class B membership is subject to Declarant approval. The Class B membership shall be converted to Class A membership upon the sale or transfer of 99% of the Lots platted for residential use to Class A Owners or twenty (20) years from recordation of this Declaration, whichever occurs first.

(c) Class C. The sole Class C Member shall be Declarant. The Declarant shall be entitled to ten (10) votes for each Lot owned by it. In determining the number of Lots owned by the Declarant for the purpose of Class C membership status hereunder, the total number of Lots covered by this Declaration, including all Lots annexed thereto in accordance with Section 2.2 herein shall be considered, subject to the terms of Section 12.3 hereof. Should Declarant own acreage whose purpose is to be platted for use as residential Lots, the Declarant shall be entitled to fifty (50) votes for every acre it owns.

(d) Subject to the conditions set in this Declaration, the Class C membership shall remain so long as Declarant owns one (1) Lot platted for residential purposes, or upon the recording in the Official Public Records of Dallas County, Texas, of a notice signed by the Declarant terminating Class C membership. The Class B and Class C periods are different than the Development Period and each provide certain rights and afford certain other privileges to Declarant and Builders necessary for the smooth and orderly buildout of the Development. In the event of annexation additional land, the Class B and Class C Periods may be reinstated under the same terms and provisions as listed herein.

5.4 Administration and Maintenance of the Master Common Area; Other Maintenance Obligations. The Association shall take the actions required to care for and preserve the Master Common Area. The Board of Directors shall be empowered to establish, amend and repeal rules for the use of the Master Common Area which may be accomplished by the establishment, amendment, or recension of a Resolution so long as a majority vote of the Board is obtained. No amendment to the Declaration is required for the Board to establish, amend, or repeal rules. The Association shall further be obligated to perform the maintenance obligations on individual Lots required to be performed by the Association pursuant to this Declaration.

5.5 Assessments, Borrowing, Reserve Funds. The Board of Directors shall administer the assessment process described in Article 6 hereof. The Board of Directors shall have the authority on behalf of the Association to borrow funds on a secured or unsecured basis without the approval of Declarant or the Members so long as the aggregate outstanding indebtedness with respect to such borrowing(s) does not exceed $200,000.00 at any one time. Any borrowing in excess of such limitation may be made only with the prior approval of Declarant if during the Development Period, or if not during the Development

Period then only with the prior approval of Members holding at least a majority of the votes of all Members. If any such borrowing is secured, the security may consist of the assignment of current or future assessments or the pledge of rights against delinquent Owners, provided, however, that the Association shall not have the power to mortgage the Master Common Area. The Association may also borrow funds in accordance with Section 6.15, which shall not be applicable to or impact any of the restrictions set forth in this Section. The Board of Directors shall have the authority to establish reserve funds in accordance with other provisions of this Declaration or for any other lawful purpose. Reserve funds shall be accounted for separately from other funds.

5.6 Disbursement of Association Funds. The Board of Directors shall have the exclusive right to authorize the Association to contract for all goods, services, and insurance and to hold and disburse Association funds in payment therefore. The Association shall oversee the required coverage for roofs and exteriors of Townhomes. Coverage by the Association shall be structured after the Maintenance Responsibilities of the Townhome's Sub-Declaration. The Townhome's Sub-Association may not amend their documents or the maintenance chart or take any action which may affect or alter the coverage requirements for Townhomes without the prior written consent of the Master Association's Declarant and thereafter, the Board of Directors. The Association shall have the right to initiate an Insurance Assessment against Townhome Owners in the event any deficiency in Townhome Assessments should occur rendering the Association incapable of meeting premiums or deductibles on behalf of the Townhomes.

5.7 Management Agreements. The Association, by and through the Declarant, and thereafter, by the Board, shall be authorized to enter into management agreements with any Managing Agent or other third parties in connection with the performance of its obligations hereunder. The Board of Directors cannot terminate any contract or agreement entered into by the Declarant on behalf of the Association without the Declarant's prior written consent.

5.8 Declaration Enforcement. If, as and when the Board of Directors, in its sole discretion, deems necessary, it may cause the Association to act to enforce the provisions of this Declaration and any rules made hereunder and to enjoin and/or seek damages from any Owner for violation thereof

5.9 Liability Limitations. Neither any Member nor the Board of Directors (or any member thereof) nor any officer of the Association shall be personally liable for debts contracted for or otherwise incurred by the Association or for the negligence, willful misconduct or other tort of another Member, whether such other Member was acting on behalf of the Association or otherwise. Neither the Declarant nor the Association nor their respective 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. Each Owner further acknowledges that neither Declarant, nor any Builder, nor the Association, nor their respective members, partners, managers, directors, officers, agents or employees will have any responsibility or liability for the safety or security of any person or property with respect to any acts or omissions of any third parties, including criminal acts.

5.10 Notice and Hearing.

(a) Prior to the imposition of any fine for a violation of this Declaration or the levying of any special individual assessment on an Owner, the Association will give at least one (1) notice to the Owner in compliance with Section 209.006 of the Texas Property Code of not less than five (5) days for any non-emergency and non-curable or uncurable violation (the "**Property Code**"), as the same may be hereafter amended. In the event of emergency situations where the health, safety, and welfare of a person or property is threatened or assumed, or in the event of a non-curable or uncurable violation, the following shall apply:

(i) Notice of Fine will be delivered by certified mail five (5) days after the date of the initial notice of violation is issued.

(ii) The notice must describe the violation or property damage that is the basis for the fine for such violation, and state any amount due the Association from the Owner.

(iii) The Notice of Fine must inform the Owner of the number of days the Owner is entitled to in order to cure the violation which shall be set forth in the notice and shall be based on the type and severity of the violation. To avoid the fine, the Owner must cure the violation to the satisfactory of the Board or the ACC. The Owner may request a hearing under this Section 5.10 and Section 209.007 of the Texas Property Code on or before the 30th day after the Owner receives the notice.

(b) In compliance with Section 209.007 of the Texas Property Code, if the Owner submits a written request for a hearing, the Association shall hold a hearing not later than the thirtieth (30th) day after the date the Board receives the Owner's request, and shall notify the Owner of the date, time and place of the hearing not later than the tenth (10th) day before the date of the hearing. The Board or the Owner may request a postponement, and, if requested, a postponement shall be granted for a period of not more than ten (10) days. Additional postponements may be granted by agreement of the parties. If the hearing is to be held before a committee appointed by the Board, the notice described in Section 5.10(a) hereof shall state that the Owner has the right to appeal the committee's decision to the Board by written notice to the Board.

ARTICLE 6

ASSESSMENTS

6.1 Creation of the Lien and Personal Obligation of Assessments. The Declarant, for each Lot owned within the Property, hereby covenants, and each Owner of any Lot by acceptance of a deed therefor, whether or not it shall be so expressed in such deed, is deemed to covenant and agree to pay to the Association annual assessments, special assessments, and other charges to be established and collected as provided herein. The obligation of each Owner(s) of a Lot to pay such assessments and charges, together with interest thereon (if any) for past due payments at a rate or rates of interest, if applicable, determined and

established from time to time by the Association (which rate or rates shall in no event exceed the maximum lawful rate of interest permitted under Texas law from time to time prevailing), late charges (in an amount or amounts determined and established from time to time by the Association), and costs incurred by the Association in connection with the collection of any of the foregoing assessments, charges, and other sums, or in connection with the enforcement of this provision, including without limitation reasonable attorneys' fees incurred by the Association in connection therewith, shall be a continuing charge and lien upon each such Lot as a covenant running with the land, and any such assessments, interest (if applicable), costs and other charges assessed or charged and remaining unpaid with respect to any Lot shall constitute a lien and encumbrance on such Lot until the same is paid in full. Declarant hereby reserves such a lien upon each Lot in the name of and for the benefit of the Association. Such lien shall constitute a contractual lien, and a power of sale is hereby granted with respect to such lien for the benefit of the Association as hereinafter set forth. Each such assessment or other charge, together with interest (if applicable), late charges, costs of collection and reasonable attorney's fees, shall also be the personal obligation of the person who is the Owner of such Lot at the time the assessment or other charge comes due (the "**Personally Obligated Owner**"); but personal liability for payment of delinquent assessments or other charges shall not pass to successors in title to the Personally Obligated Owner unless expressly assumed by them.

6.2 Purpose of Assessments. The assessments levied by the Association shall be used to promote the recreation, health, safety, and welfare of the residents of the Property and in particular for:

(a) the improvement and maintenance of the Master Common Area within the Property or any other maintenance necessary or desirable for the use and enjoyment of such Master Common Area as well as all areas within the Development for which the Association is responsible for the maintenance and upkeep. Notwithstanding the foregoing, no maintenance performed by an Owner shall reduce the assessment payable by him or her to the Association.

(b) the maintenance, repair and reconstruction, when needed as determined by the Association, of private water and/or sewer lines (and any meters or lift stations associated therewith) serving any part of the Master Common Area, and driveways, walks, sidewalks, and parking areas situated in the Master Common Area;

(c) the payment of taxes and public assessments assessed against the Master Common Area;

(d) the procurement and maintenance of insurance in accordance with this Declaration;

(e) the employment of attorneys to represent the Association, when necessary or desirable;

(f) the provision of adequate reserves for the restoration or replacement of capital improvements; including, without limiting the generality of the foregoing, roofs, paving, foundations and any other major expense for which the Association is responsible;

(g) such other needs as may arise in the performance of the Association's obligations under this Declaration to include entering into and executing use agreements or other agreements as determined by the Declarant or a majority of the Board.

The assessments the Association is authorized to levy under this Section 6.2 and under other applicable provisions of this Declaration shall include, but shall not be limited to, the costs and expenses incurred or to be incurred by the Association in managing, administering, paying for, performing or contracting for the performance of any of the items listed in subparagraphs Section 6.2(a) through Section 6.2(g) above.

6.3 Reserves. The Association may establish and maintain an adequate non-restricted reserve fund for the periodic maintenance, repair, restoration and/or replacement of improvements in the Master Common Area and (b) those other portions of the Property which the Association may be obligated to maintain. If established, such reserve fund shall be established and maintained, insofar as is practicable, out of regular assessments for common expense. Should a Reserve be established during the Declarant Control Period it shall be a general Reserve available by the Association for all uses as deemed necessary and/or appropriate by the Declarant and the Board. The Declarant has no obligation at any time to establish or fund a Reserve.

6.4 Regular Assessments.

(a) The Board of Directors shall cause to be prepared an estimated annual budget for each fiscal year of the Association, taking into account all anticipated common expenses, the amount that should be set aside for unforeseen contingencies, the amount that should be set aside for capital improvements, the anticipated income, if any, of the Association from sources other than assessments, and the existence of any surplus or deficit remaining from the preceding year's budget. Included in the proposed budget shall be the proposed regular annual assessment for such fiscal year for each Lot based on the common expenses of the Association, which shall be assessed and charged against each Lot in each Phase (the "**Subdivision Regular Assessment**"). The proposed annual budget and the proposed regular annual assessment against each Lot for each fiscal year shall be approved and adopted by the Board of Directors. A copy of the proposed budget, including the proposed regular annual assessment against each Lot, shall be furnished to each Owner at least thirty (30) days prior to the earlier to occur of (i) the day that the Board of Directors adopts the budget and the regular annual assessment against each Lot, or (ii) the beginning of each fiscal year of the Association. Copies of the proposed budget shall also be available to all Members for inspection during regular business hours at the Association's office or on the Association's website during the same periods.

(b) Commencing on the recording of this Declaration, the regular annual assessment for Villa Lots shall be a minimum of **Nine Hundred and No/100 Dollars ($900.00)** per Lot annually, Bungalow Lots, shall be a minimum of **One Thousand, One**

Hundred Fifty and No/100 Dollars ($1,150.00) per Lot, annually, and the regular annual assessment for Townhome Lots shall be **One Thousand, Eight Hundred and No/100 Dollars ($1,800.00)** per Lot annually. Townhome Assessments may be collected on any monthly, quarterly, or semi-annual basis as determined by the Board of Directors. The Subdivision Regular Assessment may be increased, decreased or maintained at its then current level by the Board of Directors effective January 1 of each year without a vote of membership, but subject to the following limitations: if an adopted budget requires a Subdivision Regular Assessment against the Owners in any fiscal year exceeding seventy-five percent (75%) of the Subdivision Regular Assessment levied during the immediately preceding fiscal year, then the Board of Directors shall hold an open meeting before the Members to vote on any increase in Assessments greater than seventy-five percent (75%). When the meeting is held, regardless of whether or not a quorum is actually present at such meeting, the budget shall be deemed ratified by the Members of the Association and the Assessment increase approved unless Owners present a petition consisting of at least fifty-one percent (51%) of the votes of the Membership rejecting an Assessment increase in excess of seventy-five percent (75%). In the event that the Board of Directors shall not approve an estimated annual budget or shall fail to determine new regular assessments for any year, or shall be delayed in doing so, each Owner shall continue to pay the amount of such Owner's regular assessment as last determined. **Notwithstanding, the regular annual assessment rates charged to a Builder, who by purchase of a single-family detached Lot, becomes a Class B Member, the annual assessment rate paid by the Class B Member (Builder) for said Lot shall be seventy-five percent (75%) of the regular annual Assessment rate paid by Class A Owners**. Declarant acknowledges that this condition may create an inequity among the Owners, but deems it a necessary response to the diversification of marketing and closing Lot sales. At the time of the Lot's sale from a Class B Member (Builder) to any Class A Member, the Association shall have the right to collect the difference between the reduced assessment rate paid by the Class B Member and the then current Assessment rate being charged for any Lot type. The Class C Member's liability for assessments of any kind under this Declaration shall be only as provided in Section 6.14 of this Declaration.

(c) Regular annual assessments shall be paid ratably on such monthly, quarterly or other basis as shall be established from time to time by the Board of Directors. The due dates shall be established by the Board of Directors. Once the regular annual assessment for a fiscal year has been established by the Board of Directors, written notice of the monthly or other periodic payment amount with respect to such assessment shall be sent to every Owner subject thereto by the Association. The Association shall, within ten (10) business days after a request therefor and for a reasonable charge, furnish a certificate signed by an officer of the Association, setting forth whether the assessments on a specified Lot have been paid.

(d) Notwithstanding anything in this Section 6.4 to the contrary, if any amount is assessed against a Lot to some other part of the Property by the willful or negligent act(s) of the Owner of the assessed Lot, such amount shall not be considered or counted in determining whether a regular assessment has been made against such assessed Lot under paragraphs Section 6.4(a) or Section 6.4(b) of this Section.

6.5 Special Assessments. In addition to the regular annual assessments authorized above and any other special individual assessments authorized by other provisions of this Declaration, the Association, without consent of joinder of the Members, may levy in any assessment year a special assessment to Class A Members applicable to that year only for the purpose of supplying adequate reserve funds for the restoration and/or replacement of capital improvements or for defraying in whole or in part, the cost of any construction, reconstruction, repair or replacement of a capital improvement upon the Master Common Area or the structural portions of any Dwelling(s) located on a Lot(s) or for other operating, maintenance, repair or improvement needs of the Association. Both Class A and Class B Members shall be subject to Special Assessments when levied, provided that any such assessment shall not exceed one-half of the annual rate of assessment paid by that Member at the time of the Special Assessment. Special Assessments shall be subject to the Declarant's approval during the Declarant Control Period. Class C Member is not subject to Special Assessments at any time. Special Assessment in an amount in excess of one-half of the then current annual assessment shall require the majority vote of the members present in person or by proxy called for the purpose of considering a special assessment in excess of one-half of then current annual assessment.

6.6 Notice and Quorum for Certain Actions Authorized Under Sections 6.4 or 6.5. Written notice of any meeting of Members called for the purpose of taking any action authorized under Section 6.4 or Section 6.5 shall be sent by written notice to all Members not less than ten (10) days nor more than thirty (30) days in advance of the meeting. At a meeting called for the purpose of considering a special assessment under Section 6.5, the presence of Members or of proxies entitled to cast ten percent (10%) of all the votes of all Members shall constitute a quorum, regardless of Class. If the required quorum is not present, another meeting may be called so long as it takes place within one (1) to five (5) days of the initial meeting and so long as the majority of those Owners in attendance at the original meeting approve and the meeting is held **in the same location** as the original meeting. Quorum for the second meeting shall be five percent (5%), regardless of Class. In the event the meeting cannot be held within the time frame as described herein, the new meeting shall be subject to the same notice requirement and quorum for the new meeting shall be five percent (5%) of all the Members present at a meeting in person or by proxy, regardless of Class. No such subsequent meeting shall be held more than sixty (60) days following the original meeting. During the Declarant Control Period, if the Association fails to make quorum after two attempts, a subsequent meeting shall be called and the number of Lots owned by the Class B and Class C Owners shall be counted for the purpose of meeting quorum. Class B Owners may, at their sole discretion, vote or assign their proxies for quorum only or for quorum and vote.

