

SECOND AMENDED AND
RESTATED DECLARATION
OF
COVENANTS, EASEMENTS AND RESTRICTIONS
FOR
FAIRWAYS OF SHERRILL PARK
(Formerly known as Whitechapel Subdivision)

When recorded return to:

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SECOND AMENDED AND RESTATED DECLARATION
OF
COVENANTS, EASEMENTS AND RESTRICTIONS

THIS SECOND AMENDED AND RESTATED DECLARATION for WHITECHAPEL SUBDIVISION PHASE IA, WHITECHAPEL SUBDIVISION PHASE IB, WHITECHAPEL SUBDIVISION PHASE IIA, WHITECHAPEL SUBDIVISION PHASE IIB and WHITECHAPEL SUBDIVISION PHASE IIC, additions to the City of Richardson, Texas (hereinafter referred to as the "Declaration") is made and executed effective as of the 20th day of January, 1988, by FARM AND HOME SAVINGS ASSOCIATION (hereinafter referred to as "Declarant"), whose address is 1934 West Gray, Houston, Texas 77019.

W I T N E S S E T H :

WHEREAS, a Declaration of Covenants, Easements and Restrictions dated March 10, 1986 was filed in the Deed Records of Collin County, Texas at Volume 2324, Page 635 (the "Former Declaration"), such Former Declaration covering the property which is more fully described on Exhibit "A", attached hereto and incorporated herein by this reference for all purposes (the "Property"); and

WHEREAS, the Former Declaration was executed by Thomas S. Mackie d/b/a Warwick (the "Former Declarant") subject and subordinate to that certain Deed of Trust and Security Agreement ("Deed of Trust"), dated the 28th day of December, 1984 from the Former Declarant to and for the benefit of Farm & Home Savings Association, the present Declarant, to secure, in part, one certain Promissory Note as described in such Deed of Trust, said Deed of Trust being recorded in Volume 2044, Page 1, of the Deed of Trust Records of Collin County, Texas; and

WHEREAS, by Substitute Trustee's Deed dated the 7th day of October, 1986 and recorded at Volume 2474, Page 590 of the Real Property Records of Collin County, Texas, the Declarant foreclosed its liens against the Property and became the owner thereof; and

WHEREAS, Declarant, as owner of the Property, amended and restated in its entirety the Former Declaration in a certain Amended and Restated Declaration of Covenants, Easements and Restrictions for Fairways of Sherrill Park (formerly known as Whitechapel Subdivision) (the "First Amended and Restated Declaration") recorded at Volume 2773, Page 819 of the Real Property Records of Collin County, Texas, and now desires to amend the First Amended and Restated Declaration and restate the same in its entirety so that this Second Amended and Restated Declaration will constitute the entire Declaration, shall be effective as of the date of the First Amended and Restated Declaration, shall supercede the First Amended and Restated Declaration in its entirety so that no reference need be made to the First Amended and Restated Declaration or the Former Declaration and shall be prior and superior to all matters filed of record subsequent to the date of recordation of the First Amended and Restated Declaration; and

WHEREAS, Declarant has the power to amend the First Amended and Restated Declaration without a meeting of the current Members of the Association (as such terms are hereinafter defined) pursuant to Section 6.6 thereof and hereof and Declarant is amending the First Amended and Restated Declaration and restating the same in its entirety in this Second Amended and Restated Declaration in accordance with Section 6.6 thereof and hereof; and

WHEREAS, a portion of the Property has been subdivided into various Phases, Lots and Common Areas (as hereinafter defined) as described herein and depicted on the hereinafter described Plats which have been executed by Declarant and filed of record in the Map Records of Collin County, Texas; and

WHEREAS, portions of the Property have been or may be improved with single family residential structures and certain other improvements (the Property and all of said improvements, together with all improvements hereafter erected thereon and all facilities and appurtenances thereto are hereinafter sometimes collectively referred to as the "Subdivision"); and

WHEREAS, Declarant wishes to provide for the orderly and efficient management, operation, use and enjoyment of the Subdivision and for the protection of the value and desirability thereof;

NOW THEREFORE, Declarant hereby declares that all of the Subdivision and any interest therein shall be held, sold and conveyed subject to the following easements, restrictions, covenants and conditions, which shall run with the Subdivision and be binding upon and enure to the benefit of all parties having any right, title or interest therein or any part thereof, their heirs, successors, assigns and personal representatives.

ARTICLE I DEFINITIONS AND TERMS

1.1 Definitions and Terms. As used in this agreement, the following terms shall have the following meanings unless the context shall expressly provide otherwise:

(a) "Articles" shall mean the Articles of Incorporation of the Association, as amended from time to time.

(b) "Assessments" shall mean the assessments against each Owner and such Owner's Lot to defray Common Expenses as defined by this Declaration and Bylaws, such Common Expenses including, without limitation, a portion of the total cost to the Association of maintaining, managing and operating the Common Areas and Common Area Improvements. Assessments are to be paid in accordance with the provisions hereof.

(c) "Association" shall mean and refer to the vehicle and agency which will have the power, duty and responsibility of maintaining and administering the Common Areas, and collecting the disbursements and charges herein prescribed, and have the right of administering and enforcing the covenants and restrictions. The Association shall, commencing on the date of recordation of this Declaration and continuing for an indefinite period of time, exist as an unincorporated association and at a point in time deemed appropriate by the Declarant, consistent with the objectives herein and the circumstances then existing, the Declarant will cause the incorporation of the Association as a non-profit corporation under the laws of the State of Texas, the Articles and Bylaws of which, together with this Declaration shall govern the administration of the Subdivision, the membership of which shall be composed of all of the Owners of the Lots.

(d) "Board" or "Board of Directors" shall mean the governing body of the Association.

(e) "Bylaws" shall mean the Bylaws of the Association as amended from time to time.

(f) "Common Areas" shall mean and include the portions of the Property designated as "C.A." or "Common Area" on the Plats.

Common Areas shall also mean and refer to, as examples, and not by way of limitation (i) those certain parkway areas, landscaped medians, landscaping improvements, plantings, screening walls, sprinkler systems, if any, easements and curbs, among other amenities as are intended to be devoted to common use and enjoyment; and (ii) any other areas of land, improvements or other property rights within the Properties which are known, described or designated or which shall subsequently become known, described or designated as Common Areas intended for or devoted to the common use and enjoyment of the Members of the Association, together with any and all improvements that are now or may hereafter be constructed thereon. In certain circumstances Common Areas may not be owned by the Declarant or the Association in fee, but may, in some instances, be held as an easement, be leased or may simply be areas of land that are not owned or leased by the Declarant or the Association but which are maintained by the Association or the Declarant for the use and benefit of the Members and the Properties. An example of areas of Common Areas which may not be owned or leased by the Association or Declarant but would constitute a portion of the Common Areas and be maintained by the Association would be landscaped parkways and medians within public rights-of-way within or appurtenant to the Property. The Declarant may hold record title to the Common Areas, consistent with the objectives envisioned herein and subject to the easement rights herein of the Members to use and enjoy the Common Areas, for an indefinite period of time and at a point in time (deemed appropriate and reasonable by the Declarant) after the Association has been incorporated, record title to those portions of the Common Area which are owned by Declarant in fee, as an easement or otherwise will be transferred from the Declarant to the Association.

(g) "Common Area Improvements" shall mean and include any improvements, fixtures and facilities located on the Common Areas and all personal property used in connection therewith and owned by the Association; and all repairs and additions to and replacements of any of the foregoing. Such Improvements, for example and not by way of limitation, shall include landscaping improvements, plantings, screening walls, sprinkler systems, curbs and green belts.

(h) "Common Expenses" shall mean and include (i) all sums lawfully assessed against the interest of the Association in the Common Areas and Common Area Improvements; (ii) all expenses of administration and management, maintenance, operation, repair or replacement of and addition to the Common Areas and Common Area Improvements (including unpaid Special Assessments); (iii) expenses agreed upon as Common Expenses by the Owners; and (iv) expenses declared to be Common Expenses by this Declaration including, without limitation, Section 10.3 herein, or the Bylaws.

(i) "Declarant" shall mean Farm and Home Savings Association, its heirs, assigns and other successors in interest to

its rights as Declarant hereunder. No person or entity purchasing one or more Lots from Farm and Home Savings Association in the ordinary course of business of Farm and Home Savings Association shall be considered as "Declarant" unless Farm and Home Savings Association shall expressly and in writing transfer its rights as Declarant pursuant to Section 13.9 hereinbelow.

(j) "Declarant Control Period" shall have the meaning set forth in Section 6.6 hereof.

(k) "Declaration" shall mean this Declaration of Covenants, Easements and Restrictions, as amended from time to time.

(l) "First Mortgagee" shall mean any institutional or governmental lender who is the holder of a First Mortgage lien on any Lot or any institutional or governmental insurer or guarantor of a First Mortgage lien on any Lot.

(m) "Lots" shall mean the individual plots of land identified by Lot and Block number on the Plats and which is or will be improved with a residential dwelling. Some portions of the Common Areas may be platted as a "lot" on the recorded subdivision Plats, however, these lots shall be excluded from the concept and definition of lot as used herein.