6.7 No Offsets; Uniform Rate of Assessment. All assessments shall be payable in the amount specified by the Association, and, except as may otherwise be expressly provided herein, no offsets against such amount shall be permitted for any reason. Both annual and special assessments shall, except as otherwise specifically provided herein, be fixed at a uniform rate for all Lots.

6.8 Reservation, Subordination, and Enforcement of Assessment Lien. Declarant hereby reserves for the benefit of itself and the Association, a continuing contractual lien (the

"**Assessment Lien**") against each Lot located on the Property to secure payment of (1) the assessments imposed hereunder, and (2) payment of any amounts expended by such Declarant or the Association in performing a defaulting Owner's obligations as provided for hereunder. THE OBLIGATION TO PAY ASSESSMENTS IN THE MANNER PROVIDED FOR IN THIS ARTICLE, TOGETHER WITH INTEREST (IF APPLICABLE) FROM SUCH DUE DATE AT THE DEFAULT INTEREST RATE SET FORTH IN SECTION 6.9 HEREOF, THE CHARGES AND FEES MADE AS AUTHORIZED IN SECTION 6.9 HEREOF, ALL VIOLATION FINES AND THE COSTS OF COLLECTION, INCLUDING, BUT NOT LIMITED TO, REASONABLE ATTORNEYS' FEES, IS SECURED BY A CONTINUING CONTRACTUAL ASSESSMENT LIEN AND CHARGE ON THE LOT COVERED BY SUCH ASSESSMENT, WHICH SHALL BIND SUCH LOT AND THE OWNERS THEREOF AND THEIR HEIRS, SUCCESSORS, DEVISEES, PERSONAL REPRESENTATIVES AND ASSIGNEES. The continuing contractual Assessment Lien shall attach to the Property and Lots developed or to be developed therein as of the date of the recording of this Declaration in the Official Public Records of Dallas County, Texas, and such Assessment Lien shall be superior to all other liens except as otherwise provided in this Section 6.8. Each Owner, by accepting conveyance of a Lot, shall be deemed to have agreed to pay the assessments herein provided for and to the reservation of the Assessment Lien. The Assessment Lien shall be subordinate only to the liens of any valid first lien mortgage or deed of trust encumbering a particular Lot. Sale or transfer of any Lot shall not affect the Assessment Lien. However, the sale or transfer of any Lot pursuant to a first mortgage or deed of trust foreclosure (whether by exercise of power of sale or otherwise) or any proceeding in lieu thereof, shall only extinguish the Assessment Lien as to payments which became due prior to such sale or transfer. No sale or transfer shall relieve such Lot from liability and the Assessment Lien for any assessments thereafter becoming due. The Assessment Lien may be non-judicially foreclosed by power of sale in accordance with the provisions of Section 51.002 of the Texas Property Code (or any successor provision) or may be enforced judicially. Each Owner, by accepting conveyance of a Lot, expressly grants the Association a power of sale in connection with the foreclosure of the Assessment Lien. The Board is empowered to appoint a trustee, who may be a member of the Board, to exercise the powers of the Association to non-judicially foreclose the Assessments Lien in the manner provided for in Section 51.002 of the Texas Property Code (or any successor statute). The Association, through duly authorized agents, shall have the power to bid on the Lot at foreclosure sale and to acquire and hold, lease, mortgage and convey the same. The rights and remedies set forth in this Section 6.8 are subject to the Texas Residential Property Owners Protection Act, as amended from time to time (Texas Property Code, Section 209.001 *et seq.*).

6.9 Effect of Nonpayment of Assessments; Remedies of the Association. PAYMENT OF ALL ASSESSMENTS IS BOTH AN OBLIGATION AND RESPONSIBILITY OF ALL CLASS A AND CLASS B OWNERS. If any assessment is not paid within thirty (30) days from the due date thereof, in addition to any interest which may accrue thereon as may be determined by the Board of Directors of the Association at any time and from time to time, a late charge shall be assessed against the non-paying Owner for each month that any assessment remains unpaid as more specifically provided herein, and if placed in the hands of an attorney for collection or if collected through probate or other judicial proceedings, there shall be reimbursed to the Association its reasonable attorneys'

fees. Should any assessment provided for herein be payable in installments, the Association may accelerate the entire assessment and demand immediate payment thereof. A late charge shall be assessed against the non-paying Owner for each month that any assessment remains unpaid. The late charge shall be in the amount of **Twenty-Five and No/100 Dollars ($25.00)** per month and shall serve to reimburse the Association for administrative expenses and time involved in collecting and processing delinquent assessments. An additional fee of **Thirty-Five and No/100 Dollars ($35.00) or the amount charged by the bank, if greater,** shall be assessed to an owner's account for every check returned for non-sufficient funds or for any other reason. The Association's Managing Agent shall be entitled to charge an Owner a monthly collection fee to compensate Managing Agent for its efforts in collecting delinquent assessments. Additional charges and fees may, and probably will, be charged by the Managing Agent and shall be assessed to an Owner's account for the preparation and processing of final notices or demand letters sent by certified or certified and return receipt requested mail and other collection efforts performed. The Association, in the Board's discretion, shall have the right to waive any part of or all of such fees and/or interest owed to the Association. The Association may not waive any part of fees or charges owed to the Managing Agent. The Association may bring an action at law against the Personally Obligated Owner or foreclose the lien against the Lot(s) subject to the unpaid assessments, interest or other charges, and in either event, the Association shall be entitled to recover the unpaid assessment, interest or other charges, the late charge specified above, and any expenses and reasonable attorney's fees incurred by the Association in prosecuting such foreclosure and/or such collection. Each Owner of any Lot by acceptance of a deed therefore hereby grants to the Association a power of sale with respect to such Owner's Lot in connection with the enforcement of the lien established by this Article 6, together with the right to appoint and remove a trustee and any number of substitute trustees and to cause the trustee or substitute trustee to foreclose the Association's lien against such Lot pursuant to a non-judicial foreclosure sale conducted in accordance with the provisions of Section 51.002 of the Texas Property Code, as from time to time amended, or its successor provision. However, nothing herein shall prevent the Association from seeking a judicial foreclosure of such lien or any other right or remedy available to the Association with respect to any amounts owed hereunder. No Owner may waive or otherwise escape liability for any assessment provided for herein by non-use of the Master Common Area or abandonment of his Lot.

6.10 Suspension of Right to Use Master Common Area. In addition to the other powers herein granted, the Board may suspend the right of an Owner to use any of the Master Common Area during the time that such Owner is delinquent in paying any assessment.

6.11 Working Capital Fund. Every time a detached Lot is sold to a purchaser who, as a result of such sale, will become a Class A Member an additional assessment equal to **Five Hundred and No/100 Dollars ($500.00)** for such detached Lot shall be collected from the purchaser of such Lot and transferred to the Association to be held and used as a working capital fund. Every time a Lot is sold to a purchaser who, as a result of such sale, will become a Class A Member of any attached Lot an additional assessment equal to **Eight Hundred and No/100 Dollars ($800.00)** for such Lot shall be collected from the purchaser of such Lot and transferred to the Association to be held and used as a working capital fund. The purpose of the working capital fund is to ensure that the Association will have adequate cash

available to meet expenses contemplated herein and associated with both attached and detached Lots, as well as unforeseen expenses which may occur, and to acquire additional equipment or services deemed necessary or desirable. Amounts so paid into the working capital fund shall not be considered an advance payment of regular assessments and may be used by the Association for any Association related need or expense. Working Capital Funds paid upon the purchase of attached units or Lots shall be kept separate from those Working Capital Funds collected on detached Lots. Funds collected for attached Lots shall be used solely for operating, insurance, maintenance, and upkeep of attached units and/or Lots.

6.12 Transfer Fees and Fees for Issuance of Resale Certificates. Pursuant to the terms of Section 5.7 hereof, the Board may enter into a contract with a Managing Agent to oversee the daily operation and management of the Association. The Managing Agent may, and probably will, have fees, which will be charged to an Owner for the transfer of a significant estate or fee simple title to a Lot and the issuance of a "Resale Certificate" (herein so called). The Association or its agent shall not be required to issue a Resale Certificate until payment for the costs thereof has been received by the Association or its agent. Transfer fees for any Lot / Dwelling purchase (Excluding Declarant to Builder Lot sales) shall in no event exceed the greater of (i) Three Hundred Fifty and No/100 Dollars ($350.00) at the time of the transfer/sale for each Dwelling being conveyed and are not refundable and may not be regarded as a prepayment of or credit against regular or special assessments, and are in addition to the Working Capital Fee in Section 6.11 above. **Notwithstanding, transfer fees associated with Lot sales from the Declarant to any Builder shall in no event exceed One Hundred Twenty-Five and No/100 Dollars ($125.00) at the time of the transfer/sale for each Lot/Dwelling being conveyed.** This Section does not obligate the Board or any third party to levy such fees notwithstanding, the Association may not prohibit the Managing Agent from charging such resale and transfer fees and no amendment to this Declaration shall remove or otherwise prohibit the Agent's right to collection of resale and transfer fees described herein.

6.13 Evidence of Lien. To evidence the Association's lien for unpaid assessments provided for in this Article 6, the Association may prepare a written notice of the lien setting forth the amount of the unpaid indebtedness, the name of the Owner(s) of the Lot covered by such lien, and a legal description of the Lot covered by such lien. Such notice shall be executed by an officer of the Association and shall be recorded in the real property records of the county in which such Lot is located. Notwithstanding the foregoing, any failure by the Association to record a notice as provided herein with respect to any Lot shall not prevent or otherwise affect the Association's right or ability to seek collection of the assessment from the Personally Obligated Owner or to enforce the lien against the Lot.

6.14 Class C Assessments. The sole liability of the Class C Member for Assessments under this Declaration shall be as provided in this Section. So long as there is a Class C Membership in the Association, the Declarant is not required to pay Assessments or Special Assessments on any Lot it owns. Should a deficiency in the Association's operating fund take place prior to the Declarant providing any funding, the Association shall use all income received by the Association from all sources. "All sources" includes, but is not limited to, revenues from operation of Master Common Area, capital contributions, accounting service fees; amenity use fees, guest fees, user fees, and the Assessments levied

against Owners of Lots, other than Declarant. Any such difference after all sources are applied shall be considered the "deficiency." Any sums paid by the Declarant to the Association to fund the "deficiency" or any sums paid by the Declarant to the Association in excess of the deficiency may be considered as a Loan by the Declarant who may, at any time prior to or at the end of the Declarant Control Period, require repayment of all or any portion of funding paid by the Declarant to cover a deficiency of the Association. Declarant shall not be responsible, in any event, for any reserve or any deficiency in a reserve regardless of the type or purpose of the reserve. Funding provided by the Declarant to cover a deficiency and for which the Declarant is entitled to repayment may, at the sole discretion of the Declarant, be used in consideration of payment or services to the Association the Declarant may owe or have an obligation to perform or provide and for which such consideration shall be applied dollar for dollar in the form of cash or "in kind" consideration of services, materials, or any combination thereof.

6.15 Advances by Declarant or Class B Member during Development Period. In order to maintain the Master Common Area and sustain the services contemplated by Declarant during the Development Period, Declarant and Class B Members may provide amounts in excess of the funds raised by the regular assessments in order to maintain the Master Common Area within reasonable standards. Any such advances made by Declarant or any Class B Member during the Development Period for the purpose of maintaining Master Common Areas or improving Master Common Areas shall not be considered a debt of the Association by the advancing party. Notwithstanding the foregoing, Declarant, in its sole discretion, may cause the Association to borrow any deficiency amount from a lending institution at the then prevailing rate for such a loan in Dallas County, Texas.

ARTICLE 7

ARCHITECTURAL CONTROL COMMITTEE

7.1 Architectural Control Committee. The Declarant shall establish an Architectural Control Committee (the "**Committee**") for the Lots composed of three (3) individuals which shall, during the Development Period be selected and appointed by the Declarant. The Committee shall function as the representative of the Association with regard to reviews over all Lot types. The Committee shall exist and act for the purposes herein set forth as well as for all other purposes consistent with the creation and preservation of a first-class residential development. Any one or more of the members of a Committee may be removed from the Committee, with or without cause, by the Declarant during the Development Period and thereafter by the Board of Directors. After the Development Period, the Board of Directors shall appoint members to the Committee. After the Declarant Control Period, the majority of an Architectural Control Committee cannot be comprised of the same persons that would make up a majority on the Board of Directors. On a three-person Architectural Control Committee appointed by the Board no more than one (1) person may be a current member of the Board of Directors.

7.2 A majority of the Committee may designate a member to act for it. No member of the Committee shall be liable for Claims, causes, causes of action or damages (except where occasioned by gross negligence or willful misconduct) arising out of services performed pursuant to this Declaration.

7.3 Architectural Approval.

(a) Design Guidelines. The Committee may, from time to time at its election, publish and promulgate Design Guidelines (the "**Design Guidelines**"), which are attached as **Exhibit C** hereto and which shall supplement these Covenants and shall be deemed incorporated herein by reference. The Committee shall have the right from time to time to amend the Design Guidelines, provided such guidelines, as amended, shall be in keeping with the overall quality, general architectural style and design of the community. The Committee shall have the authority to make final decisions in interpreting the general intent, effect and purpose of those matters for which it is responsible in accordance with these Covenants. The Committee shall endeavor to promulgate the Design Guidelines in such a manner that only materials complying with all applicable laws and regulations are specified therein, but each Builder of the initial construction and thereafter, the Owner of a Lot (and not the Committee) is responsible for complying with such laws and regulations on his respective Lot. If the Committee should be advised that materials specified by the Design Guidelines do not comply with applicable laws or regulations, the Committee shall use reasonable efforts to inquire into the nature of the non-compliance and to make appropriate revisions of the Design Guidelines.

(b) Required Approval. No building, structure, paving, pools, fencing, hot tubs or improvement of any nature shall be erected, placed or altered on any Lot until the site plan showing the location of such building, structure, driveway, paving or improvement, construction plans and specifications thereof and landscaping and grading plans therefor have been submitted to and approved in writing by the Committee ("**Architectural Approval**") as to: (i) location with respect to Lot lines, setback lines and finished grades with respect to existing topography, (ii) conformity and harmony of external design, color, and texture with existing structures and existing landscaping, (iii) quality of materials, adequacy of site dimensions, and proper facing of main elevation with respect to nearby streets; (iv) conformity with the Planned Development Ordinance, if applicable; and (v) the other standards set forth within this Declaration or the Design Guidelines. The Committee is authorized to request the submission of samples of proposed construction materials or colors or proposed exterior surfaces.

(c) Procedure. Final plans and specifications shall be submitted in duplicate to the Committee by the Owner for approval or disapproval. A fee for the review and processing of construction plans and architectural modification requests may apply. If such 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. If such plans and specifications do not meet the approval of the Committee, one set of such plans and specifications shall be returned marked "Disapproved," accompanied by a reasonable statement of the reasons for such disapproval. Any modification or change to the approved set of plans and

specifications or to construction or reconstruction pursuant thereto which materially affects items (i) through (v) of the preceding Section 7.2(b) must again be submitted to the Committee, for its review and approval. The Committee's approval or disapproval as required herein shall be in writing. If the Committee fails to approve or disapprove such plans and specifications within thirty (30) days after they have been submitted to it, then Committee disapproval shall be presumed.

(d) Committee Discretion. The Committee is authorized and empowered to consider and review any and all aspects of Dwelling construction, construction of other improvements and location, quality and quantity of landscaping on the Lots, and may disapprove aspects thereof which may, in the discretion of the Committee, adversely affect the living enjoyment of one or more Owner(s) or the value of the Property. As an example, and not by way of limitation, the Committee may impose limits upon the location of window areas of one Dwelling that would overlook the enclosed patio area of an adjacent Dwelling. Also, the Committee is permitted to consider technological advance in design and materials and such comparable or alternative techniques, methods or materials may or may not be permitted, in accordance with the reasonable opinion of the Committee. The action of the Committee with respect to any matter submitted to it shall be final and binding upon the Owner submitting such matter, subject to the provisions of Article 10 hereof. The Committee shall give prompt attention to new construction plans from Builders and endeavor to turn-around a decision within seven (7) business days. All other plans may take up to thirty (30) days to view and respond.

(e) Master Common Improvements. Declarant shall not be required to obtain Committee approval of the initial Master Common Improvements.

7.4 Variances. Upon submission of a written request for same, the Committee may, from time to time, in its sole discretion, permit Owners or Builders to construct, erect, or install improvements which are in variance from the Design Guidelines or covenants or restrictions provided in this Declaration. In any such case, variances shall be in basic conformity with and shall blend effectively with the overall quality, general architectural style and design of the community. No member of the Committee shall be liable to any Owner for any claims, cause of action, or damages arising out of the grant of, or the refusal to grant, any variance to an Owner. Each request for a variance submitted hereunder shall be reviewed separately and apart from other such requests and the granting of a variance to any Owner shall not constitute a waiver of the Committee's right to strictly enforce this Declaration against any other Owner. During the Declarant Control Period, Declarant has the sole right to consider and issue variances to any Owner or Builder. Variances issued by the Declarant are binding and cannot be revoked by the Committee or the Board of Directors after the Declarant Control Period notwithstanding, should item(s) or structure(s) become an issue of non-conformance with a city, county, or zoning code or ordinance or become in disrepair, at that time the Committee shall communicate with the Owner and endeavor to facilitate a mutually agreeable resolution that will meet all compliance standards as required by this Declaration and/or any city, county, or zoning code or ordinance. Failure of the Owner to reach a mutually agreeable resolution with the Committee may result in a formal demand for removal, replacement, or restoration of the non-conforming item(s) or structure(s).

7.5 Nonconforming and Unapproved Improvements. The Board of Directors may require any Owner to restore such Owner's improvements to the condition existing prior to the construction thereof (including, without limitation, the demolition and removal of any unapproved improvement) *if such improvements were commenced or constructed in violation of this Declaration, including the Design Guidelines and may be subject to fines which shall not exceed $500.00 per violation occurrence.* In addition, the Board of Directors may, in its sole discretion, cause the Association to carry out such restoration, demolition and removal if the Owner fails to do so. The Board of Directors may levy the amount of the cost of such restoration, demolition and removal as a special assessment against the Lot upon which such improvements were commenced or constructed (without the necessity of Member approval) and shall have all the rights and remedies to enforce collection thereof provided by law and by this Declaration. Dwellings or other improvements initially constructed in accordance with these Covenants and having received any necessary approval of the Architectural Control Committee in connection with their initial construction, may be repaired, maintained and restored in accordance with the standards in force at the time of their initial construction, notwithstanding any subsequent amendment or revision of these Covenants, the Design Guidelines or the Planned Development Ordinance. If such Dwellings or other improvements are totally destroyed or totally replaced, the new Dwellings or other new improvements must conform to the Covenants, the Design Guidelines, and the Planned Development Ordinance in force at the time of their construction.

7.6 Intentionally omitted.

7.7 **No Liability. Neither Declarant, the Association, the Committee, the Board of Directors, nor the officers, directors, members, employees or 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 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 or specifications and every Owner agrees that he will not bring any action or suit against Declarant, the Association, the Committee, the Board of Directors, or the officers, directors, members, employees or agents of any of them, to recover any such damages and hereby releases, remises, and quitclaims all claims, demands and causes of action arising out of or in connection with any actual or alleged mistake of 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. Approval of plans and specifications by the Committee is not approval thereof for engineering or structural design or adequacy of materials. By approving such plans and specifications neither the Committee, the members thereof, the Declarant, the Association nor the Board of Directors assumes liability or responsibility for safety or adequacy of design, compliance with the Planned Development Ordinance or these Covenants, or for any defect to any structure constructed from such plans and specifications.**

ARTICLE 8

INSURANCE

8.1 Association Insurance Coverage. The Association shall obtain insurance coverage on the Property in accordance with the following provisions:

(a) Purchasing Policies; Primary Coverage. The Board of Directors or its duly authorized agent shall have the authority to purchase and shall purchase insurance policies upon the Property sufficient to provide the coverages required by this Section 8.1, for the benefit of the Association and the Owners and their mortgagees, as their interest may appear, and provisions shall be made for the issuance of certificates of mortgage endorsements to the mortgagees of Owners. All policies shall be written with a company licensed to sell insurance in the State of Texas. Except as provided in Section 8.3, in no event shall the insurance coverage obtained and maintained by the Association hereunder be brought into contribution with insurance purchased by individual Owners, Lot occupants, or their mortgagees, and the insurance carried by the Association shall be primary.

(b) Casualty.

(i) Master Common Area. All buildings and improvements upon the Master Common Area and all personal property of the Association located in or upon the Master Common Area and/or used to maintain the Master Common Area shall be insured by the Association in an amount equal to one hundred percent (100%) insurable replacement value as determined annually by the Association with the assistance of the insurance company providing coverage. Such insurance shall be charged as a common expense to all Owners and shall be included in the Subdivision Regular Assessment. Such coverage shall provide protection against:

(A) Loss damage by fire and other hazards covered by a standard extended coverage endorsement; and

(B) Such other risks, as determined from time to time, as are customarily covered by casualty policies with respect to buildings of the type then existing on the Master Common Area.

(ii) Lots. **EACH OWNER OF A LOT, DWELLING OR OTHER IMPROVEMENTS THEREON WHICH ARE LOCATED ON LOTS SHALL BE SOLELY LIABLE AND RESPONSIBLE FOR OBTAINING ITS OWN POLICIES OF INSURANCE ON SUCH OWNER'S LOT, DWELLING OR OTHER IMPROVEMENTS EXCEPT THAT THE ASSOCIATION SHALL OVERSEE AND ENSURE PROPER COVERAGE FOR EXTERIORS AND ROOFS OF TOWNHOMES LOTS. THE ASSOCIATION SHALL HAVE NO OBLIGATION TO CARRY CASUALTY INSURANCE ON ANY LOTS OR DWELLINGS OR OTHER IMPROVEMENTS LOCATED ON ANY**

LOTS FOR OR ON BEHALF OF ANY OWNER AND NO LIABILITY THEREFOR.

(c) Liability. Public liability insurance shall be secured by the Association with limits of liability of not less than One Million Dollars ($1,000,000.00) per occurrence and shall include an endorsement to cover liability of the Owners as a group to a single Owner. There shall also be obtained such other insurance coverage as the Association shall determine from time to time to be necessary or desirable.

(d) Policy Terms. The Association shall make every reasonable effort to ensure that all policies purchased by the Association contain clauses, endorsements or agreements providing:

(i) for waiver of subrogation;

(ii) that no policy may be canceled or substantially modified without at least ten (10) days' prior written notice to the Association;

(iii) that the "other insurance" clause in any such policy excludes individual Owners' policies from consideration; and

(iv) for a deductible of no greater than such amount per occurrence as shall from time to time be determined by the Board of Directors.

(e) Premiums. Premiums for insurance policies purchased by the Association shall be paid by the Association and shall be charged to Owners as part of the regular annual assessment described in Article 6 above.

(f) Proceeds. All insurance policies purchased by the Association shall be for the benefit of the Association and the Owners and their mortgagees, as their interest may appear, and shall provide that all proceeds thereof shall be payable to the Association as insurance trustee under this Declaration. Exclusive authority to adjust losses under policies obtained by the Association shall be vested in the Board of Directors, provided, however, that no mortgagee having an interest in such losses shall be prohibited from participating in the settlement negotiations, if any, related thereto. Upon the payment of proceeds to the Association under any policy, the sole duty of the Association as insurance trustee shall be to receive such proceeds as are paid and to hold the same in trust for the purpose stated herein or stated in the bylaws of the Association and for the benefit of the Owners and their mortgagees in the following shares:

(i) Proceeds on account of damage to the Master Common Area shall be held for the Association.

(ii) Proceeds on account of damage to Lots shall be held in undivided shares for the Owners to such damaged Lots in proportion to the cost of repairing the damage suffered by each Owner, which cost shall be determined by the Association.

(iii) In the event a mortgagee or lender loss payable endorsement has been issued for any Lot, the share of the Owner shall be held in trust for the mortgagee and the Owner as their interests may appear.

8.2 Distribution of Insurance Proceeds Received by Association. Proceeds of insurance policies received by the Association as insurance trustee shall be distributed to or for the benefit of the beneficial Owners in the following manner:

(a) Expense of the Trust. All expenses of the insurance trustees shall be first paid or provisions made therefor.

(b) Reconstruction or Repair. The remaining proceeds shall be paid to defray the cost incurred by the Association of performing or obtaining the performance of the repairs, reconstruction or replacement of the damaged improvement(s) or other property, and the Association shall ensure that all mechanic's liens, materialmen's liens or other such liens which may result from such reconstruction, replacement or repair work are waived, satisfied or otherwise removed. Any proceeds remaining after defraying such costs shall be distributed as provided in Section 8.1(f).

In the event that the proceeds are insufficient to fully restore, repair or replace the loss or damage, the Association may levy an assessment to cover the deficiency.

8.3 Optional Insurance Coverage of Owners. Owners may, at their option, obtain insurance coverage at their own expense for their personal liability and living expense and such other coverage as they may desire.

ARTICLE 9

EASEMENTS

9.1 General. All of the Property, including Lots and Master Common Areas, shall be subject to such easements for driveways, walkways, parking areas, water lines, sanitary sewers, storm drainage facilities, gas lines, telephone, and electric power line and other public utilities as shall be established by the Declarant or by its predecessors in title, prior to the subjecting of the Property to this Declaration; and the Association shall have the power and authority to grant and establish upon, over, under, and across the Master Common Areas conveyed to it, such further easements as are requisite for the convenient use and enjoyment of the Property. In addition, there is hereby reserved in the Declarant and its agents and employees an easement and right of ingress and egress across all Master Common Areas, now or hereafter existing, for the purpose of construction and repairing of improvements within the Property, including the right of temporary storage of construction materials on said Master Common Areas.

9.2 Universal Easements. All Lots and the Master Common Area shall be subject to easements for the encroachment, and subject to easements for the maintenance by the Association or applicable Owner responsible for maintenance thereof, of initial improvements constructed on adjacent Lots by the Declarant and the Master Common Improvements to the extent that such initial improvements and Master Common

Improvements actually encroach including, but not limited to, such items as overhanging eaves, privacy fences and party walls, and masonry columns constructed by Declarant as part of the perimeter wall or fencing within portions of the Master Common Area and adjacent Lots.

9.3 Reservation of Easements by Declarant. Declarant also reserves access easements over all Lots for construction, either for that Lot or any adjacent Lot or property, and easements over all Master Common Areas for the installation of public or private utilities and storm drainage (whether subsurface or surface), which easements may serve the Property or any adjacent property or properties (whether such adjacent property is owned by Declarant or a third party).

9.4 Cross Easements. There are non-exclusive reserved non-exclusive cross-access easements for maintenance, repair and construction in favor of Owners of Lots that comprise a Structure for access to and from each other Lot comprising the Structure and the Master Common Area adjacent to the Lots comprising the Structure, including, but not limited to the transportation of roll-out garbage containers; however, this does not include access to approved decks, patios or areas with approved fences.

9.5 Declarant/Association Right to Grant Easements. To the extent Declarant deems it necessary or appropriate to execute and file in the appropriate public records any instrument to specifically evidence, identify and/or establish of record any easement reserved generally herein, Declarant is and shall be authorized to grant such easements, in its own name or in the name of the Association, and to execute and record written evidence of the same, without the approval or joiner of any other party, including, but not limited to, the Association, so long as Declarant holds record title to the Master Common Area. After the conveyance by Declarant to the Association of record title to the Master Common Area, any such written easement shall be given, if at all, by the Association and shall require the signature of the President of the Association (or any other duly authorized officer of the Association) or, if not the President or other officer duly authorized, then all of its Directors. Any third-party relying on a written and recorded easement instrument granted either by the Declarant or by the Association shall be entitled to rely upon any and all recitations set forth therein as true and correct statements of fact as to ownership of the Master Common Area and the authority of the person or party executing such easement instrument, and the same shall be deemed presumptively true, correct and legally binding for all purposes on all properties affected thereby, including any Lot(s) or portion(s) of the Master Common Area described therein or encumbered thereby.

ARTICLE 10

DISPUTE RESOLUTION

10.1 Introduction and Definitions. The Association, the Owners, Declarant, all persons subject to this Declaration, and any person not otherwise subject to this Declaration who agrees to submit to this Article (collectively, the "Parties") agree to encourage the amicable resolution of disputes involving the Property and to avoid the emotional and financial costs of litigation and arbitration if at all possible. Accordingly, each Party hereby

covenants and agrees that this Article applies to all Claims as hereafter defined. The provisions of this Article shall be specifically enforceable under applicable law in any court having jurisdiction thereof. Notwithstanding anything contained in the Documents, this Article may only be amended with the prior written approval of the Declarant, and Owners holding 100% of votes in the Association. As used in this Article only, the following words, when capitalized, have the following specified meanings:

(a) "**Claim**" means:

(i) Claims relating to the rights and/or duties of Declarant, the Association, any managing agent engaged by the Declarant or the Association, or the Architectural Control Committee, under the Documents.

(ii) Claims relating to the acts or omissions of the Declarant, the Association or a Board member or officer of the Association during Declarant's control and administration of the Association, and any claim asserted against the Architectural Control Committee.

(iii) Claims relating to the design or construction of the Property, including the Master Common Area, Dwellings, Townhome Buildings, or any improvements located on the Lots.

(b) "**Claimant**" means any Party having a Claim against any other Party.

(c) "**Respondent**" means any Party against which a Claim has been asserted by a Claimant.

10.2 Mandatory Procedures. Claimant may not initiate any proceeding before any administrative tribunal seeking redress or resolution of its Claim until Claimant has complied with the procedures of this Article. As provided in Section 10.9 below, a Claim will be resolved by binding arbitration.

10.3 Claim Affecting the Master Common Area. The Association does not have the power or right to institute, defend, intervene in, settle, or compromise litigation or administrative proceedings: (1) in the name of or on behalf of any Owner (whether one or more); or (2) pertaining to a Claim, as defined in Section 10.1(a), relating to the design or construction of improvements on a Lot (whether one or more), including Dwellings or the Master Common Area and/or any Townhome Buildings. In the event the Association or an Owner asserts a Claim related to the Master Common Areas, as a precondition to providing the Notice defined in Section 10.5, initiating the mandatory dispute resolution procedures set forth in this Article 10, or taking any other action to prosecute a Claim related to the Master Common Area, the Association or Owner, as applicable, must:

(a) Independent Report on the Condition of the Master Common Area. Obtain an independent third-party report (the "Common Area Report") from a licensed professional engineer which: (1) identifies the Master Common Area subject to the Claim including the present physical condition of the Master Common Area; (2) describes any modification,

maintenance, or repairs to the Master Common Area performed by the Owner(s) and/or the Association; (3) provides specific and detailed recommendations regarding remediation and/or repair of the Master Common Areas subject to the Claim. For the purposes of this Section, an independent third-party report is a report obtained directly by the Association or an Owner and paid for by the Association or Owner, as applicable, and not prepared by a person employed by or otherwise affiliated with the attorney or law firm that represents or will represent the Association or Owner in the Claim. As a precondition to providing the Notice described in Section 10.5, the Association or Owner must provide at least ten (10) days prior written notice of the inspection, calculated from the date or receipt of such notice, to each party subject to a Claim which notice shall identify the independent third-party engaged to prepare the Master Common Area Report, the specific Master Common Areas to be inspected, and the date and time the inspection will occur. Each party subject to a Claim may attend the inspection, personally or through an agent. Upon completion, the Common Area Report shall be provided to each party subject to a Claim. In addition, before providing the Notice described in Section 10.5, the Association or the Owner, as applicable, shall have permitted each party subject to a Claim the right, for a period of ninety (90) days, to inspect and correct, any condition identified in the Common Area Report.

(b)Claim by the Association - Owner Meeting and Approval. If the Claim is prosecuted by the Association, the Association must first obtain approval from Members holding sixty-seven percent (67%) of the votes in the Association to provide the Notice described in Section 10.5, initiate the mandatory dispute resolution procedures set forth in this Article 10, or take any other action to prosecute a Claim, which approval from Members must be obtained at a special meeting of Members called in accordance with the Bylaws. The notice of meeting required hereunder will be provided pursuant to the Bylaws but the notice must also include: (1) the nature of the Claim, the relief sought, the anticipated duration of prosecuting the Claim, and the likelihood of success; (2) a copy of the Common Area Report; (3) a copy of any proposed engagement letter, with the terms of such engagement between the Association and an attorney to be engaged by the Association to assert or provide assistance with the claim (the "Engagement Letter"); (4) a description of the attorney fees, consultant fees, expert witness fees, and court costs, whether incurred by the Association directly or for which it may be liable if it is not the prevailing party or that the Association will be required, pursuant to the Engagement Letter or otherwise, to pay if the Association elects to not proceed with the Claim; (5) a summary of the steps previously taken, and proposed to be taken, to resolve the Claim; (6) an estimate of the impact on the value of each Dwelling if the Claim is prosecuted and an estimate of the impact on the value of each Dwelling after resolution of the Claim; (7) an estimate of the impact on the marketability of each Dwelling if the Claim is prosecuted and during prosecution of the Claim, and an estimate of the impact on the value of each Dwelling during and after resolution of the Claim; (8) the manner in which the Association proposes to fund the cost of prosecuting the Claim; and (9) the impact on the finances of the Association, including the impact on present and projected reserves, in the event the Association is not the prevailing party. The notice required by this paragraph must be prepared and signed by a person other than, and not employed by or otherwise affiliated with, the attorney or law firm that represents or will represent the Association or Owner, as applicable, in the Claim. In the event Members approve providing the Notice described in Section 10.5, or taking any other action to prosecute a Claim, the Members holding a Majority

of the votes in the Association, at a special meeting called in accordance with the Bylaws, may elect to discontinue prosecution or pursuit of the Claim.