(n) "Majority of Lot Owners" shall mean Owners having, in the aggregate, fifty-one percent (51%) of the eligible votes in the Association. When an Owner is not eligible to vote in the affairs of the Association for reasons stated under the terms of the Declaration (for instance but without limitation, failure among multiple Owners of a Lot to reach an agreement on how to cast their vote, failure to pay assessments within the prescribed period, etc.), such ineligible votes are deemed neither an affirmative nor a negative vote, but a nullity. Therefore, ineligible votes shall not be considered in determining the total pool of eligible votes. For example, if there are one hundred (100) Owners in the Association and two (2) of these Owners took action or failed to take actions which action or failure to act rendered their votes ineligible under the terms of this Declaration, a majority vote of the Lot Owners would be fifty-one percent (51%) of the ninety-eight (98) eligible votes. This concept whereby the aggregate vote pool is decreased by the number of ineligible votes shall apply in all situations where votes of the Members are cast and a percentage of positive votes calculated. Further, in determining a quorum hereunder or under the Bylaws or Articles, ineligible votes shall not be included in the aggregate vote pool.

(o) "Member" shall mean a person entitled to membership in the Association as provided herein.

(p) "Occupant" shall mean a person or persons in possession of a Lot, regardless of whether any such person is an Owner. All Occupants are bound by the terms and provisions of

this Declaration and shall occupy their Lot subject to the provisions hereof.

(q) "Owner" or "Lot Owner" shall mean the record holder or holders of fee simple title of a Lot in the Subdivision, but shall exclude Persons having any interest in a Lot merely as security for the performance of any obligation.

(r) "Person" shall mean a natural person, a corporation, a partnership, a trustee, or other legal entity.

(s) "Phase IA" shall mean Whitechapel Subdivision, Phase IA, an addition to the City of Richardson, being the portion of the Subdivision depicted and so designated on the Plat recorded in Drawer F, Page 223 of the Map Records of Collin County, Texas, as such Plat has been or may be amended.

(t) "Phase IB" shall mean the Whitechapel Subdivision, Phase IB, an addition to the City of Richardson, being the portion of the Subdivision depicted and so designated on the Plat recorded in Cabinet 7, Page 270 of the Map Records of Collin County, Texas, as such Plat has been or may be amended.

(u) "Phase IIA" shall mean the Whitechapel Subdivision, Phase IIA, an addition to the City of Richardson, being the portion of the Subdivision depicted and so designated on the Plat recorded in Cabinet 7, Page 311 of the Map Records of Collin County, Texas, as such Plat has been or may be amended.

(v) "Phase IIB" shall mean the Whitechapel Subdivision, Phase IIB, an addition to the City of Richardson, being the portion of the Subdivision depicted and so designated on the Plat recorded in the Map Records of Collin County, Texas, if, as and when such Plat may be recorded.

(w) "Phase IIC" shall mean the portion of the Subdivision with respect to which no plat has yet been recorded.

(x) "Plats" shall mean the recorded plats of portions of the Property which have been filed of record in the Map Records of Collin County, Texas and any which may hereafter be filed, as the same may be amended from time to time as herein provided, which set forth, among other things, surveys of portions of the Property showing the location of the Lots, streets, easements and certain of, but not necessarily all of the Common Areas located or to be located thereon and certain other matters reflected thereon. Declarant reserves unto itself the right, so long as Declarant owns one or more Lots, to amend the Plats and amendments thereto to conform same to the actual location of any improvements located on the Property, to establish, vacate and relocate easements, set-back lines, access road and utility easements and parking areas; and to show such other changes that Declarant may make in accordance with the terms of this Declaration.

the Association, unless access is otherwise reasonably available, (i) an easement over and onto the Common Areas for common driveway purposes, for drainage and encroachment purposes and for ingress to and egress from the Common Areas for the purpose of completing improvements thereon or upon Lots owned by Declarant and for the performance of necessary repair work pursuant to this Declaration or any contract of sale with any Owner purchasing a Lot from Declarant; and (ii) an easement over and onto the Lots for ingress to and egress from the natural drainage channels and/or drainage and floodway easement described on the Plats and for the performance of necessary repair work thereon pursuant to this Declaration, the Plats or any agreement with any Owner. Declarant further reserves unto Declarant and to the Association or the designated agents of the Association the right to establish easements, reservations, exceptions and exclusions consistent with the ownership of the Subdivision and for the best interests of the Owners and the Association in order to serve the entire Subdivision, provided that all rights reserved unto Declarant in this sentence and the preceding sentence shall terminate as to Declarant, but not as to the Association, upon the expiration of the Declarant Control Period, as hereinafter defined. Any damage caused by the Association's entry, other than damages caused by the Owner, shall be repaired by the Association at the expense of its maintenance fund.

2.6 Deficiencies. It is expressly stipulated, and each and every purchaser of a Lot, such purchaser's heirs, executors, administrators, successors and assigns hereby agree, that the square footage, size and dimensions of each Lot, as set out and shown in this Declaration or on the Plats are approximate and are shown for descriptive purposes only, and that Declarant does not warrant, represent or guarantee that any Lot, or any portion thereof, will actually contain the area, square footage or dimensions shown by the Plats. Each purchaser and Owner of a Lot and the improvements located thereon, or interest therein, shall have full opportunity and shall be under a duty, to inspect and examine the Lot, prior to purchase and agrees by such purchase that the Lot is purchased or approved as actually and physically existing. Each purchaser of a Lot expressly waives any claim or demand which such purchaser may have against Declarant or other seller of such Lot on account of any difference, shortage or discrepancy between the Lot any any improvements constructed thereon as built and the Lot, any Residence, or other improvements as actually and physically existing and as shown on the Plats.

2.7 No Separate Conveyance of Undivided Interests. The easements relating to the Common Areas and Common Area Improvements and other appurtenances to the Lots, as established herein, are to be conveyed only with the respective Lots and cannot be changed except as herein set forth. Declarant and each Owner covenant and agree that the easements relating to the Common Areas and all other appurtenances to the Lots, and the fee title to the respective Lots conveyed therewith, shall not be separated or separately conveyed, and each such interest, easement and appurtenance shall be deemed to be conveyed or encumbered with its respective Lot even though the description in the instrument of conveyance or encumbrance may refer only to the fee title to the Lot.

2.8 Partition and Combination of Lots. Notwithstanding any other provision herein contained, until all of the Lots are conveyed by Declarant to Owners other than Declarant, Declarant shall have the right to:

(a) Physically combine one Lot owned by the Declarant with one or more adjoining Lots owned by the Declarant, to redetermine the voting rights in the Association appurtenant to the Lots so combined and to amend the Declaration and relevant Plat to include such changes;

(b) Physically combine part of or a combination of parts of one or more Lots owned by the Declarant with part or parts of one or more adjoining Lots owned by the Declarant, to redetermine the voting rights in the Association appurtenant to the Lots so combined and to amend the Declaration and relevant Plat to include such changes; and

(c) Partition or subdivide any Lot owned by Declarant into two or more Lots, Common Areas, or a combination of Lots and Common Areas, to redetermine the voting rights in the Association appurtenant to those Lots so partitioned or subdivided, and, if applicable, of all other Lots, and to amend the Declaration and relevant Plat to include such changes.

2.9 Easement to Enter Lots for Repair. Whenever sanitary sewer, water, electric, gas, television receiving, or telephone lines or connections, (hereinafter collectively referred to as the "Connections") are located or installed within the Subdivision, which connections, or any portion thereof, lie in or upon one or more Lots, Declarant reserves for the use and benefit of the Association the right and an easement to the full extent reasonably necessary therefor, to enter upon the Lots or to have utility companies enter upon the Lots in or upon which Connections or any portion thereof lie, to install, repair, replace and generally maintain such connections as and when reasonably necessary; provided, however, the exercise of such easement rights shall be in a manner reasonably calculated to cause minimal interference with the continued use and occupancy of the Lots and Residences affected thereby.

2.10 Easements for Utilities and Maintenance. Easements over and under the Property for the installation, repair and maintenance of sanitary sewer, water, electric, gas, and telephone lines and facilities, cable or master television antenna lines, drainage facilities, walkways and landscaping as are shown on the Plats and as may be hereafter required to serve the Subdivision are hereby reserved by Declarant for the use and benefit of the Association, together with the right to grant and transfer the same.

2.11 Wall Maintenance Easements. The provisions of this Section 2.11 apply only to Lots upon which a wall of a Residence is constructed immediately adjacent to and abutting one side Lot line of such Lot. The entire side Lot line upon which such wall of the Residence is constructed shall be referred to the Zero Lot Line and the Lot upon which the Residence is constructed shall be referred to as a Zero Lot. The provisions of this Section shall apply only to these Zero Lots and to Lots which are adjacent to the Zero Lot Line of a Zero Lot. Lots within the Subdivision adjacent to a Zero Lot Line shall be conveyed subject to a three foot (3') wide maintenance easement running the

length of Zero Lot Line, and which maintenance easement shall be adjacent to the adjacent Zero Lot. The right to create, grant and reserve such easements is hereby reserved by Declarant for itself and its successors in interest. Said easements, the uses and purposes of which are set out below shall be granted or reserved by reference to this Section. The following rules prescribe the terms, conditions and uses of said easements, both by the Owner of the easement (the Dominant Tenement) and the Owner of the land subject to the easement (the Servient Tenement).