10.4 Claim by Owners – Improvements on Lots. Notwithstanding anything contained herein to the contrary, in the event a warranty is provided to an Owner by the Declarant relating to the design or construction of any improvements located on a Lot, then this Article 10 will only apply to the extent that this Article 10 is more restrictive than such Owner's warranty, as determined in the sole discretion of the Declarant providing such warranty (if any). If a warranty has not been provided to an Owner relating to the design or construction of any improvements located on a Lot, then this Article 10 will apply. If an Owner brings a Claim relating to the design or construction of any improvements located on a Lot (whether one or more), as a precondition to providing the Notice defined in Section 10.5, initiating the mandatory dispute resolution procedures set forth in this Article 10, or taking any other action to prosecute a Claim, the Owner must obtain an independent third-party report (the "Owner Improvement Report") from a licensed professional engineer which: (1) identifies the improvements subject to the Claim including the present physical condition of the improvements; (2) describes any modification, maintenance, or repairs to the improvements performed by the Owner(s) and/or the Association; and (3) provides specific and detailed recommendations regarding remediation and/or repair of the improvements subject to the Claim. For the purposes of this Section, an independent third-party report is a report obtained directly by the Owner and paid for by the Owner, and not prepared by a person employed by or otherwise affiliated with the attorney or law firm that represents or will represent the Owner in the Claim. As a precondition to providing the Notice described in Section 10.5, the Owner must provide at least ten (10) days prior written notice of the inspection, calculated from the date of receipt of such notice, to each party subject to a Claim which notice shall identify the independent third-party engaged to prepare the Owner Improvement Report, the specific improvements to be inspected, and the date and time the inspection will occur. Each party subject to a Claim may attend the inspection, personally or through an agent. Upon completion, the Owner Improvement Report shall be provided to each party subject to a Claim. In addition, before providing the Notice described in Section 10.5, the Owner shall have permitted each party subject to a Claim the right, for a period of ninety (90) days, to inspect and correct, any condition identified in the Owner Improvement Report.

10.5 Notice. Claimant must notify Respondent in writing of the Claim (the "**Notice**"), stating plainly and concisely: (1) the nature of the Claim, including date, time, location, persons involved, and Respondent's role in the Claim; (2) the basis of the Claim (i.e., the provision of the Documents or other authority out of which the Claim arises); (3) what Claimant wants Respondent to do or not do to resolve the Claim; and (4) that the Notice is given pursuant to this Section. For Claims governed by Chapter 27 of the Texas Property Code, the time period for negotiation in Section 10.6 below, is equivalent to the sixty (60) day period under Section 27.004 of the Texas Property Code. If a Claim is subject to Chapter 27 of the Texas Property Code, the Claimant and Respondent are advised, in addition to compliance with Section 10.6, to comply with the terms and provisions of Section 27.004 during such sixty (60) day period. Section 10.6 does not modify or extend the time period set forth in Section 27.004 of the Texas Property Code. Failure to comply with the time periods or actions specified in Section 27.004 could affect a Claim if the Claim is subject to Chapter

27 of the Texas Property Code. The one hundred and twenty (120) day period for mediation set forth in Section 10.7 below, is intended to provide the Claimant and Respondent with sufficient time to resolve the Claim in the event resolution is not accomplished during negotiation. If the Claim is not resolved during negotiation, mediation pursuant to Section 10.7 is required without regard to the monetary amount of the Claim.

If the Claimant is the Association, the Notice will also include: (a) a true and correct copy of the Common Area Report; (b) a copy of the Engagement Letter; (c) copies of all reports, studies, analyses, and recommendations obtained by the Association related to the Master Common Area which forms the basis of the Claim; (d) a true and correct copy of the special meeting notice provided to Members in accordance with Section 10.3(b) above; and (e) reasonable and credible evidence confirming that Members holding sixty-seven percent (67%) of the votes in the Association approved providing the Notice. If the Claimant is not the Association and pertains to the Master Common Area, the Notice will also include a true and correct copy of the Common Area Report. If the Claimant is not the Association and pertains to improvements on a Lot, the Notice will also include a true and correct copy of the Owner Improvement Report.

10.6 Negotiation. Claimant and Respondent will make every reasonable effort to meet in person to resolve the Claim by good faith negotiation. Within sixty days after Respondent's receipt of the Notice, Respondent and Claimant will meet at a mutually-acceptable place and time to discuss the Claim. At such meeting or at some other mutually-agreeable time, Respondent and Respondent's representatives will have full access to the Property that is subject to the Claim for the purposes of inspecting the Property. If Respondent elects to take corrective action, Claimant will provide Respondent and Respondent's representatives and agents with full access to the Property to take and complete corrective action.

10.7 Mediation. If the Parties negotiate but do not resolve the Claim through negotiation within one hundred and twenty (120) days from the date of the Notice (or within such other period as may be agreed on by the Parties), Claimant will have thirty (30) additional days within which to submit the Claim to mediation under the auspices of a mediation center or individual mediator on which the Parties mutually agree. The mediator must have at least five (5) years of experience serving as a mediator and must have technical knowledge or expertise appropriate to the subject matter of the Claim. If Claimant does not submit the Claim to mediation within the thirty (30) day period, Claimant is deemed to have waived the Claim, and Respondent is released and discharged from any and all liability to Claimant on account of the Claim.

10.8 Termination of Mediation. If the Parties do not settle the Claim within thirty (30) days after submission to mediation or within a time deemed reasonable by the mediator, the mediator will issue a notice of termination of the mediation proceedings indicating that the Parties are at an impasse and the date that mediation was terminated. Thereafter, Claimant may file suit or initiate arbitration proceedings on the Claim, as appropriate and permitted by this Article.

10.9 Binding Arbitration – Claims. All Claims must be settled by binding arbitration. Claimant or Respondent may, by summary proceedings (e.g., a plea in abatement or motion to stay further proceedings), bring an action in court to compel arbitration of any Claim not referred to arbitration as required by this Section.

(a) Governing Rules. If a Claim has not been resolved after mediation as required by Section 10.7, the Claim will be resolved by binding arbitration in accordance with the terms of this Section and the rules and procedures of the American Arbitration Association ("AAA") or, if the AAA is unable or unwilling to act as the arbitrator, then the arbitration shall be conducted by another neutral reputable arbitration service selected by Respondent in Denton County, Texas. Regardless of what entity or person is acting as the arbitrator, the arbitration shall be conducted in accordance with the AAA's "Construction Industry Dispute Resolution Procedures" and, if they apply to the disagreement, the rules contained in the Supplementary Procedures for Consumer-Related Disputes. If such rules have changed or been renamed by the time a disagreement arises, then the successor rules will apply. Also, despite the choice of rules governing the arbitration of any Claim, if the AAA has, by the time of Claim, identified different rules that would specifically apply to the Claim, then those rules will apply instead of the rules identified above. In the event of any inconsistency between any such applicable rules and this Section 10.9, this Section 10.9 will control. Judgment upon the award rendered by the arbitrator shall be binding and not subject to appeal except as provided in Section 10.9(d), but may be reduced to judgment or enforced in any court having jurisdiction. Notwithstanding any provision to the contrary or any applicable rules for arbitration, any arbitration with respect to Claims arising hereunder shall be conducted by a panel of three (3) arbitrators, to be chosen as follows:

(i) One arbitrator shall be selected by Respondent, in its sole and absolute discretion;

(ii) One arbitrator shall be selected by the Claimant, in its sole and absolute discretion; and

(iii) One arbitrator shall be selected by mutual agreement of the arbitrators having been selected by Respondent and the Claimant, in their sole and absolute discretion.

(b) Exceptions to Arbitration; Preservation of Remedies. No provision of, nor the exercise of any rights under, this Section 10.9 will limit the right of Claimant or Respondent, and Claimant and the Respondent will have the right during any Claim, to seek, use, and employ ancillary or preliminary remedies, judicial or otherwise, for the purposes of realizing upon, preserving, or protecting upon any property, real or personal, that is involved in a Claim, including, without limitation, rights and remedies relating to: (1) exercising self-help remedies (including set-off rights); or (2) obtaining provisions or ancillary remedies such as injunctive relief, sequestration, attachment, garnishment, or the appointment of a receiver from a court having jurisdiction before, during, or after the pendency of any arbitration. The institution and maintenance of an action for judicial relief or pursuit of provisional or ancillary remedies or exercise of self-help remedies shall not constitute a waiver of the right of any party to submit the Claim to arbitration nor render inapplicable the compulsory arbitration provisions hereof.

(c) Statute of Limitations. All statutes of limitation that would otherwise be applicable shall apply to any arbitration proceeding under this Section 10.9.

(d) Scope of Award; Modification or Vacation of Award. The arbitrator shall resolve all Claims in accordance with the applicable substantive law. The arbitrator may grant any remedy or relief that the arbitrator deems just and equitable and within the scope of this Section 10.9 and subject to Section 10.10 below (attorney's fees and costs may not be awarded by the arbitrator); provided, however, that for a Claim, or any portion of a Claim governed by Chapter 27 of the Texas Property Code, or any successor statute, in no event shall the arbitrator award damages which exceed the damages a Claimant would be entitled to under Chapter 27 of the Texas Property Code. In all arbitration proceedings the arbitrator shall make specific, written findings of fact and conclusions of law. In all arbitration proceedings the parties shall have the right to seek vacation or modification of any award that is based in whole, or in part, on (1) factual findings that have no legally or factually sufficient evidence, as those terms are defined in Texas law; (2) conclusions of law that are erroneous; (3) an error of federal or state law; or (4) a cause of action or remedy not expressly provided under existing state or federal law. In no event may an arbitrator award speculative, consequential, or punitive damages for any Claim.

(e) Other Matters. To the maximum extent practicable, an arbitration proceeding hereunder shall be concluded within one hundred and eighty (180) days of the filing of the Claim for arbitration by notice from either party to the other. Arbitration proceedings hereunder shall be conducted in Dallas County, Texas. The arbitrator shall be empowered to impose sanctions and to take such other actions as the arbitrator deems necessary to the same extent a judge could pursuant to the Federal Rules of Civil Procedure, the Texas Rules of Civil Procedure and Applicable Law. Each party agrees to keep all Claims and arbitration proceedings strictly confidential, except for disclosures of information required in the ordinary course of business of the parties or by applicable law or regulation. In no event shall any party discuss with the news media or grant any interviews with the news media regarding a Claim or issue any press release regarding any Claim without the written consent of the other parties to the Claim.

10.10 Allocation of Costs. Notwithstanding any provision in this Declaration to the contrary, each Party bears all of its own costs incurred prior to and during the proceedings described in the Notice, Negotiation, Mediation and Arbitration sections above, including its attorney's fees. Respondent and Claimant will equally divide all expenses and fees charged by the mediator and arbitrator.

10.11 General Provisions. A release or discharge of Respondent from liability to Claimant on account of the Claim does not release Respondent from liability to persons who are not Party to Claimant's Claim.

10.12 Period of Limitation.

(a) For Actions by an Owner. The exclusive period of limitation for any of the Parties to bring any Claim, including, but not limited to, a Claim of construction defect or defective design of a residence, shall be the earliest of: (1) for Claims alleging construction defect or defective design, two (2) years and one (1) day from the date that the Owner discovered or reasonably should have discovered evidence of the Claim; (2) for Claims other than those alleging

construction defect or defective design, four (4) years and one (1) day from the date that the Owner discovered or reasonably should have discovered evidence of the Claim; or (3) for all Claims, the applicable statute of limitations under Texas law. In no event shall this Section 10.12(a) be interpreted to extend any period of limitations under Texas law.

(b) For Actions by the Association. The exclusive period of limitation for the Association to bring any Claim, including, but not limited to, a Claim of construction defect or defective design of the Common Areas, shall be the earliest of: (1) for Claims alleging construction defect or defective design, two (2) years and one (1) day from the date that the Association or its agents discovered or reasonably should have discovered evidence of the Claim; (2) for Claims other than those alleging construction defect or defective design of the Common Areas, four (4) years and one (1) day from the date that the Association discovered or reasonably should have discovered evidence of the Claim; or (3) for all Claims, the applicable statute of limitations under Texas law. In no event shall this Section 10.12(b) be interpreted to extend any period of limitations under Texas law.

10.13 Litigation Approval and Settlement. The Association must levy a special assessment to fund the estimated costs of arbitration, including estimated attorney's fees, conducted pursuant to this Article 10 or any judicial action initiated by the Association. The Association may not use its annual operating income or reserve funds or savings to fund arbitration or litigation, unless the Association's annual budget or a savings account was established and funded from its inception as an arbitration and litigation reserve fund.

10.14 Limitation on Consolidation or Joinder. No mediation, arbitration, or other action arising out of or relating to this Declaration or any other Documents shall include, by consolidation or joinder or in any other manner, the Declarant, the Association, any managing agent engaged by the Declarant, the Association, or the Architectural Control Committee, as a "Respondent" in such Claim, except by written consent containing specific reference to this Declaration signed by the Declarant, the Association, any managing agent engaged by the Declarant or the Association, or the Architectural Control Committee, named as Respondent, as applicable, the Claimant, and any other person or entity sought to be joined. Consent to mediation, arbitration or other proceeding involving an additional person or entity shall not constitute consent to mediation, arbitration or other proceeding to resolve a Claim not described therein or with a person or entity not named or described therein. Notwithstanding the foregoing, the Declarant if \named as a "Respondent" in a Claim, may, at its option and in its sole and absolute discretion, elect to join or consolidate mediation or arbitration with a Claimant and other Claimant(s) or any other party having an interest in the proceedings. Each Owner by taking title to any Lot hereby consents to such joinder or consolidation, which may be ordered at the sole discretion or election of the Declarant.

10.15 Liens/Validity and Severability; Mortgagees. Violation of or failure to comply with this Declaration shall not affect the validity of any mortgage, lien or other similar security instrument which may then be existing on any Lot. Invalidation of any one (1) or more of the provisions of this Declaration, or any portions thereof, by a judgment or court order shall not affect any of the other provisions or covenants herein contained, which such other provisions and covenants shall remain in full force and effect. No default by an Owner of a Lot under any provision of this Declaration shall affect any existing lien or

mortgage on that Lot. A mortgagee shall not be liable for Assessments made with respect to a Lot during any period in which its only interest in the Lot is that of a mortgagee.

ARTICLE 11

GENERAL PROVISIONS

11.1 Duration. The Covenants of this Declaration shall run with and bind the Property, and shall inure to the benefit of and be enforceable by Declarant, the Association and each Owner and each of their respective legal representatives, heirs, successors and assigns. This Declaration shall be effective for an initial term ending on December 31, 2058, after which time said Covenants shall be automatically extended for successive periods of ten (10) years each unless, at least one (1) year prior to the expiration of the then current term, an instrument terminating this Declaration is signed by Owners of at least seventy percent (70%) of the Lots, and is recorded in the Official Public Records of Dallas County, Texas.

11.2 Amendments. Notwithstanding Section 11.1 of this Article, and in addition to Declarant's rights to amend this Declaration during the Development Period as set forth in Article 12 hereof, this Declaration may be amended or otherwise changed (a) as provided in Section 2.2, or (b) upon the affirmative vote of at least sixty-seven percent (67%) of the outstanding votes of the Members of the Association taken at a meeting of the Members of the Association, duly called at which quorum is present. Any and all amendments of this Declaration shall be recorded in the Official Public Records of Dallas County, Texas.

11.3 Enforcement. Subject to the provisions of Article 11, these Covenants may be enforced against any person or persons violating or attempting to violate them, by any proceeding at law or in equity, including, without limitation, through actions to enjoin violations, to recover damages, or to enforce any lien created by these Covenants. The failure by the Association or any Owner to enforce any covenant or restriction herein contained shall in no event be deemed a waiver of the right to do so thereafter.

11.4 Severability. If any provision of this Declaration is determined by judgment or court order to be invalid, or illegal or unenforceable, the remaining provisions of this Declaration shall remain in full force and effect in the same manner as if such invalid, illegal or unenforceable provision had been deleted from this Declaration by an amendment effective as of the date of such determination.

11.5 References. All references in this Declaration to articles, sections, subsections and paragraphs refer to corresponding articles, sections, subsections, and paragraphs of this Declaration. Heading and titles used herein are for convenience only and shall not constitute substantive provisions of this Declaration. The words "this Declaration," "this instrument," "herein," "hereof," "hereby," "hereunder" and words of similar import refer to this Declaration as a whole and not to any particular provision unless expressly so limited. Words in the singular form shall be construed to include the plural and vice versa, unless the context otherwise requires. Words in any gender (including the neutral gender) shall include any other gender, unless the context otherwise requires. Examples shall not be

construed to limit, expressly or by implication, the matter they illustrate. The word "includes" and its derivatives shall mean "includes, but is not limited to" and corresponding derivative expressions. The word "or" includes "and/or." All references herein to "$" or "dollars" shall refer to U.S. Dollars. All exhibits attached to this Declaration are incorporated herein by reference.

11.6 Notices. Any notice required to be given to the Association, or to any Member or Owner under the provisions of this Declaration shall be deemed to have been properly delivered when deposited in the United States mail, postage prepaid, addressed to the last known address of such person as shown by the records of the Association at the time of such mailing.

11.7 Notices to Mortgagees. Upon written request delivered to the Association by the mortgagee of a Lot, the Association shall send to the requesting mortgagee written notification of any default hereunder affecting the mortgagor or the Lot covered by the mortgage of the requesting mortgagee. Any such request shall be in sufficient detail to enable the Association to determine the affected Lot and Owner and shall set forth the mailing address of the requesting mortgagee.

11.8 Liability Limitations; Indemnification. The Declarant, the Association and managing agent, and their respective directors, officers, agents, members, employees, and representatives, and any member of the Board, the Architectural Control Committee, and other officer, agent or representative of the Association (collectively, the "Indemnified Parties"), shall not be personally liable for the debts, obligations or liabilities of the Association. The Indemnified Parties shall not be liable for any mistake of judgment, whether negligent or otherwise, except for their own individual willful misfeasance or malfeasance, misconduct, bad faith, intentional wrongful acts or as otherwise expressly provided in the Documents. The Indemnified Parties shall have no personal liability with respect to any contract or other commitment made by them, in good faith, on behalf of the Association. **THE ASSOCIATION, AS A COMMON EXPENSE OF THE ASSOCIATION, SHALL INDEMNIFY AND HOLD HARMLESS THE INDEMNIFIED PARTIES FROM ANY AND ALL EXPENSES, LOSS OR LIABILITY TO OTHERS, INCLUDING ATTORNEY'S FEES, REASONABLY INCURRED BY OR IMPOSED ON THE INDEMNIFIED PARTY IN CONNECTION WITH AN ACTION, SUIT, OR PROCEEDING TO WHICH THE INDEMNIFIED PARTY IS A PARTY BY REASON OF BEING OR HAVING BEEN AN INDEMNIFIED PARTY HEREUNDER OR ON ACCOUNT OF ANY CONTRACT OR COMMITMENT ENTERED INTO BY ANY INDEMNIFIED PARTY IN ITS CAPACITY HEREUNDER (TO THE EXTENT NOT COVERED BY INSURANCE PROCEEDS) AGAINST EXPENSES. IN ADDITION, EACH INDEMNIFIED PARTY SHALL BE INDEMNIFIED AND HELD HARMLESS BY THE ASSOCIATION, AS A COMMON EXPENSE OF THE ASSOCIATION, FROM ANY EXPENSE, LOSS OR LIABILITY TO OTHERS (TO THE EXTENT NOT COVERED BY INSURANCE PROCEEDS) BY REASONS OF HAVING SERVED AS SUCH DIRECTOR, OFFICER, AGENT, MEMBER, EMPLOYEE AND/OR REPRESENTATIVE AND IN SUCH CAPACITY AND AGAINST ALL EXPENSES, LOSSES AND LIABILITIES, INCLUDING, BUT NOT LIMITED TO, COURT**

COSTS AND REASONABLE ATTORNEYS' FEES, INCURRED BY OR IMPOSED UPON SUCH INDEMNIFIED PARTY IN CONNECTION WITH ANY PROCEEDING TO WHICH SUCH PERSON MAY BE A PARTY OR HAVE BECOME INVOLVED BY REASON OF BEING SUCH DIRECTOR, OFFICER, AGENT, MEMBER, EMPLOYEE AND/OR REPRESENTATIVE AT THE TIME ANY SUCH EXPENSES, LOSSES OR LIABILITIES ARE INCURRED SUBJECT TO ANY PROVISIONS REGARDING INDEMNITY CONTAINED IN THE ASSOCIATION DOCUMENTS, EXCEPT IN CASES WHEREIN THE EXPENSES, LOSSES AND LIABILITIES ARISE FROM A PROCEEDING IN WHICH SUCH INDEMNIFIED PARTY IS ADJUDICATED GUILTY OF WILLFUL MISFEASANCE OR MALFEASANCE, MISCONDUCT OR BAD FAITH IN THE PERFORMANCE OF SUCH PERSON'S DUTIES OR INTENTIONAL WRONGFUL ACTS OR ANY ACT EXPRESSLY SPECIFIED IN THE ASSOCIATION DOCUMENTS AS AN ACT FOR WHICH ANY LIMITATION OF LIABILITY SET FORTH IN THE ASSOCIATION DOCUMENTS IS NOT APPLICABLE; PROVIDED, HOWEVER, THIS INDEMNITY DOES COVER LIABILITIES RESULTING FROM SUCH INDEMNIFIED PARTY'S NEGLIGENCE. AN INDEMNIFIED PARTY IS NOT LIABLE FOR A MISTAKE OF JUDGMENT, NEGLIGENT OR OTHERWISE. AN INDEMNIFIED PARTY IS LIABLE FOR HIS OR HER WILLFUL MISFEASANCE, MALFEASANCE, MISCONDUCT, OR BAD FAITH. THIS RIGHT TO INDEMNIFICATION DOES NOT EXCLUDE ANY OTHER RIGHTS TO WHICH PRESENT OR FORMER INDEMNIFIED PARTIES MAY BE ENTITLED. ANY RIGHT TO INDEMNIFICATION PROVIDED HEREIN SHALL NOT BE EXCLUSIVE OF ANY OTHER RIGHTS TO WHICH A DIRECTOR, OFFICER, AGENT, MEMBER, EMPLOYEE AND/OR REPRESENTATIVE, OR FORMER DIRECTOR, OFFICER, AGENT, MEMBER, EMPLOYEE AND/OR REPRESENTATIVE, MAY BE ENTITLED. THE ASSOCIATION MAY MAINTAIN GENERAL LIABILITY AND DIRECTORS' AND OFFICERS' LIABILITY INSURANCE TO FUND THIS OBLIGATION. ADDITIONALLY, THE ASSOCIATION MAY INDEMNIFY A PERSON WHO IS OR WAS AN EMPLOYEE, TRUSTEE, AGENT, OR ATTORNEY OF THE ASSOCIATION, AGAINST ANY LIABILITY ASSERTED AGAINST HIM AND INCURRED BY HIM IN THAT CAPACITY AND ARISING OUT OF THAT CAPACITY. Any insurance policies obtained by the Association shall name the Declarant and the managing agent as "additional insured" on such policies. **ADDITIONALLY, THE ASSOCIATION MAY INDEMNIFY A PERSON WHO IS OR WAS AN EMPLOYEE, TRUSTEE, AGENT, OR ATTORNEY OF THE ASSOCIATION, AGAINST ANY LIABILITY ASSERTED AGAINST HIM AND INCURRED BY HIM IN THAT CAPACITY AND ARISING OUT OF THAT CAPACITY.**

11.9 Management of the Association. In the event that the Board elects to contract with a Managing Agent to perform any duties of the Board in accordance with Article 5 hereof, the Board shall record or cause to be recorded in each county in which the Property is located a management certificate, signed and acknowledged by an officer of the Managing Agent or the Association in accordance with the requirements of Section 209.004 of the Texas Property Code. An amended management certificate shall be recorded no later than the 30th day after the date on which the Association has notice of a change in any information

pertaining to the Managing Agent applicable to the Association. Notwithstanding the foregoing or anything to the contrary contained herein, in no event shall the Declarant, the Association and/or their respective officers, directors, employees, and/or agents, or the Board be subject to liability to any Person for a delay in recording or failure to record a management certificate except as otherwise provided by law. In the event that the Sub-Declarant or the Sub-Association desires to engage a managing agent as may be permitted or contemplated under the Sub-Declaration or governing documents of such Sub-Association, such managing agent engaged by the Sub-Declarant or Sub-Association must be the same Managing Agent contracted with the Board in accordance with the terms of this Declaration.

11.10 Termination of and Responsibility of Declarant. If Declarant shall transfer all of its then remaining right, title and interest in and to the Land and shall additionally expressly assign all its rights, benefits and obligations as Declarant hereunder to the transferee of such remaining interest in the Land, then Declarant shall have no further rights or duties hereunder and such rights and duties of Declarant hereunder shall thereupon be enforceable and performable by such transferee of Declarant's rights hereunder.

11.11 City Provisions. All construction within the Property shall also comply with all applicable City Zoning Ordinances, the Planned Development Ordinance, and/or other City ordinances and regulations. If any City Zoning Ordinance, the Planned Development Ordinance, and/or other City ordinance or regulation imposes more demanding, extensive or restrictive requirements than those set forth in this Declaration, such requirements shall govern. No ordinance or regulations adopted by the City shall lessen the requirements set forth in these Covenants.

11.12 Security. The Association may, but is not obligated to, maintain or support certain activities within the Property designed, either directly or indirectly, to improve safety in or on the Property. Each Owner and resident acknowledge and agrees, for himself and his guests, that Declarant, the Association, and their respective directors, officers, committees, agents, and employees are not providers, insurers, or guarantors of security within the Property. Each Owner and resident acknowledge and accepts his sole responsibility to provide security for his own person and property, and assumes all risks for loss or damage to same. Each Owner and resident further acknowledges that Declarant, the Association, and their respective directors, officers, committees, agents, and employees have made no representations or warranties, nor has the Owner or resident relied on any representation or warranty, express or implied, including any warranty of merchantability or fitness for any particular purpose, relative to any fire, burglar, and/or intrusion systems recommended or installed, or any security measures undertaken within the Property. Each Owner and resident acknowledge and agrees that Declarant, the Association, and their respective directors, officers, committees, agents, and employees may not be held liable for any loss or damage by reason of failure to provide adequate security or ineffectiveness of security measures undertaken. **Private security installed on individual homes or Lots may not, at any time, violate the privacy of an adjoining Lot or Residence. Security devices should be focused on areas of the Owner's personal residence, yards, and Lot. Security devices found to be violating any privacy act as may be defined by Texas State Property Code or Texas Law shall be required to remove or adjust such security devices to follow the Texas State Property Code and/or Texas Law.**

ARTICLE 12

SPECIFIC DECLARANT RIGHTS

12.1 Amendment. The provisions of this Article 12 may not be amended without the express written consent of Declarant (and Declarant's successors and assigns in accordance with the terms hereof). ***Additional Declarant Reservations and Representations may be found in Exhibit B. All Declarant Rights, Reservations, and Representations are hereby reserved for the Declarant and remain in full force and effect during the period of Declarant Control and/or so long as active Development of the Association continues and may not be revoked, superseded, or amended without the express written consent of the Declarant. No Owner shall take any action that would result in the delay, hinderance, or prevention of the orderly buildout of the community. Owner's, including any Board of Director, is prohibited from intervening or interrupting the ongoing construction and sale of homes. The Declarant, so long as there is one (1) Declarant or Builder Lot left to construct upon and sale, shall have the sole discretion as to construction hours, placement of marketing signs and banners, allowance of marketing events and open house showings and any other function or action used to promote the sale of Lots and/or homes within the subdivision.***

12.2 No Duty to Annex. Nothing herein contained shall establish any duty or obligation on the part of the Declarant or any Member to annex any Adjacent Land or other property to this Declaration and no owner of the property excluded from this Declaration shall have any right to have such property annexed thereto.

12.3 Effect of Annexation on Class C Membership. In determining the number of Lots owned by the Declarant for the purpose of Class C membership status according to Section 5.3 hereof, the total number of Lots covered by this Declaration and located or to be developed in such Declarant's portion of the Property, including all Lots acquired by the Declarant and annexed thereto, shall be considered. If Class C membership has previously lapsed but annexation of any Adjacent Land or additional property restores the ratio of Lots owned by the Declarant to the number required by Class C membership, such Class C membership shall be reinstated until it expires pursuant to the terms of Section 5.3.

12.4 Specific Declarant Rights to Amend Declaration. During the Development Period, the Declarant may unilaterally amend this Declaration without the joinder or vote of the Board, the Association, the other Owners, or any other party if such amendment is deemed necessary or desirable, in the Declarant's sole judgment for any purpose, including, without limitation, (i) to bring any provisions of this Declaration into compliance with any applicable governmental statute, rule, regulation or judicial determination; (ii) to enable any reputable title insurance company to issue title insurance coverage on the Lots; (iii) to enable any institutional or governmental lender, purchaser, insurer, or guarantor of mortgage loans, including, for example, the Federal National Mortgage Association or Federal Home Loan Mortgage Corporation, to purchase, insure, or guarantee mortgage loans on the Lots; (iv) to satisfy the requirements of any local, state or federal governmental agency; or (v) to correct or clarify errors, omissions, mistakes or ambiguities contained herein. No amendment

pursuant to this paragraph, however, shall adversely affect the title to any Lot unless the Owner affected thereby shall consent in writing.

12.5 Easement/Access Right. The Declarant reserves a general easement over all streets, roads, rights of way, utility, maintenance, landscaping, wall and other easements in the Property and over the Master Common Area as reasonably necessary for access for the purpose of finishing development of the Property as a subdivision and as otherwise reasonably necessary to affect each Declarant's rights hereunder. Such easements and rights shall expire upon expiration of the Development Period.

12.6 Assignment of Declarant Rights. The Declarant may assign its rights to a successor Declarant hereunder by execution of a written document, recorded in the Official Public Records of Dallas County, Texas, expressly and specifically stating that such Declarant has assigned its rights as such to a designated assignee and declaring such assignee to be a new "Declarant" hereunder. No Person purchasing or otherwise acquiring one (1) or more Lots shall be considered "Declarant" hereunder, unless Declarant makes an express and specific assignment referenced in and accordance with the terms of the immediately preceding sentence or except in the event of an involuntary disposition of all or any part of the Land owned by Declarant prior to completion of development of the Land as a residential community.

12.7 Declarant's Right to Install Improvements in Setback and Other Areas. The Declarant, in connection with development of the Property and construction of homes thereon, reserves the right, but shall have no obligation, to install or construct walls, fences, irrigation systems and other improvements in the setback areas (being the area on, along and/or between the boundary line of a Lot and the building or setback lines applicable to such Lot). If the Declarant exercises such right in a setback area, then such wall, fence, irrigation system, or other improvement shall be the property of the Owner(s) of the Lot(s) adjacent to such improvements or upon which such improvements are located, and such Owner(s) shall maintain and repair any such improvement unless the applicable Declarant or the Association, by and through the Board, shall advise the Owner(s) in writing of its intent to assume such maintenance and repair obligations. If the Declarant exercises such above-described right in the non-setback areas, then such wall, fence, irrigation system, or other improvement shall be the property of the Association. During the Development Period, the Declarant shall have the right, but not the obligation, to maintain and repair any such non-setback area improvements located on such Declarant's portion of the Property; otherwise, the Association shall assume the maintenance and repair or it may abandon such improvements at its discretion. If the City requires the maintenance, repair, or removal of any such non-setback area improvements, the Association shall assume such responsibility at its expense. If the Association so abandons such non-setback area improvements or is properly dissolved, then the Owner(s) of the Lot(s) adjacent to such improvements or on which such improvements are located shall assume maintenance and repair at its expense.

12.8 Replatting or Modification of Plat. From time to time, the Declarant reserves the right to replat its Property or to amend or modify the Plat in order to assure harmonious and orderly development of the Property as herein provided. The Declarant may exercise such rights at any time during the Development Period and no joinder of any other Owner

shall be required to give effect to such rights, each Owner consenting to the Declarant's execution of any replat on such Owner's behalf. However, any such replatting or amendment of the Plat shall be with the purpose of efficiently and economically developing the Property for the purposes herein provided or for compliance with any applicable governmental regulation. The Declarant's rights under this Section 12.8 shall expire upon expiration of the Development Period.