(a) The Dominant Tenement, except as otherwise provided in this Section, shall have the use of the surface of the easement area for the sole and only purpose of the maintenance, painting, repairing and rebuilding of the side wall of the residential structure which is situated adjacent to and abutting the easement area.

(b) The Servient Tenement shall have the right at all reasonable times to enter upon the easement area for the purposes of maintaining the fence, lawn, landscaping, trees and/or structures located within such easement area, which maintenance shall be the obligation of the Servient Tenement.

(c) Both the Dominant Tenement and the Servient Tenement shall have the right of surface drainage over, along and upon the easement area. Neither Tenement shall use the easement area in such a manner as will interfere with such drainage and neither Tenement shall use the easement area for drainage of runoff from sources other than rain water and landscape irrigation systems.

(d) Neither Tenement shall attach any object (including, but not limited to, ivy, exterior lighting, dryer vents, utility risers or lawn irrigation service or control boxes) to the side of the wall facing onto the easement area. No structure shall be constructed or placed upon the easement area by the Dominant Tenement. No structure shall be constructed or placed upon the easement area by the Servient Tenement which will interfere with the drainage of rain water and water sprinkler runoff and with access to the easement and maintenance of the wall by the Dominant Tenement. Fencing, brick, wood or concrete patios or decks, decorative paving, stones or pavers, jacuzzis, spas, hot tubs, outdoor cooking appliances and lighting equipment are permitted in the easement area if approved by the Architectural Control Committee, so long as such structures do not interfere with the drainage over the easement area or with access to and maintenance of the Dominant Tenement's side wall. The owner of the Dominant Tenement must gutter all roof areas which would drain onto the Servient Tenement and must install downspouts in a manner and location necessary to cause roof water runoff to be directed away from the Servient Tenement.

(e) The Owner of the Dominant Tenement, as a condition to the exercise of the right of access provided for, shall indemnify and hold harmless the Owner of the Servient Tenement from

damage to shrubs, plants, flowers, trees, lawn, sprinklers, hose bibs and other landscaping directly resulting from the exercise of the Dominant Tenement's right of access for maintenance.

(f) Neither the owner of the Dominant Tenement nor the owner of the Servient Tenement shall plant trees, shrubs, bushes and other such vegetation within three (3) feet of the easement. However, those items planted outside this three foot zone need not be removed or trimmed when they have branched or grown over and into the easement area.

2.12 Encroachments. If, due to initial construction, repair, reconstruction, shifting, settlement or other movement, any portion of the Common Area Improvements encroaches upon a Lot or Lots, a valid easement for the encroachment and for the maintenance thereof, so long as it stands, shall and does exist. Such encroachments or protrusions shall not be considered to be an encumbrance either on the Common Area or on a Lot for purposes of marketability of title or otherwise.

2.13 Platting of Phase IIC of the Property. A portion of the Property known as Phase IIC has not yet been platted as a residential subdivision and it is possible that the Declarant shall, in the future, elect to plat same. Prior to the platting of such Property as a residential subdivision, however, the Declarant may elect to release this unplatted portion of the Property from the terms and provisions of this Declaration whereupon such unplatted portion of the Property shall no longer constitute a portion of the Property. Upon releasing that portion of the Property from the terms of this Declaration the Declarant may elect to use this released portion of the Property for purposes other than residential uses such as retail, office or other non-residential uses. In the event, however, that the Declarant plats Phase IIC as a residential subdivision, such Phase IIC shall continue as a part of the Property covered by this Declaration and the plat of Phase IIC shall be deemed to be one of the Plats as such term is defined in Section 1.1(x) above, without the necessity of any further amendment to or supplementation of this Declaration. In other words, upon platting of Phase IIC as a residential subdivision, such Phase, the Lots contained therein and the Owners thereof, shall be bound by the terms and provisions of this Declaration as if such presently unplatted portion of the Property had been platted as a residential subdivision on the date of recordation hereof. Any Common Areas included within the Property known as Phase IIC, as such Phase may be subsequently platted, shall be a portion of the Common Areas as defined in and described in this Declaration. For the purposes of this Section, a portion of the Property shall be deemed platted as a residential subdivision at such time as the plat therefor has been approved by all necessary government authorities and filed of record.

2.14 Temporary Landscaping of Certain Residential Lots. The Declarant, at its sole option, may elect to install certain landscaping and other improvements on certain residential Lots owned by the Declarant and located near the primary entrance to the Subdivision from Renner Road. Any landscaping which the Declarant may elect to install on such Lots may be removed by the Declarant at any such time as it desires and the Declarant may sell all or any one or more of these landscaped Lots as and when it deems such sale appropriate. The landscaping of these Lots by the Declarant shall

not be deemed to be a dedication of such Lots, or any portion thereof, as Common Area, and such landscaped Lots shall continue to be residential Lots and not Common Area.

ARTICLE III
USE AND OCCUPANCY RESTRICTIONS

3.1 Use Restrictions. Subject to the provisions of this Declaration and the Bylaws, no part of the Subdivision may be used for purposes other than single family residential housing and such incidental and related purposes as may be permitted by the applicable zoning ordinances and not prohibited in this Declaration. Each Lot or any two (2) or more adjoining Lots used together shall be used for residential purposes or such other uses expressly permitted by this Declaration, and for no other purpose. The foregoing restrictions as to residence shall not, however, be construed in such manner as to prohibit an Owner from:

- (a) maintaining a personal professional library; or
- (b) keeping personal business or professional records or accounts; or
- (c) handling telephone calls or correspondence for personal business or professional purposes, which uses are expressly declared customarily incidental to the principal residential use and not in violation of said restrictions.

3.2 Common Areas. The Common Areas shall be used only by the Lot Owners and their agents, servants, tenants, family members, invitees and guests for access, ingress to and egress from the respective Lots and for other purposes incidental to use of the Lots. The use, maintenance and operation of the Common Areas shall not be obstructed, damaged or unreasonably interfered with by any Lot Owner, and may be subject to lease, concession or easement, presently in existence or entered into by the Association at some future time.

3.3 Alterations. No improvement or structure of any kind, such as, without limitation, a building, fence, wall or other improvement or structure of any kind, which is visible from any public street (excluding alleys) or Common Area, shall be commenced, erected, painted or maintained upon the Subdivision, nor shall any alteration or improvement of any kind be made thereto (save and except for repainting of the interior and exterior wooden surfaces of a Residence by an Owner) until the same has been approved in writing by the Architectural Control Committee. Residences and other improvements constructed by Declarant or entities controlled in whole or in part by Declarant shall be deemed approved by the Architectural Control Committee. Plans and specifications showing the nature, kind, shape, color, size, materials, location and elevations of all faces of such improvements or alterations and a description of all exterior construction materials shall be submitted to the Architectural Control Committee for approval as to such matters as compliance with the requirements of this Declaration and the Plats, quality of workmanship and design, harmony of structural and external design

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with existing structures, location in relation to surrounding structures, topography and finished grade elevation. No permission or approval shall be required to rebuild in accordance with plans and specifications previously approved by the Architectural Control Committee. No permanent or perennial landscaping or groundcover of patios or yards visible from the street, from other Lots or from the Common Areas shall be undertaken by any Owner until plans and specifications showing the nature, kind, shape, design and location of the proposed materials shall have first been submitted to and approved in writing by the Architectural Control Committee. Further provisions governing the architectural approval process and Architectural Control Committee are set forth in Article VIII, hereinbelow.

3.4 Storage. Nothing shall be stored in the Common Areas without the prior written consent of the Committee, except in designated storage areas or as otherwise herein expressly provided.

3.5 Insurance Rates. Nothing shall be done or kept on any Lot or on the Common Areas which will increase the rate of insurance for improvements located within the Subdivision without the prior written consent of the Board. No Owner shall permit anything to be done or kept in such Owner's Lot or the Residence thereon, or in the Common Areas which will result in the cancellation of insurance on any Lot, Residence or other improvements located on a Lot, or any part of the Common Areas or Common Area Improvements, or which will be in violation of any Law.

3.6 Waste. No waste shall be committed in or on the Common Areas, Common Area Improvements or any Lot.

3.7 Signs. Subject to Declarant's rights under Section 3.29 hereof, no sign of any kind shall be displayed to the public view on or from any Lot or the Common Areas without the prior written consent of the Committee except the following:

(a) one (1) sign not to exceed one (1) square foot in area which may bear only one (1) name for the family housed within the residence located thereon;

(b) one (1) "For Sale" sign not exceeding one (1) square yard in area; and

(c) the temporary erection (not to exceed thirty (30) days) of three (3) political yard signs, none of which exceeds one (1) square yard in area.

3.8 Nuisances. No noxious, illegal or offensive activity shall be carried on upon any Lot or in or upon the Common Areas, nor shall anything be done therein or thereon which may be or become an unreasonable annoyance or a nuisance to any other Owner. No loud noises or noxious odors shall be permitted on the Property, and the Board shall have the right to determine, in accordance with the Bylaws, if any such noise, odor or activity constitutes a nuisance. Without limiting the generality of any of the foregoing provisions, no exterior speakers, horns, whistles, bells or other sound devices (other than security devices used exclusively for security purposes), noisy or smokey vehicles, large power equipment or large power tools, unlicensed off-road

motor vehicles or other items which may unreasonably interfere with television or radio reception of any Owner, shall be located, used or placed on any portion of the Property or exposed to the view of other Owners without the prior written approval of the Board.

3.9 Temporary Structures. No structure of a temporary character, trailer, tent, shack, garage, barn or other outbuilding shall be permitted on the Subdivision at any time temporarily or permanently, except with the prior written consent of the Committee (as hereinafter defined); provided, however, that temporary structures may be erected for use in connection with the construction, repair or rebuilding of Residences or other approved improvements.

3.10 Rubbish. No rubbish, trash or garbage or other waste material shall be kept or permitted upon any Lot or the Common Areas, except in sanitary containers located in appropriate areas screened and concealed from view, and no odor shall be permitted to arise therefrom so as to render the Subdivision or any portion thereof unsanitary, unsightly, offensive or detrimental to Occupants of the Subdivision or to any other Lot or Common Area in the vicinity thereof or to the Occupants thereof. Trash and garbage must be placed behind each Residence and to the rear of the Lot in adequate containers for collection and removal. There shall be no exterior fires whatsoever except barbecue fires contained within receptacles designed in such manner that no fire hazard is created. No clothing or household fabrics shall be hung, dried or aired in such a way in the Subdivision as to be visible to other Lots or other property and no lumber, grass, shrub or tree clippings, plant waste, metals, bulk material, scrap, refuse or trash shall be kept, stored or allowed to accumulate on any portion of the Subdivision, except within an enclosed structure or if appropriately screened from view and not otherwise in violation of this Declaration.

3.11 Vehicles. No Owner or Occupant of a Lot shall park, store or keep, or permit to be parked, stored or kept, any vehicle, except wholly within the parking garage which is a part of such Owner's or Occupant's Residence or upon any paved driveway on such Owner's or Occupant's Lot, and no inoperable vehicle shall be stored in any parking space or within the Common Areas in general. No Owner or Occupant of a Lot shall park, store or keep, or permit to be parked, stored or kept, within or adjoining the Subdivision any large commercial-type vehicle (dump truck, cement-mixer truck, oil or gas truck, delivery truck or any other vehicle equipment, mobile or otherwise), deemed to be a nuisance by the Board, or any recreational vehicle (camper unit, motor home, truck, trailer, boat, mobile home or other similar vehicle) deemed to be a nuisance by the Board. No Owner or Occupant of a Lot shall conduct, or permit to be conducted, major repairs or major restorations of any motor vehicle, boat, trailer, aircraft or other vehicle upon any portion of the Common Areas.

3.12 Parking. The Board may at any time and from time to time assign and reassign parking spaces and storage areas located on the Common Areas, if any, to Owners.

3.13 Motorcycles. Motorcycles, motorbikes, motorscooters or other similar vehicles shall not be operated within the Subdivision, except for the purpose of transportation directly from a Lot to another Lot, or to a point

outside the Subdivision, or from a point outside the Subdivision directly to a Lot.

3.14 Radio and Television Antennas. No Owner or Occupant shall be permitted to construct, use or operate an external radio or television antenna or other electronic antenna which is visible from the Common Areas, the golf course or public streets without the prior written consent of the Architectural Control Committee. External antennae visible from only an alley (and not visible from another Lot, Common Area or the golf course) or placed within the attic or other interior areas of the Residence on the Owner's Lot are permitted without the Architectural Control Committee's prior written consent. No citizens band transmitter or other transmission device shall be permitted on the Subdivision without the prior written consent of the Architectural Control Committee. Satellite dishes shall be permitted only at the rear of a Lot and shall be concealed from view from other Lots, the Common Areas or public thoroughfares.

3.15 Animals. Except as hereinafter provided, no animals, livestock, reptiles or poultry of any kind shall be raised, bred or kept on any Lot or the Common Areas. Dogs, cats, fish, birds and other household pets may be kept on the Lots and in Residences subject to rules and regulations adopted by the Board, provided the same are not kept, bred or maintained for commercial purposes or in unreasonable quantities. As used in this Declaration, "unreasonable quantities" shall ordinarily mean more than three (3) pets per household; provided, however, the Board may determine a reasonable number in any instance to be more or less, and the Board may limit the size and weight of any household pets allowed. The Board shall have the right to prohibit maintenance of any animal which constitutes, in the opinion of the Board, a nuisance to any other Owner. Animals belonging to Owners, Occupants or their licensees, tenants or invitees within the Subdivision must be kept either within an enclosure, an enclosed patio, or on a leash being held by a person capable of controlling the animal. The enclosure must be so maintained that the animal cannot escape therefrom and shall be subject to the approval of the Board. Should any animal belonging to an Owner be found unattended out of the enclosure and not being held on a leash by a person capable of controlling the animal, such animal may be removed by Declarant (for so long as Declarant has control over the Association) or a person designated by Declarant or by the Board to do so, to a pound under the jurisdiction of the local municipality in which the Property is situated and subject to the laws and rules governing said pound, or to a comparable animal shelter. Furthermore, any Owner or Occupant shall be absolutely liable to each and all remaining Owners, their families, guests, tenants and invitees, for any unreasonable noise or any damage to person or property caused by any animals brought or kept upon the Property by such Owner or such Owner's family, tenants or guests; and it shall be the absolute duty and responsibility of each such Owner to clean up after such Owner's animals which have used any portion of the Common Areas.

3.16 Leasing. No Lot shall be leased for hotel or transient purposes. No lease of less than the entire Lot together with all improvements located thereon and all appurtenances thereto shall be permitted. Every such lease shall provide that the lessee shall be bound by and subject to all of the obligations under the Declaration and Bylaws, of the Owner or Occupant making such lease, and failure to perform and abide by the same shall be a

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default thereunder by such lessee. The Owner or Occupant making such lease shall not be relieved thereby from any of such obligations.

3.17 Residence Exteriors. It is specifically required that the exterior wall area, visible from public streets and Common Areas, but not from alleys or the golf course, of the first floor of each residence located within the subdivision shall not have less than seventy-five percent (75%) brick construction. The surface area of windows surrounded completely by masonry or brick may be included within the computation of the exterior masonry wall area of a residence. The portions of the exterior of any Residence not consisting of brick or masonry shall be painted or stained and shall not be allowed to peel, fade or deteriorate but shall be maintained in a first-class condition. All chimneys and exterior portions of fireplaces must be one hundred percent (100%) brick or masonry. The exterior wall area of the second floor of a residence need not contain a specific percentage of brick or masonry, except that portion of the second floor area constituting an exterior portion of a fireplace or chimney shall be one hundred percent (100%) brick or masonry.

3.18 Height. No building or structure on any Lot shall contain more than two stories of living space above finished grade (except in a case where a third story of living space is contained within the volume enclosed by the roof planes of the residence) or exceed, in height, the maximum height allowed by the City of Richardson, such height to be measured and determined in accordance with the approved City of Richardson method.

3.19 Firearms. Firearms or fireworks shall not be used or discharged in the Subdivision.

3.20 Yard Maintenance. All front, side and rear yards shall be neatly and carefully maintained.

3.21 Exterior Lighting. No exterior light, including landscape lightning, shall be installed or maintained on any Lot without the prior written approval of the Architectural Control Committee. Further, and notwithstanding such prior approval, upon being given notice by the Committee that any exterior light is objectionable, the Owner of the Lot on which same is located will immediately remove said light or shield the same in such a way that it is no longer objectionable.

3.22 Fences. All fences shall be of masonry, wood or wrought-iron and shall be maintained in an attractive manner and no fence shall be erected or located on any Lot without the prior written approval of the Architectural Control Committee. There shall be no wire or chain-link fences. No fence upon any Lot shall extend toward the front Lot line beyond the front building line. No fence shall exceed six (6) feet in height. Fences located on the rear lot line of lots which back up to the Sherrill Park Golf Course shall not exceed four (4) feet in height and shall be of wrought iron construction identical to the wrought iron fencing installed on the rear lot line of such golf course lots in connection with the initial development of the subdivision. Further, on lots which back up to the golf course, no fencing shall be located within ten (10) feet of the rear lot line other than a fence located on the side lot line, which fence shall be of identical height and design to the wrought iron fence installed on the rear lot line.

3.23 Above-ground Swimming Pools. An Owner may not install any above-ground swimming pool on his Lot unless the Architectural Control Committee first grants its written permission for such installation.

3.24 Air Conditioning Apparatus. No air conditioning apparatus or evaporative cooler shall be installed on the ground in the front of a Residence or on any front wall or side wall of a Residence.