12.9 Limitation of Declarants' Liability. The Declarant shall not be responsible or liable for any deficit in the Association's funds. The Declarant may, but is under no obligation to, subsidize any liabilities incurred by the Association, and the Declarant may, but is not obligated to, lend funds to the Association to enable it to defray its expenses, provided the terms of such loans are on reasonable market conditions at the time.

12.10 Termination of the Declarant's Responsibilities. In consideration of the Declarant's deficit funding of the Association, if any, upon the occurrence of any of the following events: (i) conversion of the Declarant's Class C membership status to Class A membership status; (ii) completion of the Master Common Area by the Declarant and conveyance of same to the Association; (iii) assignment of the Declarant's rights hereunder pursuant to Section 12.6; or (iv) expiration of the Development Period, then and in such event the Declarant shall be fully released, relieved and forever discharged from any further duty or obligation to the Association or any of its members as the Declarant by reason of the terms and conditions of this Declaration including any amendments thereof or supplements thereto, save and except the duties and obligations, if any, of the Declarant as a Class A member by reason of the Declarant's continued ownership of one or more Lots, but not otherwise. Further, and without regard to whether or not the Declarant has been released from obligations and duties to the Association, during the Development Period or so long as the Declarant holds record title to at least one (1) Lot and holds same for sale in the ordinary course of business, neither the Association nor its Board, nor any member of the Association shall take any action that will impair or adversely affect the rights of the Declarant or cause the Declarant to suffer any financial, legal or other detriment, including but not limited to, any direct or indirect interference with the sale of Lots. In the event there is a breach of this Section, it is acknowledged that any monetary award which may be available would be an insufficient remedy and therefore, in addition to all other remedies, the Declarant shall be entitled to injunctive relief restraining the Association, its Board or any member of the Association from further breach of this Section.

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IN WITNESS WHEREOF, Declarant has caused this instrument to be executed as of the date first above written.

MM Legends Crossing, LLC
a Texas limited liability company

By: MM Finished Lots Holdings, LLC,
a Texas limited liability company
Its Manager

By: MMM Ventures, LLC,
a Texas limited liability company
Its Manager

By: 2M Ventures, LLC,
a Delaware limited liability company
Its Manager

By: _____

Name: Mehrdad Moayedi
Its: Manager

STATE OF TEXAS §
§
COUNTY OF DALLAS §

BEFORE ME, the undersigned authority, on this day personally appeared Mehrdad Moayedi, Manager of 2M Ventures, LLC, a Delaware limited liability company, Manager of MMM Ventures, LLC, a Texas limited liability company, Manager of MM Finished Lots Holdings, LLC, a Texas limited liability company, Manager of MM Legends Crossing, LLC, a Texas limited liability company, known to me to be the person and officer whose name is subscribed to the foregoing instrument, and acknowledged to me that he executed the same for the purposes and consideration therein expressed and in his capacity and on behalf of said limited liability companys.

GIVEN UNDER MY HAND AND SEAL OF OFFICE, this 26 day of June, 2020.

_____
NOTARY PUBLIC STATE OF TEXAS

My Commission Expires: 9-26-20 Printed Name: Rome Barnes

ROME BRADLEY BARNES
Notary ID # 129140981
My Commission Expires
September 26, 2020

EXHIBIT A

LEGAL DESCRIPTION OF THE LAND

Being a tract of land out of the Nancy Coosey Survey, Abstract No. 319 and situated in the City of Irving, Dallas County, Texas, and surveyed by Miller Surveying, Inc. of Hurst, Texas in February of 2018, said tract being the same tract of land described in the deed to Cowboys Center, Ltd. recorded in Volume 92249, Page 6187 of the Deed Records of Dallas County, Texas and also including the same tract of land described in the deed to Cowboys Center, Inc. recorded in Volume 92249, Page 6187 of said deed records and being more particularly described by metes and bounds as follows:

Beginning at a to a 1/2 inch capped steel rod set found for the southwest corner of said Cowboys tract (92249/6187), said rod being in the northerly right-of-way line of Valley Ranch Parkway East and also being the southeast corner of Lot 2, Block A, Valley Ranch – Phase V, 32nd Installment, an addition to the City of Irving, Texas according to the plat thereof recorded in Volume 90233, Page 1511 of the Map Records of Dallas County, Texas;

Thence North 01 degrees 01 minutes 18 seconds West with the westerly boundary line of said Cowboys tract (92249/6187) a distance of 655.22 feet to a 5/8 inch steel rod found for the northwest corner thereof;

Thence North 88 degrees 59 minutes 11 seconds East with the northerly boundary line of said Cowboys tract (92249/6187) a distance of 144.89 feet to a 1/2 inch "MILLER 5665" capped steel rod set in the southerly boundary line of said Cowboys tract (86190/3867) for the beginning of a curve to the right with a radius of 200.00 feet and whose chord bears North 76 degrees 45 minutes 56 seconds West at 98.45 feet;

Thence with said southerly boundary line and with said curve along an arc length of 99.47 feet and through a central angle of 28 degrees 29 minutes 46 seconds to a 1/2 inch "MILLER 5665" capped steel rod set for the end of said curve;

Thence North 62 degrees 36 minutes 02 seconds West continuing with said southerly boundary line a distance of 56.25 feet to a 1/2 inch "MILLER 5665" capped steel rod set for the most westerly southwest corner of said Cowboys tract (86190/3867);

Thence North 01 degrees 01 minutes 18 seconds West with the westerly boundary line of said Cowboys tract (86190/3867) a distance of 137.30 feet to a 1/2 inch "MILLER 5665" capped steel rod set for the northwest corner thereof;

Thence North 89 degrees 28 minutes 33 seconds East with the northerly boundary line of said Cowboys tract (86190/3867) a distance of 853.19 feet to a 1/2 inch "MILLER 5665" capped steel rod set for the beginning of a curve to the right with a radius of 240.00 feet and whose chord bears South 62 degrees 01 minutes 26 seconds East at 229.04 feet;

Thence continuing with said northerly boundary line and with said curve along an arc length of 238.76 feet and through a central angle of 57 degrees 00 minutes 03 seconds to a 1/2 inch "MILLER 5665" capped steel rod set for the end of said curve;

Thence South 33 degrees 31 minutes 24 seconds East with the easterly boundary line of said Cowboys tract (86190/3867) a distance of 929.00 feet to a 1/2 inch "MILLER 5665" capped steel rod set for the most easterly corner of said Cowboys tract (86190/3867), said rod being in the northwesterly right-of-way line of Cowboys Parkway and also being beginning of a curve to the right with a radius of 658.17 feet and whose chord bears South 43 degrees 19 minutes 06 seconds West at 91.97 feet;

Thence with said northwesterly right-of-way line and with said curve along an arc length of 92.05 feet and through a central angle of 08 degrees 00 minutes 47 seconds to a 1/2 inch "MILLER 5665" capped steel rod set;

Thence South 44 degrees 40 minutes 17 seconds West continuing with said northwesterly right-of-way line a distance of 443.11 feet to a 1/2 inch capped steel rod found for the beginning of a curve to the right with a radius of 150.00 feet and whose chord bears South 52 degrees 05 minutes 23 seconds West at 38.73 feet;

Thence continuing with said northwesterly right-of-way line and with said curve along an arc length of 38.84 feet and through a central angle of 14 degrees 50 minutes 12 seconds to a 1/2 inch capped steel rod found for the beginning of a curve to the left with a radius of 150.00 feet and whose chord bears South 52 degrees 05 minutes 23 seconds West at 38.73 feet;

Thence continuing with said northwesterly right-of-way line and with said curve along an arc length of 38.84 feet and through a central angle of 14 degrees 50 minutes 12 seconds to a 1/2 inch "MILLER 5665" capped steel rod set for the end of said curve;

Thence South 44 degrees 39 minutes 56 seconds West continuing with said northwesterly right-of-way line a distance of 349.90 feet to a 1/2 inch "MILLER 5665" capped steel rod set for the beginning of a curve to the right with a radius of 19.50 feet and whose chord bears South 89 degrees 40 minutes 19 seconds West at 27.58 feet;

Thence continuing with said northwesterly right-of-way line and with said curve along an arc length of 30.63 feet and through a central angle of 90 degrees 00 minutes 45 seconds to a 1/2 inch capped steel rod found for in the easterly right-of-way line of said Valley Ranch Parkway East;

Thence North 45 degrees 19 minutes 19 seconds West with said easterly right-of-way line a distance of 707.36 feet to a 1/2 inch "MILLER 5665" capped steel rod set for the beginning of a curve to the left with a radius of 905.00 feet and whose chord bears North 58 degrees 08 minutes 39 seconds West at 401.69 feet;

Thence continuing with said easterly right-of-way line and with said curve along an arc length of 405.06 feet and through a central angle of 25 degrees 38 minutes 41 seconds to the point of beginning and containing 36.692 acres of land, more or less.

EXHIBIT B
TO

MASTER DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS
FOR
LEGENDS CROSSING

DECLARANT REPRESENTATIONS & RESERVATIONS

B.1. GENERAL PROVISIONS.

B.1.1. Introduction. Declarant intends the Declaration to be perpetual and understands that provisions pertaining to the initial development, construction, marketing, and control of the Property will become obsolete when Declarant's role is complete. As a courtesy to future users of the Declaration, who may be frustrated by then-obsolete terms, Declarant is compiling the Declarant-related provisions in this Exhibit.

B.1.2. General Reservation & Construction. Notwithstanding other provisions of the Documents to the contrary, nothing contained therein may be construed to, nor may any mortgagee, other Owner, or the Association, prevent or interfere with the rights contained in this Exhibit which Declarant hereby reserves exclusively unto itself and its successors and assigns. In case of conflict between this Exhibit and any other Document, this Exhibit controls. This Exhibit may not be amended without the prior written consent of Declarant. To the extent any proposed amendment is for the purpose of either amending the provisions of this Declaration or the Association's Agreements pertaining to the use, operation, maintenance and/or supervision of any facilities, structures, improvements, systems, Common Areas, private Streets or grounds that are the responsibility of the Association, prior written consent of the City may be required. The terms and provisions of this Exhibit must be construed liberally to give effect to Declarant's intent to protect Declarant's interests in the Property.

B.1.3. Purpose of Development and Declarant Control Periods. This Exhibit gives Declarant certain rights during the Development Period and the Declarant Control Period to ensure a complete and orderly build out and sellout of the Property, which is ultimately for the benefit and protection of Owners and mortgagees. Declarant may not use its control of the Association and the Property for an advantage over the Owners by way of retention of any residual rights or interests in the Association or through the creation of any contractual agreements which the Association may not terminate without cause with ninety days' notice notwithstanding, certain rights and protections for the Declarant and Builders is deemed reasonable and necessary to ensure a complete and orderly buildout.

B.1.4. Definitions. As used in this Exhibit and elsewhere in the Documents, the following words and phrases, when capitalized, have the following specified meanings:

> "Builder" means a person or entity which purchases, or contracts to purchase, a Lot from Declarant or from a Builder for the purpose of constructing a Residence for resale or under contract to an Owner other than Declarant. As used in this Declaration, Builder does not refer to Declarant or to any home building or home marketing company that is an affiliate of Declarant.

"Declarant Control Period" means that period of time during which Declarant controls the operation of this Association. The duration of the Declarant Control Period will be from the date this Declaration is recorded for a maximum period not to exceed the earlier of:

(1) means the period of time commencing on the date of this Declaration and

continuing through and including the earlier of (i) the date on which Declarant no longer owns any portion of the Property, or (ii) the date which is fifteen (15) years after recordation of this Declaration in the Official Public Records of Dallas County, Texas, or (iii) the date of recording in the Official Public Records of Dallas County, Texas, of a notice signed by the Declarant terminating the Development Period.

B.1.5. Builders. Declarant, through its affiliates, intends to construct Villas (herein so called), Townhomes (herein so called), and Bungalows (herein so called) on the Lots in connection with the sale of the Lots. However, Declarant may, without notice, sell some or all of the Lots to one or more Builders to improve the Lots with Villas, Townhomes, or Bungalows to be sold and occupied.

B.2. DECLARANT CONTROL PERIOD RESERVATIONS. Declarant reserves the following powers, rights, and duties during the Declarant Control Period:

B.2.1. Officers & Directors. During the Declarant Control Period, the Board may consist of three (3) persons. **During the Declarant Control Period, Declarant may appoint, remove, and replace any officer or director of the Association, none of whom need be Members or Owners, and each of whom is indemnified by the Association as a "Leader;"** provided, however, that on or before the date which is the earlier of (i) one hundred twenty (120) days after Declarant has sold seventy five percent (75%) of the Lots that may be developed within the Property, or (ii) ten (10) years after the date of recordation of this Declaration, at least one-third (1/3) of the directors on the Board shall be elected by non-Declarant Owners.

B.2.2. Weighted Votes. During the Declarant Control Period, the vote appurtenant to each Lot owned by Declarant is weighted ten (10) times that of the vote appurtenant to a Lot owned by Class A Members. In other words, during the Declarant Control Period, Declarant may cast the equivalent of ten (10) votes for each Lot owned by Declarant on any issue before the Association. On termination of the Declarant Control Period and thereafter, the vote appurtenant to Declarant's Lots is weighted uniformly with all other votes.

B.2.3. Budget Funding. During the Declarant Control Period only, Declarant may, in its sole discretion, provide amounts in excess of the funds raised by the regular assessments in order to maintain the Common Properties within reasonable standards excluding non-recurring expenses which the Declarant shall have no obligation to fund. Any such advances made by Declarant during the Declarant Period shall be a debt of the Association to the advancing party. Notwithstanding the foregoing, Declarant, in its sole discretion, may cause the Association to borrow any deficiency amount from a lending institution at the then prevailing rate for such a loan. **Declarant is not responsible for funding the Reserve Fund and may, at its sole discretion,**

require the Association to use Reserve Funds when available to pay operating expenses prior to the Declarant funding any deficiency.

B.2.4. Declarant Assessments. During the Declarant Control Period, any real property owned by Declarant is not subject to Assessments by the Association.

B.2.5. Builder Obligations. During the Declarant Control Period only, Declarant has the right but not the duty (1) to reduce or waive the Assessment obligation of a Builder, and (2) to exempt a Builder from any or all liabilities for working capital.

B.2.6. Commencement of Assessments. During the initial development of the Property, Declarant may elect to postpone the Association's initial levy of Regular Assessments until a certain number of Lots are sold. During the Declarant Control Period, Declarant will determine when the Association first levies Regular Assessments against the Lots.

B.2.7. Expenses of Declarant. Expenses related to the completion and marketing of the Property will be paid by Declarant and are not expenses of the Association.

B.2.8. Budget Control. During the Declarant Control Period, the Declarant approves the budget and controls the right to amend said budget without consent of joinder of the Members in order to establish and produce a budget commensurate with the Association's expenses, needs and expectations during the build out period. **Owners' shall have no right of veto regarding Amendment, Assessment increases or Special Assessments during the Declarant Control Period**.

B.2.9. Organizational Meeting. Within one hundred twenty (120) days after the end of the Declarant Control Period, or sooner at the Declarant's option, Declarant will call an organizational meeting of the Members of the Association for the purpose of electing, by vote of the Owners, three directors to the Board. Written notice of the organizational meeting must be given to an Owner of each Lot at least ten (10) days but not more than thirty (30) days before the meeting. For the organizational meeting, Owners of twenty percent (20%) of the Lots constitute a quorum. The directors elected at the organizational meeting will serve staggered terms with the candidates obtaining the highest number of votes serving the longer term and the remaining candidates serving the shorter term as follows: Three-person Board one (1) Member shall serve a three-year term, one (1) Member shall serve a two-year term, and one (1) Member shall serve a one-year term. At the first annual meeting to be held by the Members after Declarant Control ends the Board shall have the right, but not the obligation, to increase from a three to a five-person Board. The Board shall upon majority vote have the right to increase the Board; five being the maximum number of Directors allowed. A five-person Board: Two (2) Members shall serve a three-year term, two (2) Members shall serve a two-year term, and one (1) Member shall serve a one-year term.

At this transition meeting, the Declarant will transfer control of all utilities, if applicable, related to the Common Areas provide information to the Association, if not already done so, relating to the total costs to date related to the operation and maintenance of the Common Areas and Areas of Common Responsibility.

B.3. DEVELOPMENT PERIOD RESERVATIONS. Declarant reserves the following easements and rights, exercisable at Declarant's sole discretion, at any time during the Development Period:

B.3.1. Builder Limitations. Declarant may require its approval (which may not be unreasonably withheld) of all documents and materials used by a Builder in connection with the development and sale of Lots, including without limitation promotional materials; deed restrictions; forms for deeds, Lot sales, and Lot closings. With Declarant's prior written approval, a Builder may use a sales office or model in the Property to market homes, Lots, or other products located outside the Property.