3.25 Roofing Materials. All roofing for the Residences and other improvements located on the Lots shall consist of high quality aluminum shakes (with wood appearance), wood shingle, cedar shake, slate, concrete, clay tile or composition shingles weighing at least two hundred forty (240) pounds per one hundred (100) square feet of surface area covered thereby and be of a natural weathered wood color. In addition, any composition shingles must also be Timberline shingles or other shingles of equal or higher quality than Timberline, unless otherwise approved by the Architectural Control Committee.

3.26 Exterior Walls. The exterior walls of any Residence, improvement or structure placed or erected on any Lot shall comply with the applicable building codes of the City of Richardson, Texas and all other applicable requirements.

3.27 Sidewalks. The sidewalks constructed on any Lot shall comply with the applicable building codes of the City of Richardson, Texas and all other applicable requirements.

3.28 Garages. Each Residence shall have sufficient garage space for minimum of two (2) conventional automobiles. No garage shall be constructed on any Lot except as an integral part of the Residence it is intended to serve. If there is an alley along the rear of a Lot, the garage shall be rear-entry type with all entrances from the alley. If there is not an alley along the rear of the Lot, the garage shall open only to the side of the Lot so as not to directly face a residential street. The garage may be used for only the garaging of conventional automobiles and shall not be converted for use as any living area or other use inconsistent with the garaging of conventional automobiles.

3.29 Exceptions for Declarant. In order that Declarant may establish the Subdivision as a fully occupied and constructed subdivision, neither any Owner nor the Association shall do anything to, and nothing in the Declaration shall be understood or construed to:

(a) prevent Declarant or its contractors or subcontractors, from doing upon any Lot owned by it whatever it determines to be necessary or advisable in connection with the completion of any work thereon; or

(b) prevent Declarant or its representatives, from erecting, constructing and maintaining on the Common Areas or on any Lot owned or controlled by Declarant or its contractors or subcontractors, such structures as may be reasonably necessary for completing any work, and disposing of the Lots by sale, lease or otherwise; or

(c) prevent Declarant or its representatives, from maintaining a sales office located either in a movable building or

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trailer located on the Property or in any existing improvements owned by Declarant and maintaining and showing a management office, model Residences and parking spaces to aid in the marketing of Lots; or

(d) prevent Declarant or its contractors or subcontractors from maintaining signs for marketing of Lots.

3.30 Liability of Owners for Damage to Common Areas. To the extent permitted by Texas law, each Owner shall be liable to the Association for all damages to the Common Areas or improvements thereon caused by the willful misconduct, neglect, misuse or negligence of such Owner or such Owner's agents, tenants, guests or invitees.

3.31 No Warranty of Enforceability. While Declarant has no reason to believe that any of the restrictive covenants or other terms and provisions contained herein are or may be invalid or unenforceable for any reason or to any extent. Declarant makes no warranty or representation as to the present or future validity or enforceability of any such restrictive covenants, terms or provisions. Any Person acquiring a Lot in the Subdivision in reliance on one or more of such restrictive covenants, terms or provisions shall assume all risks of the validity and enforceability thereof and, by acquiring the Lot, agrees to hold Declarant harmless therefrom.

ARTICLE IV SPECIAL RESTRICTIONS UPON LOTS LOCATED IN PHASE IA, PHASE IIA AND PHASE IIB

4.1 Use Restriction. The Lots located in Phase IA, Phase IIA and Phase IIB shall be used only for Residences for single-family use.

4.2 Minimum Size. No Residence, the habitable floor space of which, exclusive of basements, porches, terraces, garages, and breezeways is less than two thousand two hundred (2,200) square feet, and whose first floor habitable space is less than fifteen hundred (1,500) square feet, shall be permitted on any Lots in Phase IA, Phase IIA and Phase IIB.

ARTICLE V SPECIAL RESTRICTIONS UPON UNIT LOTS LOCATED IN PHASE IB AND PHASE IIC

5.1 Use Restriction. The Lots located in Phase IB and Phase IIC shall be used only for Residences for single-family use.

5.2 Area Restriction. No Residence shall be permitted on any Phase IB Lot or Phase IIC Lot, the habitable floor space of which, exclusive of basements, porches, terraces, garages and breezeways is less than 1,500 square feet.

5.3 Yard Size Restrictions. All Residences on any Phase IB Lot or Phase IIC Lot shall have (a) a front yard with a minimum depth of twenty (20) feet from every adjacent street; (b) a rear yard with a minimum depth of

twenty-five (25) feet from the adjacent street or alley; and (c) a side yard on one (1) side of each Phase IB Lot or Phase IIC Lot with a minimum depth of ten (10) feet. Chimneys, roofs, eaves or other appendages shall not extend six (6) inches into the side yard. Eaves, cornices and other architectural embellishments shall not extend more than three (3) feet into the front yard.

5.4 Chimneys. No chimney shall be permitted on any Phase IB Lot or Phase IIC Lot Residence unless it shall be less than ten (10) feet in width. All chimneys as well as any exterior portion of a fireplace must be one hundred percent (100%) brick or masonry.

5.5 Storage Buildings, Garages and Carports. No detached, non-masonry storage buildings, garages, carports, or greenhouses shall be permitted on any Phase IB Lot or Phase IIC Lot.

5.6 Structures on Property Lines. A structure may be built on one (1) side of the property line of Phase IB Lot or Phase IIC Lot, provided that the side of the structure facing said property line shall contain no openings, appendages or overhangs and provided further, that no wall of any structure on any Phase IB Lot or Phase IIC Lot shall be located less than ten (10) feet from the wall of any structure on any other Phase IB or Phase IIC Lot. A structure on a Zero Lot may be erected no less than one (1) foot from the Zero Lot Line.

5.7 Percentage of Lot Restriction. The combined surface area of all Residence improvements located on any Phase IB Lot or Phase IIC Lot shall not exceed fifty percent (50%) of the total Lot's surface area and must meet all applicable Code specifications for the City of Richardson.

ARTICLE VI ASSOCIATION, ADMINISTRATION, MEMBERSHIP AND VOTING RIGHTS

6.1 Association to Own and Manage Common Areas. The ownership and management of the Subdivision and its Common Areas and the Common Area Improvements shall be vested in the Association in accordance with the terms of this Declaration and upon incorporation of the Association the Articles and the Bylaws of the Association shall supplement this Declaration. The Owners of all the Lots covenant and agree that the administration of the Subdivision shall be in accordance with the provisions of this Declaration, subject to the standards set forth in this Declaration and all applicable laws, regulations and ordinances of any governmental or quasi-governmental body or agency having jurisdiction over the Subdivision or the Association, as same may be amended from time to time.

6.2 Board of Directors. Upon incorporation of the Association the affairs of the Association shall be managed by a Board of Directors which has been established and which shall conduct regular and special meetings according to the provisions of the Bylaws.

6.3 Membership. Any Person on becoming an Owner of a Lot shall automatically become a Member of the Association. Such membership shall

terminate without any formal Association action whenever such Person ceases to own a Lot, but such termination shall not relieve or release such Person from any liability or obligation incurred under or in any way connected with the Subdivision during the period of such Person's ownership and membership, or impair any rights or remedies which the Board or others may have against such Person arising out of or in any way connected with such ownership and membership and the covenants and obligations incident thereto. No certificates of stock shall be issued by the Association, but the Board may, if it so elects, issue one (1) membership card to the Owner(s) of a Lot. Such membership card shall be surrendered to the Secretary of the Association whenever ownership of the Lot designated thereon shall terminate.

6.4 Transferred Membership. Membership in the Association shall not be transferred, pledged or alienated in any way, except upon the transfer of ownership of the Lot to which it is appurtenant, and then only to the new Owner. Any attempt to make a prohibited transfer is void. In the event the Owner of any Lot should fail or refuse to transfer the membership registered in such Owner's name to the purchaser of such Owner's Lot, the Association shall have the right to record the transfer upon its books.

6.5 Quorum, Notice and Voting Requirements.

(a) Lot ownership shall entitle the Owner(s) to cast one (1) vote per Lot in the affairs of the Association. The vote attributable to a Lot shall not be split among more than one (1) person.

(b) Subject to the provisions of Paragraph (d) of this Section, the levy of a special assessment for capital improvements upon the Property shall require the assent of the majority of all of the votes of those who are voting in person or by proxy at a meeting duly called for that purpose, written notice of which shall be given to all Members not less than ten (10) days nor more than fifty (50) days in advance and shall set forth the purpose of such meeting.

(c) The quorum required for any action referred to in Paragraph (b) of this Section shall be as follows:

At the initial meeting called, as hereinafter provided, the presence at the meeting of Members, or of proxies, entitled to cast fifty-one percent (51%) of all of the votes of the Association shall constitute a quorum. If the required quorum is not present at the meeting, one additional meeting may be called, subject to the notice requirement hereinabove set forth, and the required quorum at such second meeting shall be one-half (1/2) of the required quorum at the preceding meeting; provided, however, that no such second meeting shall be held more than sixty (60) days following the first meeting.

(d) As an alternative to the procedure set forth above, any action referred to in Paragraph (b) of this Section may be

taken without a meeting if a consent in writing, approving of the action to be taken, shall be signed by all the Members entitled to vote.

6.6 Declarant Control. Sections 6.1 and 6.5 and any other provisions hereof notwithstanding, and for the benefit and protection of the Owners and any First Mortgagees, for the sole purpose of insuring a complete and orderly buildout as well as a timely sellout of the subdivision Declarant's vote in the Association shall equal one hundred percent of the total votes during the Declarant Control Period (as hereinafter defined). No other Owner shall have a vote in the Association and Declarant shall have the rights specifically mentioned herein as exercisable during the Declarant Control Period for a period ending upon the passage of one hundred twenty (120) days after the sale and transfer of the title to ninety percent (90%) of all of the total number of Lots to persons other than Declarant or entities controlled by Declarant. The period described in this section is referred to herein as the "Declarant Control Period". It is expressly understood that Declarant will not use such control for any advantage over the Lot Owners by way of retention of any residual rights or interests in the Association. During the Declarant Control Period, Declarant may employ or designate a temporary manager or managing agent, who shall have and possess all of the rights, powers, authority, functions and duties as may be specified in the contract of employment or as may be delegated by Declarant to such manager or managing agent. Declarant may pay such temporary manager or managing agent such compensation as Declarant may deem reasonable for the services to be rendered, which compensation shall constitute a part of the Common Expenses and shall be paid out of the Association budget. Nothing contained herein shall be deemed to affect Declarant's rights, as a Lot Owner, to exercise the votes allocated to Lots owned by Declarant.

6.7 Release of Individual Phases. Notwithstanding anything to the contrary in Section 2.13 above, at any time that Declarant is the Owner of all of the Lots in any of Phase IA, Phase IB, Phase IIA, Phase IIB or Phase IIC, if and when Phase IIC shall be platted as a residential subdivision, Declarant (or Declarant, together with assignees of the rights of Declarant hereunder) shall have the right to release such Phase from all of the covenants, easements, restrictions and other encumbrances created hereunder by the execution and filing of record of a written release. No such release shall affect the rights and obligations of Owners of Lots in Phases which are not released.

ARTICLE VII DUTIES AND POWERS OF THE ASSOCIATION

7.1 Powers and Duties. The affairs of the Association shall be conducted by its Board of Directors. Prior to the expiration of the Declarant Control Period, the Declarant shall select and appoint the Board of Directors, each of whom shall be a Member, or an officer, employee, representative or agent of the Declarant. From and after the expiration of the Declarant Control Period, the Board of Directors shall be selected in accordance with the Articles of Incorporation and Bylaws of the Association. The Board, for the benefit of the Subdivision, shall have the power to undertake and shall provide, and

shall pay for out of the maintenance funds(s) provided for in Article X below, the following:

(a) Care and preservation of the Common Areas including, for instance and not limitation, the care of the exterior grounds, trees, grass in such areas, full maintenance of utility service for the Common Areas, as well as the furnishing and upkeep of any desired personal property for use in the Common Areas.

(b) Care and maintenance of the masonry and/or wrought iron screening walls and entry features which may be constructed by Declarant around all or portions of the perimeter of the Property and which may be constructed by Declarant elsewhere on the Common Properties or on private property. Maintenance includes all repair or rebuilding required and cleaning as required to remove graffiti or obscenities.

(c) The services of a person or firm to manage the Association or any separate portion thereof, to the extent deemed advisable by the Board, and the services of such other personnel as the Board shall determine to be necessary or proper for the operation of the Association, whether such personnel are employed directly by the Board or by the manager.

(d) Legal and accounting services.

(e) Any other materials, supplies, furniture, alterations, taxes or assessments which the Board is required to obtain or pay for pursuant to the terms of this Declaration or by law or which in its opinion shall be necessary or proper for the operation or protection of the Association or for the enforcement of this Declaration.

(f) To execute all declarations of ownership for tax assessment purposes and to pay all taxes with regard to the Common Areas on behalf of all Owners.

(g) To enter into agreements or contracts with insurance companies, and the holders of mortgage liens on the individual Lots with respect to insurance coverage of the Common Areas, as they relate to the assessment, collection and disbursement process envisioned by Article X hereinbelow.

(h) To borrow funds to pay costs of operation secured by assignment or pledge of rights against Owners, if the Board sees fit.

(i) To enter into contracts, maintain one or more bank accounts, and generally, to have all the powers necessary or incidental to the operation and management of the Association and Subdivision.

(j) If, as, and when the Board, in its sole discretion, deems necessary it may take action to protect or defend the

Common Areas from loss or damage by suit or otherwise, to sue or defend in any court of law on behalf of the Association and to provide adequate reserves for replacements.

(k) To make reasonable rules and regulations for the operation and use of the Property and to amend them from time to time, provided that any rule or regulation may be amended or repealed by an instrument in writing signed by a majority of the Members.

(l) To make available to each Owner within sixty (60) days after the end of each year, an unaudited annual report.

(m) To adjust the amount, collect, and use any insurance proceeds to repair damage or replace lost property; and if proceeds are insufficient to repair damage or replace lost property, to assess the Members in proportionate amounts to cover the deficiency.

(n) If, as and when the Board, in its sole discretion, deems necessary, and without obligation to do so, it may take action to enforce the provisions of this Declaration and any rules made hereunder and to enjoin and seek damages from any Owner for violation of such provisions or rules.

7.2 Maintenance. The Association shall maintain in good condition, and repair, replace, restore, operate and manage all of the Common Areas, Common Area Improvements, all landscaping thereon and all property that may be acquired by the Association. This obligation shall not extend to the cost and expense of repairs or replacements arising out of or caused by the willful or negligent act or neglect of any Owner, or such Owner's guests, tenants or invitees, which shall be the obligation of such Owner, and the Association may cause such repairs and replacements to be made at such Owner's sole cost and expense, and if such Owner shall fail to pay for such repairs or replacements upon demand, the cost thereof (plus interest from the date of payment(s) at the maximum legal rate) shall be added to the Assessments chargeable to such Owner's Lot, shall be payable to the Association by the Owner of such Lot upon demand, and shall be secured by the Association's Assessment lien as set forth in Section 10.5, hereinbelow.

7.3 Association Easements and Access to Lots. For the purpose of performing the maintenance, repair or replacement authorized by this Article or for any other purpose reasonably related to the performance by the Board or the Association of their respective responsibilities under this Declaration, the Association (and its agents and employees) shall have a nonexclusive easement over and onto all portions of the Common Areas and the Lots. All damaged improvements shall be restored to substantially the same condition of such improvements prior to such damage. All maintenance, repairs and replacements as to the Common Areas and Common Area Improvements (unless necessitated by the neglect, negligence or misuse by an Owner or such Owner's guests, tenants or invitees, in which case such expense shall be charged to such Owner) shall be the Common Expense of all the Owners.

7.4 Utility Installations. The Association shall maintain all utility installations located in the Common Areas except for those installations maintained by utility companies, public, private or municipal.

7.5 Easements. The Association shall have the right to dedicate or transfer all or any part of the Common Areas to any public agency, authority or utility for the purposes, and subject to the conditions, of such agency, authority or utility to the extent, but only to the extent reasonably necessary to provide utility and other services described herein or reasonably implied herefrom. No such dedication or transfer after the Declarant Control Period shall be effective unless approved by a sixty-seven percent (67%) vote of Owners present at a meeting of the Association specifically called for the purpose of approving any such dedication or transfer, and unless an instrument signed by the Board of Directors reflecting such vote of the Owners agreeing to such dedication or transfer has been duly recorded in the real estate records of the county in which the Subdivision is located.

7.6 Insurance. The Association shall obtain and maintain at all times insurance of the type and kind provided hereinafter, including such other risks, of a similar or dissimilar nature, as are or shall hereafter customarily be covered with respect to any buildings, fixtures, equipment and personal property, similar in construction, design and use to the Common Area Improvements and all fixtures and equipment, personal property and supplies owned or leased by the Association and used in connection therewith. All such insurance shall be in an amount equal to 100% of the replacement cost of the improvements covered thereby (other than such items normally excluded from such coverage) and shall be issued by responsible insurance companies authorized to do business in the State of Texas who have no less than a Class VI financial category rating in the most current issue of Best's Key Rating Guide, except that the insurance may be issued by insurers without a Class VI rating if the insurer is covered by reinsurance with a company that satisfies the Class VI rating requirement. Further, to the extent such coverage is available, each such policy shall insure against loss or damage by fire, vandalism, malicious mischief or such other hazards as are covered under standard extended coverage provisions for the full insurable replacement cost of the Common Area Improvements and against such other hazards and for such amounts as the Board may deem advisable (the Property, the foundations, excavations or other items usually excluded from insurance coverage need not be covered unless the Board shall so require). Each Owner irrevocably designates the Association, as attorney-in-fact for each such Owner, to administer and distribute such proceeds as is elsewhere provided in this Declaration.