B.3.3. Architectural Control. **During the Development Period, Declarant has the absolute right to serve as the Architectural Reviewer pursuant to the Declaration.** Declarant may from time to time, but is not obligated to, delegate all or a portion of its reserved rights as Architectural Reviewer under the Declaration and this Exhibit to (1) a committee comprised of architects, engineers, or other persons who may or may not be Members of the Association chosen by the Declarant. Any such delegation is at all times subject to the unilateral rights of Declarant (1) to revoke such delegation at any time and reassume jurisdiction over the matters previously delegated and (2) to veto any decision which Declarant in its sole discretion determines to be inappropriate or inadvisable for any reason. Declarant also has the unilateral right to exercise architectural control over vacant Lots in the Property. **The Association, the Board of Directors, nor a committee appointed by the Association or Board (no matter how the committee is named) may involve itself with the approval of Builders new construction plans and/or construction of new Residences and related improvements on vacant Lots without the express written permission of the Declarant.**

B.3.4. Amendment. During the Development Period, Declarant may amend this Declaration and the other Documents to include Bylaws, without consent of the Board, other Owners or mortgagee, or Members for any purpose, including without limitation the following purposes:

To create Lots, easements, and Common Areas within the Property.

To modify the designation of the Area of Common Responsibility.

To subdivide, combine, or reconfigure Lots.

To convert Lots into Common Areas and Common Areas back to Lots.

To modify the construction and use restrictions of this Declaration.

To merge the Association with another property owner's association.

To comply with the requirements of an underwriting lender.

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

To enable any reputable title insurance company to issue title insurance coverage on the Lots.

To enable an institutional or governmental lender to make or purchase mortgage loans on the Lots.

To change the name or entity of Declarant.

To change the name of the addition in which the Property is located.

To change the name of the Association.

For any other purpose, provided the amendment has no material adverse effect on any right of any Owner.

B.3.5. Completion. During the Development Period, Declarant has (1) the right to complete or make improvements indicated on the Plat; (2) the right to sell or lease any Lot owned by Declarant; and (3) an easement and right to erect, construct, and maintain on and in the Common Area, Area of Common Responsibility, and Lots owned or leased by Declarant whatever Declarant determines to be necessary or advisable in connection with the construction, completion, management, maintenance, leasing, and marketing of the Property, including, without limitation, parking areas, temporary buildings, temporary fencing, portable toilets, storage areas, dumpsters, trailers, and commercial vehicles of every type.

B.3.6. Easement to Inspect & Right to Correct. During the Development Period, Declarant reserves for itself the right, but not the duty, to inspect, monitor, test, redesign, correct, and relocate any structure, improvement or condition that may exist on any portion of the Property, including the Lots, and a perpetual nonexclusive easement of access throughout the Property to the extent reasonably necessary to exercise this right. Declarant will promptly repair, at its sole expense, any damage resulting from the exercise of this right. By way of illustration but not limitation, relocation of a screening wall located on a Lot may be warranted by a change of circumstance, imprecise siting of the original wall, or desire to comply more fully with public codes and ordinances. This Section may not be construed to create a duty for Declarant or the Association.

B.3.7. Promotion. During the Development Period, Declarant reserves for itself an easement and right to place or install signs, banners, flags, display lighting, potted plants, exterior decorative items, seasonal decorations, temporary window treatments, and seasonal landscaping on the Property, including items and locations that are prohibited to other Owners and Residents, for purposes of promoting, identifying, and marketing the Property and/or Declarant's Residences, Lots, developments, or other products located outside the Property. Declarant reserves an easement and right to maintain, relocate, replace, or remove the same from time to time within the Property. Declarant also reserves the right to sponsor marketing events – such as open houses, MLS tours, and broker's parties – at the Property to promote the sale of Lots. During the Development Period, Declarant also reserves (1) the right to permit Builders to place signs and promotional materials on the Property and (2) the right to exempt Builders from the sign restriction in this Declaration.

B.3.8. Offices. During the Development Period, Declarant reserves for itself the right to use Residences owned or leased by Declarant as models, storage areas, and offices for the marketing, management, maintenance, customer service, construction, and leasing of the Property and/or Declarant's developments or other products located outside the Property. Also, Declarant reserves for itself the easement and right to make structural changes and alterations on and to Lots

and/or Townhome Residences used by Declarant as models, storage areas, and offices, as may be necessary to adapt them to the uses permitted herein.

B.3.9. Access. During the Development Period, Declarant has an easement and right of ingress and egress in and through the Property for purposes of constructing, maintaining, managing, and marketing the Property and the Property Subject to Annexation (as hereinafter defined), and for discharging Declarant's obligations under this Declaration.

Declarant also has the right to provide a reasonable means of access for the home buying public through any existing or future gate that restricts vehicular access to the Property in connection with the active marketing of Lots and Residences by Declarant or Builders, including the right to require that the gate be kept open during certain hours and/or on certain days. This provision may not be construed as an obligation or intent to gate the Property.

B.3.10. Utility Easements. During the Development Period, Declarant may grant permits, licenses, and easements over, in, on, under, and through the Property for utilities, roads, and other purposes necessary for the proper development and operation of the Property. Declarant reserves the right to make changes in and additions to the easements on any Lot, as shown on the Plat, to more efficiently or economically install utilities or other improvements. Utilities may include, but are not limited to, water, sewer, trash removal, electricity, gas, telephone, television, cable, internet service, and security. To exercise this right as to land that is not a Common Area or not owned by Declarant, Declarant must have the prior written consent of the Owner.

B.3.11. Assessments. For the duration of the Development Period, any Lot owned by Declarant is not subject to mandatory assessment by the Association until the date Declarant transfers title to an Owner other than Declarant. If Declarant owns a Lot on the expiration or termination of the Development Period, from that day forward Declarant is liable for Assessments on each Lot owned by Declarant in the same manner as any Owner.

B.3.12. Land Transfers. During the Development Period, any transfer of an interest in the Property to or from Declarant is not subject to any transfer-related provision in the Documents, including without limitation on an obligation for transfer or Resale Certificate fees, and the transfer-related provisions of this Declaration. The application of this provision includes without limitation Declarant's Lot take-downs, Declarant's sale of Lots to Builders, and Declarant's sale of Lots to homebuyers.

B.4. COMMON AREAS. Declarant will convey title to the Common Areas, including any and all facilities, structures, improvements and systems of the Common Areas owned by Declarant, to the Association by one or more deeds – with or without warranty at the end of the Declarant Control Period. Any initial Common Area improvements will be installed, constructed, or authorized by Declarant, the cost of which is not a Common Expense of the Association. At the time of conveyance to the Association, the Common Areas will be free to encumbrance except for the property taxes accruing for the year of conveyance the terms of this Declaration and matters reflected on the Plat. Declarant's conveyance of title is a ministerial task that does not require and is not subject to acceptance by the Association or the Owners. The transfer of control of the Association at the end of the Declarant Control Period is not a transfer of Common Areas requiring inspection, evaluation, acceptance, or approval of Common Area improvements by the Owners. **Declarant is under no contractual or other obligation to provide amenities of any kind or type.**

B.5. WORKING CAPITAL FUND. Declarant may (but is not required to) establish a working capital fund for the Association by requiring purchasers of Lots (excluding Builders) to make a one-time contribution to this fund, subject to the following conditions:

a. Subject to the foregoing a Lot's contribution should be collected from any Owner at closing upon sale of Lot every time a detached Lot is sold to a purchaser who, as a result of such sale, will become a Class A Member. Declarant acknowledges that this condition may create an inequity among the Owners, but deems it a necessary response to the diversification of marketing and closing Lot sales.

b. Contributions to the fund are not advance payments of Regular Assessments or Special Assessments and are not refundable to the contributor by the Association or by Declarant. This may not be construed to prevent a selling Owner from negotiating reimbursement of the contribution from a purchaser. Working Capital Funds may be used for any expense or need of the Association.

c. Declarant will transfer the balance of the working capital fund to the Association on or before termination of the Declarant Control Period. Declarant may not use the fund to defray Declarant's personal expenses or construction costs however, Declarant may, if necessary, utilize funds for the Association's operating needs in the event of a deficit in the Association's operating budget.

B.6. SUCCESSOR DECLARANT. Declarant may designate one or more Successor Declarants' (herein so called) for specified designated purposes and/or for specified portions of the Property, or for all purposes and all of the Property. To be effective, the designation must be in writing, signed and acknowledged by Declarant and Successor Declarant, and recorded in the Real Property Records of Dallas County, Texas. Declarant (or Successor Declarant) may subject the designation of Successor Declarant to limitations and reservations. Unless the designation of Successor Declarant provides otherwise, a Successor Declarant has the rights of Declarant under this Section and may designate further Successor Declarants.

B.7. Declarant's Right to Annex Adjacent Property. Declarant hereby reserves for itself and its affiliates and/or any of their respective successors and assigns the right to annex any real property in the vicinity of the Property (the "Property Subject to Annexation") into the scheme of this Declaration as provided in this Declaration. Notwithstanding anything herein or otherwise to the contrary, Declarant and/or such affiliates, successors and/or assigns, subject to annexation of same into the real property, shall have the exclusive unilateral right, privilege and option (but never an obligation), from time to time, for as long as Declarant owns any portion of the Property or Property Subject to Annexation, to annex (a) all or any portion of the Property Subject to Annexation owned by Declarant, and (b) subject to the provisions of this Declaration and the jurisdiction of the Association, any additional property located adjacent to or in the immediate vicinity of the Property (collectively, the "Annexed Land"), by filing in the Official Public Records of Dallas County, Texas, a Supplemental Declaration expressly annexing any such Annexed Land. Such Supplemental Declaration shall not require the vote of the Owners, the Members of the Association, or approval by the Board or other action of the Association or any other Person, subject to the prior annexation of such Annexed Land into the real property. Any such annexation shall be effective upon the filing of such Supplemental Declaration in the Official Public Records of Dallas County, Texas (with consent of Owner(s) of the Annexed Land, if not Declarant).

Declarant shall also have the unilateral right to transfer to any successor Declarant, Declarant's right, privilege and option to annex Annexed Land, provided that such successor Declarant shall be the developer of at least a portion of the Annexed Land and shall be expressly designated by Declarant in writing to be the successor or assignee to all or any part of Declarant's rights hereunder.

B.7.1. Procedure for Annexation. Any such annexation shall be accomplished by the execution by Declarant, and the filing for record by Declarant (or the other Owner of the property being added or annexed, to the extent such other Owner has received a written assignment from Declarant of the right to annex hereunder) of a Supplemental Declaration which must set out and provide for the following:

(i) A legally sufficient description of the Annexed Land being added or annexed, which Annexed Land must as a condition precedent to such annexation be included in the real property;

(ii) That the Annexed Land is being annexed in accordance with and subject to the provisions of this Declaration, and that the Annexed Land being annexed shall be developed, held, used, sold and conveyed in accordance with, and subject to, the provisions of this Declaration as theretofore and thereafter amended; provided, however, that if any Lots or portions thereof being so annexed are to be treated differently than any of the other Lots (whether such difference is applicable to other Lots included therein or to the Lots now subject to this Declaration), the Supplemental Declaration should specify the details of such differential treatment and a general statement of the rationale and reasons for the difference in treatment, and if applicable, any other special or unique covenants, conditions, restrictions, easements or other requirements as may be applicable to all or any of the Lots or other portions of Annexed Land being annexed;

(iii) That all of the provisions of this Declaration, as amended, shall apply to the Annexed Land being added or annexed with the same force and effect as if said Annexed Land were originally included in this Declaration as part of the Initial Property, with the total number of Lots increased accordingly;

(iv) That an Assessment Lien is therein created and reserved in favor of the Association to secure collection of the Assessments as provided in this Declaration, and as provided for, authorized or contemplated in the Supplemental Declaration, and setting forth the first year Maintenance Assessments and the amount of any other then applicable Assessments (if any) for the Lots within the Annexed Land being made subject to this Declaration; and

(v) Such other provisions as the Declarant therein shall deem appropriate.

B.7.2. Amendment. **The provisions of this B.7. or its sub-sections may not be amended without the express written consent of Declarant (and Declarant's successors and assigns in accordance with the terms hereof).**

B.7.3. No Duty to Annex. Nothing herein contained shall establish any duty or obligation on the part of the Declarant or any Member to annex any property to this Declaration and no Owner of the property excluded from this Declaration shall have any right to have such property annexed thereto.

B.7.4. Effect of Annexation on Class B Membership. In determining the number of Lots owned by the Declarant for the purpose of Class B Membership status the total number of Lots covered by this Declaration and located in such Declarant's portion of the Property, including all Lots acquired by the Declarant and annexed thereto, shall be considered. If Class B Membership has previously lapsed but annexation of additional property restores the ratio of Lots owned by the Declarant to the number required by Class B Membership, such Class B Membership shall be reinstated until it expires pursuant to the terms of the Declaration.

[End of Exhibit B]

EXHIBIT C

LEGENDS CROSSING MASTER HOMEOWNER'S ASSOCIATION, INC.

Design Guidelines
Detached Dwellings and Attached Dwellings

PART ONE: LANDSCAPING, FENCES AND EXTERIOR ELEMENTS

SECTION 1.1 LANDSCAPING:

Upon completion of each Dwelling, each Dwelling must comply with the landscaping requirements of any applicable City Zoning Ordinances, the Planned Development Ordinance, the Declaration, these Design Guidelines and any Association rules, as may be promulgated, modified, supplemented and/or amended from time to time. Notwithstanding compliance with the foregoing, the following landscape elements shall be installed prior to occupancy of the Dwelling:

1.1.1 Sod: Each Dwelling shall have full sod installed for the entire front and rear and a minimum of ten (10) feet back from the front wall face for each side yard, or to the side yard fence, whichever is greater; provided, however that areas between Attached Dwellings may substitute decomposed granite for sod only in areas where sod growth would be poor.

1.1.2 Trees: A minimum of one (1) tree with a caliper of at least four (4") measured at a point six inches (6") above ground level at the time of planting shall be placed in the front yard of each Lot. Each homeowner shall be responsible for maintenance and preservation of trees located on their property and shall promptly replace dead trees within thirty (30) days of loss occurrence when favorable planting weather exists or sixty (60) days unless otherwise noticed by the ACC or Reviewer. ***The City may have a tree ordinance or tree preservation ordinance in place. Owner should check with the city before removing or replacing a tree.***

1.1.3 Shrubbery and Planting Beds: The Owner of a Lot shall be responsible for the maintenance a preservation of the shrubs and planting beds, and shall promptly replace dead plants within sixty (60) days of loss occurrence.

SECTION 1.2 FENCES: Fencing on the north-west corner of the development or any portion of the development backing commercial property shall be masonry fencing of a type and style to be determined by the Declarant.

1.2.1 Any portion of a Villa Lot that abuts or is adjacent to a right-of-way, open space, or major thoroughfare, shall have 48-inch high (height measured from the finished grade) ornamental wrought iron fencing which shall be uniform in design throughout the Subdivision and must be painted black.

Villa Lots that back up to another Villa Lot or Lots where all portions of the property's boundary is not exposed to any right-of-way, open space, or

thoroughfare shall be constructed of six-inch (6") cedar planks, board on board with 2" x 6" top cap with maximum height of six feet (6') and stained in a color permitted under the applicable Design Guidelines or in writing by the ACC notwithstanding, fencing on the north-west corner of the development or any portion of the development backing commercial property shall be masonry fencing of a type and style to be determined by the Declarant. The top cap of all wood fences shall be level and shall step where transitions are dictated by the slope of the land. Fences shall be stained as often as necessary to maintain an even appearance. The height limitation for wood or wrought iron fencing shall not apply to fences, walls and hedges constructed by Declarant along the perimeter of the Land.

1.2.2 No fence shall be required on any Townhome Lot or Bungalow Lot, and no fencing shall be erected, placed or altered on any Townhome Lot or Bungalow Lot without the approval of the ACC.

SECTION 1.3 MAIL BOXES:

1.3.1 Standard Mail Boxes: All Lots shall utilize cluster mailboxes in accordance with the terms of the Declaration. Cluster mailboxes utilized by the Lots shall be located as and where required by the United States Postal Service or as otherwise approved by the Committee.

SECTION 1.4 FLAGS AND FLAGPOLES

1.4.1 The only flags which may be displayed are: (i) the flag of the United States of America; (ii) the flag of the State of Texas, School Flags; and (iii) an official or replica flag of any branch of the United States armed forces. No other types of flags, pennants, banners, kits or similar types of displays are permitted on a Lot if the display is visible from a street or Master Common Area.