Each such insurance policy shall also provide that such policy cannot be cancelled by either the insured or the insurance company until after ten (10) days prior written notice to the Association. The Association shall keep a policy or policies of (i) liability insurance insuring the Board and the officers and employees of the Association against any claims, losses, liabilities, damages or causes of action arising out of, or in connection with, or resulting from any act done or omission to act by any such person or entities, (ii) workmen's compensation as required under the laws of the State of Texas, and (iii) such other insurance as the Board may deem reasonable and necessary in order to protect the Subdivision, the Owners and the Association. The Association shall not be responsible for procurement or maintenance of any insurance

covering the liability of any Owner not caused by or connected with the Association's operation or maintenance of the Common Areas and Common Area Improvements. Each Owner may obtain additional insurance at such Owner's own expense for such Owner's own benefit. Insurance coverage on the fixtures, furnishings and other items of personal property belonging to an Owner, and casualty and public liability insurance coverage within each Lot, are specifically made the responsibility of each Owner. Any insurance obtained by the Association or an Owner shall contain appropriate provisions whereby the insurer waives its right of subrogation as to any claims against the Owners, the Association or their respective servants, agents, invitees or guests.

7.7 Destruction of Improvements on Individual Lots. In the event of destruction (total or partial) to the improvements on any individual Lot due to fire or any other cause each Lot Owner covenants and agrees to complete all necessary repairs or reconstruction of the damaged improvements or to clear and grade the Lot of above ground improvements or ground level improvements (including, but not limited to any slab or other foundation improvements, walks, drives, patios, in ground pools or decks) and restore the Lot to a neat and orderly condition within six (6) months of the date that the damage occurs.

7.8 Rules and Regulations. The Board shall publish rules and regulations governing the use of the Subdivision and establish and enforce penalties, fines or both for infractions thereof. All Occupants shall be furnished with a copy of such rules and regulations. Each Occupant shall be required to strictly comply with such rules and regulations, and shall be responsible to the Association for the compliance therewith by the members of such Occupant's family, relatives, guests or invitees, both minor and adult.

7.9 Noise Regulation. The Board shall regulate noise within the Subdivision, and may require mufflers on engines and prohibit the use of devices producing excessive noise.

7.10 Security. The Board may adopt, implement and maintain a private security system for the Subdivision consistent with applicable laws.

7.11 Borrowings. The Board may borrow money and mortgage the Common Areas and Common Area Improvements for the purpose of improving the Common Areas and Common Area Improvements; provided, however, that the right of any such mortgagee in such property shall be subordinate to the rights of the Owners, and in no event shall any such mortgagee have the right to terminate this Declaration, the Articles or the Bylaws or to amend the Plats.

7.12 Use of Managing Agent. The Board shall have the authority to employ a manager or other persons, and to contract with independent contractors or managing agents, to perform all or any part of the duties and responsibilities of the Association, subject to the Articles, Bylaws and restrictions imposed by any governmental or quasi-governmental body.

7.13 Records. The Association shall keep or cause to be kept records with detailed accounts of the income, receipts and expenditures affecting the Subdivision and its administration, specifying the maintenance and repair

expenses with regard to the Common Areas and any other expenses incurred by or on behalf of the Association. The records so kept shall be available for inspection by all Owners and mortgagees of Lots during regular business hours of the Association that shall be set and announced for general knowledge. All records shall be kept either in accordance with generally accepted accounting principles, or on a cash basis, as determined by the Board of Directors, and may, at the election of the Board of Directors, be audited periodically by an independent auditor. Copies of the auditor's reports shall be made available to all Owners and mortgagees upon written request accompanied by payment of the reasonable reproduction costs of such report as established by the Board within ninety (90) days following the end of any fiscal year of the Association.

7.14 Enforcement. As set forth at Section 7.1(n) above, the Board may, at its discretion and without obligation to do so, enforce the provisions of this Declaration by appropriate means, including, without limitation, the expenditures of funds of the Association, the employment of legal counsel and the commencement and prosecution of actions. The prevailing party in such action shall be reimbursed for attorney's fees and court costs by the losing party. The Board may suspend the voting rights and the right to the use of the recreational facilities by an Owner for any period during which any Assessment against such Owner remains unpaid, or for violation of rules and regulations established by the Board.

ARTICLE VIII
ARCHITECTURAL CONTROL COMMITTEE

8.1 Architectural Control Committee. The Architectural Control Committee, hereinafter called "the Committee", shall be composed of three (3) individuals, which individuals shall be selected and appointed by the Declarant during the Declarant Control Period. The Committee shall function as the representative of the Owners of the Lots 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.

A majority of the Committee may designate a representative to act for it. In the event of the death or resignation of any member of the Committee, the remaining members shall have full authority to designate and appoint a successor. Each member of the Committee, or its designated representative, shall neither be entitled to any compensation for services performed hereunder nor be liable for claims, causes of action or damages (except where occasioned by gross negligence or arbitrary and capricious conduct) arising out of services performed pursuant to this covenant. At any time, the Declarant may delegate and assign to the Board of Directors, all of the Declarant's power and right to change the membership of the Committee, to withdraw or add powers and duties from or to the Committee, or to restore the powers and duties of the Committee. Such action by the Declarant shall be effective upon recordation of a written instrument properly reflecting same.

8.2 Architectural Approval. No building, structure or improvement of any nature (including, but not limited to the initial construction and any remodeling or reconstruction) shall be erected, placed or altered on any Lot until the plot plan (showing the location of such building, structure, or

improvement), construction plans and specifications thereof and landscaping plans therefor have been submitted to and approved in writing by the Committee as to: (i) location with respect to Lot 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; proper facing of main elevation with respect to nearby streets; and (iv) the other standards set forth within this instrument. The Committee is authorized to request the submission of samples of proposed construction materials or colors of proposed exterior surfaces.

Final plans and specifications shall be submitted in duplicate to the Committee for approval or disapproval. At such time as the plans and specifications meet the approval of the Committee, one complete set of plans and specifications will be retained by the Committee and the other complete set of plans will be marked "Approved", and returned to the Lot Owner. If found not to be in compliance with these covenants and restrictions, one set of such plans and specifications shall be returned marked "Disapproved", accompanied by a reasonable statement of items found not to comply with these covenants and restrictions. Any modification or change to the approved set of plans and specifications which materially affects items (i) through (iv) of the preceding paragraph must again be submitted to the Committee, for its inspection and approval. The Committee's approval or disapproval as required in these covenants shall be in writing. If the Committee, or its designated representative, fails to approve or disapprove such plans and specifications within thirty (30) days after all matters required to be submitted to it have been submitted to it (and receipt of all such matters acknowledged by the Committee, in writing), then Committee approval shall be presumed.

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 reasonable opinion of the Committee, adversely affect the living enjoyment of one or more Lot Owner(s) or the general value of the Properties. As an example, and not by way of limitation, the Committee may impose limits upon the location of window areas of one residential dwelling which would overlook the enclosed patio area of an adjacent residential dwelling. Also, the Committee is permitted to consider technological advances 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 Committee may, from time to time, publish and promulgate architectural standards bulletins; such bulletins shall supplement these covenants and restrictions and are incorporated herein by reference. The Committee shall have the authority to make final decisions in interpreting the general intent, effect and purpose of these restrictions.

8.3 Nonconforming and Unapproved Improvements. The Association 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. In addition, the Association may, but has no obligation to do so, cause such restoration, demolition and removal and levy the amount of the cost thereof as a special

individual assessment against the Lot upon which such improvements were commenced or constructed.

8.4 No Liability. Neither Declarant, the Association, the Committee, nor the Board nor the officers, directors, members, employees and agents of any of them, shall be liable in damages to anyone submitting plans and specifications to any of them for approval, or to any Owner of property affected by these restrictions by reason of mistake in judgment, negligence, or nonfeasance arising out of or in connection with the approval or disapproval or failure to approve or disapprove any such plans or specifications. Every person who submits plans or specifications, and every Owner of any Lot agrees that he will not bring any action or suit against Declarant, the Association, the Committee, the Board, or the officers, directors, members, employees and 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 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. Plans and specifications are not approved for engineering or structural design or adequacy of materials, and by approving such plans and specifications neither the Committee, the members thereof, the Declarant nor the Association assumes liability or responsibility therefor, nor for any defect in any structure constructed from such plans and specifications.

ARTICLE IX OBLIGATIONS OF OWNERSHIP

9.1 Owner Maintenance.

(a) Owners and Occupants of any Lot shall jointly and severally have the duty and responsibility, at their sole cost and expense, to keep the Lot so owned or occupied, including buildings, improvements, grounds or drainage easements or other rights-of-way incident thereto, and vacant land, in a well-maintained, safe, clean and attractive condition at all times. Such maintenance includes, but is not limited to, the following:

- (i) Prompt removal of all litter, trash, refuse and waste;
- (ii) Lawn mowing on a regular basis;
- (iii) Tree and shrub pruning;
- (iv) Watering landscaped areas;
- (v) Keeping exterior lighting and maintenance facilities in working order;
- (vi) Keeping lawn and garden areas alive, free of weeds, and attractive;

(vii) Keeping parking areas, driveways, and roads in good repair;

(viii) Complying with all government health and police requirements;

(ix) Repair of exterior damages to improvements;

(x) Cleaning of landscaped areas lying between public right-of-way lines and Lot lines, unless such streets or landscaped areas are expressly designated to be Common Areas maintained by applicable governmental authorities or the Association; and

(xi) Repainting of improvements.