1.4.2 The flag of the United States must be displayed in accordance with 4 U.S.C. Sections 5-10.

1.4.3 The flag of the State of Texas must be displayed in accordance with Chapter 3100 of the Texas Government Code.

1.4.4 The display of a flag, or the location and construction of the supporting flagpole, shall comply with applicable City Zoning Ordinances, easements, and setbacks of record.

1.4.5 A displayed flag, and the flagpole on which it is flown, shall be maintained in good condition at all times. Any flag that is deteriorated must be replaced or removed. Any flagpole that is structurally unsafe or deteriorated shall be repaired, replaced, or removed.

1.4.6 Only one flagpole will be allowed per Lot. A flagpole can either be securely attached to the face of the Dwelling (no other structure) or be a freestanding flagpole. A flagpole attached to the dwelling may not exceed 4 feet in length. A

freestanding flagpole may not exceed 20 feet in height. Any freestanding flagpole must be located in either the front yard or backyard of a Lot, and there must be a distance of at least 5 feet between the flagpole and the property line.

1.4.7 Any flag flown or displayed on a freestanding flagpole may be no smaller than 3'x5' and no larger than 4'x6'.

1.4.8 Any flag flown or displayed on a flagpole attached to the dwelling may be no larger than 3'x5'.

1.4.9 Any freestanding flagpole must be equipped to minimize halyard noise. The preferred method is through the use of an internal halyard system. Alternatively, swivel snap hooks must be covered or "Quiet Halyard" Flag snaps installed. Neighbor complaints of noisy halyards are a basis to have flagpole removed until Owner resolves the noise complaint.

1.4.10 The illumination of a flag is allowed so long as it does not create a disturbance to other residents in the community. Solar powered, pole mounted light fixtures are preferred as opposed to ground mounted light fixtures. Compliance with all municipal requirements for electrical ground mounted installations must be certified by Owner. Flag illumination may not shine into another dwelling. Neighbor complaints regarding flag illumination are a basis to prohibit further illumination until Owner resolves complaint.

1.4.11 Flagpoles shall not be installed in Master Common Area maintained by Declarant or the Association, except as may be installed by the Declarant and/or the Association.

1.4.12 All freestanding flagpole installations must receive prior written approval from the Committee.

SECTION 1.5 RAIN BARRELS OR RAINWATER HARVESTING SYTEMS

1.5.1 Rain barrels or rain water harvesting systems and related system components (collectively, "Rain Barrels") may only be installed after receiving the written approval of the Committee. All of the terms of this Section 1.5 applicable to Rain Barrels are intended to also apply to compost barrels or bins and other environmentally friendly composting systems.

1.5.2 Rain Barrels may not be installed upon or within Master Common Area, except as may be installed by Declarant or the Association.

1.5.3 Under no circumstances shall Rain Barrels be installed or located in or on any area within a Lot that is in-between the front of the Owner's Dwelling and an adjoining or adjacent street.

1.5.4 The Rain Barrel must be of color that is consistent with the color scheme of the Owner's Dwelling and may not contain or display any language or other content that is not typically displayed on such Rain Barrels as manufactured.

1.5.5 Rain Barrels may be located in the side-yard or back-yard of an Owner's Lots so long as these may not be seen from a street, another Lot or any Master Common Area.

1.5.6 In the event the installation of Rain Barrels in the side-yard or back-yard of an Owner's Lot in compliance with paragraph 1.5.5 above is impossible, the Committee may impose limitations or further requirements regarding the size, number and screening of Rain Barrels with the objective of screening the Rain Barrels from public view to the greatest extent possible. The Owner must have sufficient area on their Lot to accommodate the Rain Barrels.

1.5.7 Rain Barrels must be properly maintained at all times or removed by the Owner.

1.5.8 Rain Barrels must be enclosed or covered at all times. No rain barrels shall be kept outside the fence without the written consent of the Architectural Control Committee.

1.5.9 Rain Barrels which are not properly maintained become unsightly or could serve as a breeding pool for mosquitoes must be removed by the Owner from the Lot.

SECTION 1.6 RELIGIOUS DISPLAYS

1.6.1 An Owner may display or affix on the entry to the Owner's or resident's Dwelling one or more religious items, the display of which is motivated by the Owner's or resident's sincere religious belief.

1.6.2 If displaying or affixing of a religious item on the entry to the Owner's or resident's Dwelling violates any of the following covenants, The Association may remove the item displayed:

(1) threatens the public health or safety;
(2) violates a law;
(3) contains language, graphics, or any display that is patently offensive to a passerby;
(4) is in a location other than the entry door or door frame or extends past the outer edge of the door frame of the Owner's or resident's Dwelling: or
(5) individually or in combination with each other religious item displayed or affixed on the entry door or door frame has a total size of greater than 25 square inches

1.6.3 No Owner or resident is authorized to use a material or color for an entry door or door frame of the Owner's or resident's dwelling or make an alteration to the entry

door or door frame that is not authorized by the Association, Declaration or otherwise expressly approved by the Architectural Control Committee.

PART TWO: DWELLING UNITS

SECTION 2.1 ROOFS

2.1.1 Roof Pitch: Roof Pitch for all Dwellings shall have a minimum of 6-in-12 slopes for all front portions of the roofing structure. A lesser slope for minor areas such as areas over garages, windows, and entryway doors as well as rear portions of the roof structure such covered patios shall be allowed notwithstanding, the prior written consent of the Declarant or the ACC is required prior to commencing construction. The Declarant or the ACC reserves the right to limit the allowance for lesser roof slopes/pitches solely to the rear portion of the dwelling. Roofs and roof pitches must, at all times, conform to any applicable City Zoning Ordinances and the Planned Development Ordinance.

2.1.2 Roofing Materials: All roofing materials shall meet the minimum requirements of any applicable City Zoning Ordinances and the Planned Development Ordinance and must receive the prior written permission of the ACC before installation.

2.1.3 Roof Design: Color for roofs and roof replacements shall be in the color scheme of medium to dark brown, light to dark grey including charcoal grey and upon written request, black. All roof colors must be approved in writing by the ACC. Roofs must also comply with the following:

(i) must have no more than two layers of shingles and must be architectural/dimensional shingles **(3-tab shingles are not permitted).**

(ii) must include a metal drip edge with a color that complements the color of the primary Dwelling,

(iii) must be a minimum 30 year/lifetime manufacturers guarantee,

(iv) all chimneys must be terminated with a chimney cap that is only slightly smaller than the chimney and low profile in design. Chimneys shall be clad in materials being used on the wall of which the chimney is a part.

(v) all Dwellings shall be fully guttered with downspouts taking all water that enters the gutters to the ground and not to any adjoining Lot or Common Area.

2.1.4 Maintenance of Roofs: Each Owner must maintain the roof of such Owner's Dwelling to be free from mildew, missing shingles and stains, and such Owner shall clean any roof that has more than twenty-five percent (25%) of the roof surface area discolored.

SECTION 2.2 CERTAIN ROOFING MATERIALS

2.2.1 Roofing Shingles allowed under this Section shall:

(1) resemble the shingles used or otherwise authorized for use in the Subdivision;
(2) be more durable than and are of equal or superior quality to the shingles used or otherwise authorized for use in the Subdivision.
(3) match the aesthetics of the Lots surrounding the Lot of the Owner requesting permission to install the Roofing Shingles.

2.2.2 The Owner requesting permission to install the Roofing Shingles will be solely responsible for accrediting, certifying and demonstrating to the Committee that the proposed installation is in full compliance with paragraphs a and b above.

2.2.3 Roofing Shingles may only be installed after receiving the written approval of the ACC.

2.2.4 Owners are hereby placed on notice that the installation of Roofing Materials may void or adversely other warranties.

SECTION 2.3 SOLAR PANELS

2.3.1 Solar energy devices, including any related equipment or system components (collectively, "Solar Panels") may only be installed after receiving the written approval of the Architectural Control Committee.

2.3.2 Solar Panels may not be installed upon or within Master Common Area or any area which is maintained by the Association.

2.3.3 Solar Panels may only be installed on designated locations on the roof of a Dwelling, on any structure allowed under any Association dedicatory instrument, or within any fenced rear-yard or fenced-in patio of the Owner's Lot, but only as allowed by the Committee. Solar Panels may <u>not</u> be installed on the front elevation of the Dwelling.

2.3.4 If located on the roof of a Dwelling, Solar Panels shall:

(1) not extend higher than or beyond the roofline;
(2) conform to the slope of the roof;
(3) have a top edge that is parallel to the roofline; and
(4) have a frame, support bracket, or wiring that is black or painted to match the color of the roof tiles or shingles of the roof. Piping must be painted to match the surface to which it is attached, i.e. the soffit and wall. Panels must blend with the color of the roof to the greatest extent possible.

2.3.5 If located in the fenced rear-yard or patio, Solar Panels shall not be taller than the fence line or visible from a Lot, Master Common Area or street.

2.3.6 The Committee may deny a request for the installation of Solar Panels if it determines that the placement of the Solar Panels, as proposed by the Lot Owner, will create an interference with the use and enjoyment of Lots by neighboring Owners.

2.3.7 Owners are hereby placed on notice that the installation of Solar Panels may void or adversely affect roof warranties. Any installation of Solar Panels which voids material warranties is not permitted and will be cause for the Solar Panels to be removed by the Owner.

2.3.8 Solar Panels must be properly maintained at all times or removed by the Owner.

2.3.9 Solar Panels which become non-functioning or inoperable must be removed by the Owner of the Lot.

SECTION 2.4 EXTERIOR WALLS

2.4.1 Townhome Lots: The exterior wall materials for front, side, and rear elevations for Townhome Lots shall each be ninety percent (90%) brick or stone masonry, excluding doors, windows, and garage doors. All other façade materials may be Stucco applied using a 3-coat system or Hardie-board/plank.

2.4.2 Villa and Bungalow Lots: The front façade of a Villa or Bungalow home should consist of not less than eighty percent (80%) mason with the remaining twenty percent (20%) limited to Hardie-board/plank or Board and Batten. Approved mason types are brick, stone, and stucco applied using a 3-step application system. The side walls of a Villa or Bungalow home must consist of at least ninety percent (90%) mason below the second-floor building plate with the remaining ten percent (10%) limited to Hardie-board/plank or Board and Batten. Siding around box-out windows is allowed. Homes backing major thoroughfares, collectors, and open spaces should contain one-hundred percent (100%) brick. A written variance from the Declarant or ACC will be required to exempt a Builder from this rule when constructing on a Lot backing any major thoroughfare, collector, or open space.

2.4.3 Other Exterior Materials – All flashing and trim shall be painted to match the vertical surface or the exterior of the Dwelling. All roof vents shall be painted to match the roof material and it is preferred all vents and roof openings are located to the rear portion of the roof or an area that will be the least visible. All vents through the roof and all other roof penetrations shall be plumb and true.

2.4.4 Chimneys: Chimney wall structures that are a direct extension of an exterior wall shall match the requirement of said wall.

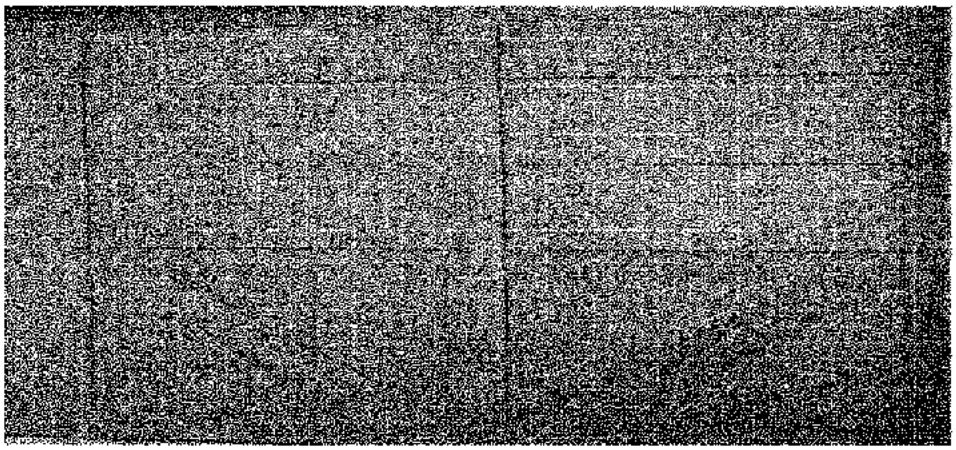
SECTION 2.5 WINDOWS

2.5.1 Windows must conform to any applicable City Zoning Ordinances and the Planned Development Ordinance. Windows on a Dwelling must be uniform by elevation and view. Energy efficient windows are strongly encouraged. Solar screens are only permitted with written consent of the ACC. If installed, solar screens must cover all windows on an entire elevation, and may be only dark brown, black, light grey, dark grey or tan in color.

SECTION 2.6 GARAGE

2.6.1 Garage doors of all Dwellings constructed on Lots shall be constructed of wood or aluminum with wood overlay – carriage style or similar door. A sample of the typical garage door for use in Legend's Crossing is displayed in 2.6.1.2 below. **Color of garage door must be approved in advance by the Architectural Control Committee. Colors must blend aesthetically with the main residence and surrounding dwellings.**

2.6.1.2 Sample of allowed Garage Doors:



SECTION 2.7 ADDRESS BLOCKS

2.7.1 All address blocks shall be cast stone or similar aesthetically pleasing material such as marble or tile, placed at a location on the Dwelling that is the most visible from the front of the street. Back light or placement under an exterior light is preferred to ensure easy visibility of the address from the street at night. At no time shall any landscaping or other structure block or obscure the address block.

SECTION 2.8 SET BACKS

2.8.1 No improvement may be erected, altered, placed or permitted to remain on any Lot nearer to the front, side and rear property lines than the minimum distance of setback applicable for such Lot as set forth on the Plat or in the Planned

Development Ordinance. The Association may, and probably will, have additional setback rules for Owners desiring to make modifications or improvements to the Lot.

SECTION 2.9 ELEVATION AND BRICK USAGE

2.9.1 Same Plan with Same Elevation must be separated by a minimum of three (3) Lots and Same Plan with Different Elevation must be separated by a minimum of two (2) Lots when constructed on the same side of the street. Should the requirements set forth in this Section differ from the Planned Development Ordinance or City Zoning Ordinance, the higher standard shall prevail.

2.9.1.1 Same Plan with Same Elevation must be separated by a minimum of two (2) Lots and Same Plan with Different Elevation must be separated by a minimum of (1) Lot when constructed on the opposite side of the street. Should the requirements set forth in this Section differ from the Planned Development Ordinance or City Zoning Ordinance, the higher standard shall prevail. **Paragraph 2.9.1 and 2.9.1.1 does not apply to Townhome Lots.**

2.9.2 Repeat Brick Usage: All Dwelling submittals shall calculate the percentage coverage for each material as follows:

2.9.3.1 No combination of brick, stone, and mortar color shall be repeated for Dwellings adjacent to one another or directly across the street from one another. Street and alley intersections are acceptable separation elements. Upon written request and if approved in advance and in writing by the Declarant or the ACC, brick may be painted white. Conditions shall apply. This paragraph 2.9.3.1 does not apply to Townhome Lots.

2.9.4 Exterior Material Area Calculations: All Dwellings constructed on Lots (other than Townhome Lots) submittals shall calculate the percentage coverage for each material and provide a table as follows:

2.9.4.1 Calculation Method: Calculations for material coverage percentages shall include all exposed areas of the wall surface, excluding window and door openings.

2.9.4.2 Calculation Format: All Construction Plans shall provide calculations which shall indicate the area coverage for front, side, and rear wall areas. Failure to submit plans without the percentage calculations listed are subject to denial or return for more information.

Calculations shall be submitted in the following format:

Brick Calculations

Overall	
Total Wall Area	0 sf
Total Brick Area	0 sf
Total Brick Percentage	0%
Front	
Total Wall Area	0 sf
Total Brick Area	0 sf
Total Brick Percentage	0%
Left	
Total Wall Area	0 sf
Total Brick Area	0 sf
Total Brick Percentage	0%
Right	
Total Wall Area	0 sf
Total Brick Area	0 sf
Total Brick Percentage	0%
Rear	
Total Wall Area	0 sf
Total Brick Area	0 sf
Total Brick Percentage	0%

Dallas County
John F. Warren
Dallas County Clerk

Instrument Number: 202000168700

eRecording - Real Property

Recorded On: July 07, 2020 07:47 AM

Number of Pages: 78

" Examined and Charged as Follows: "

Total Recording: $330.00

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

File Information:

Document Number:	202000168700
Receipt Number:	20200630000704
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STATE OF TEXAS
COUNTY OF DALLAS

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

John F. Warren
Dallas County Clerk
Dallas County, TX