(b) If, in the opinion of the Association, any such Owner or Occupant has failed in any of the foregoing duties or responsibilities, then the Association may give such person written notice of such failure and such person must within fourteen (14) days after receiving such notice, perform the repairs and maintenance or make arrangements with the Association for making the repairs and maintenance required. Should any such person fail to fulfill this duty and responsibility within such period, then the Association, through its authorized agent or agents, shall have the right and power to enter onto the premises and perform such repair and maintenance without any liability for damages for wrongful entry, trespass or otherwise to any person. The Owner of the Lot on which such work is performed shall be liable for the cost of such work and shall promptly reimburse the Association for such cost. If such Owner shall fail to reimburse the Association within thirty (30) days after receipt of a statement for such work from the Association, then said indebtedness shall be a debt of Owner, and shall constitute a lien against that portion of the Properties on which said work was performed. Such lien shall have the same attributes as the lien for Assessments and Special Assessments set forth in this Declaration, and the Association shall have the identical powers and rights in all respects, including but not limited to the right of foreclosure.

(c) Notwithstanding the provisions of Section 9.1(b) above, if, at any time, an Owner of any Lot shall fail to control weeds, grass and/or other unsightly growth, the Association shall have the authority and right to go onto said Lot for the purpose of mowing and cleaning said Lot and shall have the authority and right to assess and collect from the Owner of said Lot a sum up to One Hundred and No/100 Dollars (\$100.00) for mowing or cleaning said Lot on each respective occasion of such mowing or cleaning. If any at any time, weeds or other unsightly growth on the Lot exceed six inches (6") in height, the Association shall have the right and authority to mow and clean the Lot, as aforesaid. The assessments, together with such interest thereon and costs of collection thereof, shall be a charge on the land and shall be a

continuing lien upon each Lot against which each such assessment is made. Each such assessment, together with such interest thereon and cost of collection thereof, shall also be the continuing personal obligation of the person who was the Owner of such Lot at the time when the assessment occurred. Each and every Owner of any Lot, by the acceptance of a deed or other conveyance of such Lot shall thereby covenant and agree to pay such assessments. The lien securing any such assessment shall be subordinate and inferior to the lien of any mortgage and any renewals or extensions thereof existing prior to the assessment date.

(d) All utility lines installed within a Lot and serving only such Lot, commencing at a point where the Utilities enter the Lot, shall be maintained and kept in repair by the Owner thereof. Any utility lines located on a Lot, but serving other Lots, shall be deemed to do so pursuant to a valid easement and shall be maintained by the utility company using the same or by the Owners served by such lines.

9.2 Alterations. No Owner shall do any act or work that would impair the structural soundness and integrity of any building or impair any easement or hereditament. No Owner shall, in any way, alter, modify, add to or otherwise change any of the Common Area Improvements without the prior written consent and approval in writing by the Board, pursuant to Section 3.3 hereof.

9.3 Mechanic's and Materialman's Liens. No labor performed or materials furnished and incorporated in a Lot, notwithstanding the consent or request of an Owner, such Owner's agent, contractor or subcontractor, shall be the basis for filing of a lien against the Common Areas or any other Lot or any improvements located thereon. Each Owner shall indemnify and hold harmless each of the other Owners and the Association from and against all liability arising from the claim of any lien against the Lot of any other Owner or against the Common Areas for construction performed or for labor, material's, services or other products incorporated in such Owner's Lot or at such Owner's request.

9.4 Subject to Declaration, Articles and Bylaws. Each Owner and the Association shall comply strictly with the provisions of this Declaration, the Articles, the Bylaws and the decisions and resolutions of the Board and the Association adopted pursuant thereto, as the same may be lawfully amended from time to time. Failure to comply with any of the same shall be grounds for an action to recover sums due for damages or for injunctive relief, or both, maintainable by the Association on behalf of the Owners or, where appropriate, by an aggrieved Owner.

ARTICLE X MAINTENANCE AND ASSESSMENTS

10.1 Creation of Lien and Personal Obligation for Assessments for Common Expenses. All Owners shall be obligated to pay Assessments imposed

by the Association to meet the Common Expenses. Each purchaser of any Lot by acceptance of a deed therefor, whether or not it shall be so expressed in any such deed or other conveyance, shall be deemed to covenant and agree (and such covenant and agreement shall be deemed to constitute a portion of the consideration and purchase money for the acquisition of the Lot), to pay to the Association (or to an entity or collection agency designated by the Association): (1) annual maintenance assessments or charges; (2) special assessments for capital improvements, such assessments to be fixed, established and collected from time to time as hereinafter provided; (3) individual special assessments levied against individual Lot Owners to reimburse the Association for extra costs for maintenance and repairs caused by the willful or negligent acts of the individual Owner and not caused by ordinary wear and tear, such assessments to be fixed, established and collected from time to time as hereinafter provided. The annual, special capital, and special individual assessments, together with such interest thereon and costs of collection thereof as hereinafter provided, shall be a charge on the land and shall be a continuing lien upon each Lot against which each such assessment is made. Each such assessment together with such interest thereon and cost of collection thereof as hereinafter provided, shall also be the continuing personal obligation of the person who was the Owner of such property at the time when the assessment fell due.

The total amount of Assessments for any year shall be the total amount of Common Expenses (including the costs of maintaining any reserve accounts required to be maintained by the Association) estimated by the Board to be required for such year. The portion of the annual Assessments assessed against each Lot shall be equal and shall be due annually in advance on or before the first day of each year, commencing with the first day of January, 1988. Failure to pay by the fifteenth (15th) day of each year shall require the imposition and assessment of a reasonable late charge as determined by the Board. Contribution for yearly Assessments shall be prorated if the ownership of a Lot commences on a day other than the first (1st) day of a year. When a Lot is owned by the Declarant, one half ($\frac{1}{2}$) of the assessment shall be due and owing. The Board shall fix the total amount of the annual assessments against such Lot at least thirty (30) days prior to January 1st of each year at an amount which shall not exceed one hundred twenty percent (120%) of the annual Assessment in effect for January of the preceding year (or in effect upon transfer of the first Lot to an Owner other than Declarant, if no such Assessment was in effect for January of the preceding year). The Board shall have the right to adjust the annual Assessment upon thirty (30) days' prior written notice to the Owners, provided that no such adjustment shall result in the annual Assessment becoming greater than one hundred twenty percent (120%) of the annual Assessment in effect for January of the preceding year without the prior approval thereof by a vote of sixty-seven percent (67%) of the quorum of Owners voting in person or by proxy at a special meeting of the Owners called by the Board. Any such adjustment approved by the Owners shall become the basis for future annual increases, in lieu of the annual Assessment in effect for January of such year. The omission or failure of the Board to fix the Assessment for any year shall not be deemed a waiver, modification or release of the Owners from the obligation to pay any Assessments for the year in question at the Assessment rate set for the preceding year. Although this section currently provides that the Assessments shall be assessed and collected on an annual basis, the Board has

the discretion to bill and collect the Assessments on a monthly or quarterly basis.

10.2 Special Assessments for Improvements. In addition to the annual Assessments authorized in Section 10.1 hereof, at any time the Association may levy [upon obtaining the assent of the Members as set forth at Section 1.1(aa)] a Special Assessment for the purpose of defraying, in whole or in part, the cost and expenses described at Section 1.1(aa) hereinabove. Declarant will be treated as all other Owners for purposes of Special Assessments. Such Special Assessments may be billed and collected on a monthly, quarterly or annual basis at the discretion of the Board.

10.3 Purpose of Assessments. The Assessments levied by the Association shall be used exclusively for the purposes of paying Common Expenses incurred in connection with promoting the health, safety, welfare and recreation of the residents in the Subdivision, the improvement, maintenance and preservation of the Subdivision, and the services and facilities devoted to said purposes that are related to the use and enjoyment of the Common Areas, Common Area Improvements, the Lots and all improvements located thereon. Such Common Expenses include, but are not limited to, the cost to the Association of the following: all insurance, repair, replacement and maintenance required or authorized to be paid for or performed by the Association with respect to the Common Areas; fire, extended coverage, vandalism, malicious mischief and liability insurance for the Common Area Improvements or any portion thereof; management costs, taxes, legal and accounting fees as may, from time to time be authorized by the Association; construction of other facilities; maintenance of easements upon, constituting a part of, appurtenant to or for the benefit of the Common Area Improvements; mowing grass, caring for the grounds and landscaping including, but not limited to green belts; caring for the Common Areas; garbage pickup; pest control; streets and screening wall maintenance; outdoor lighting and security service, if any, furnished by or through the Association; audits of the Association; discharge of any liens against the Common Areas and Common Area Improvements; and other charges required by this Declaration, or other charges that the Association is authorized to incur.

10.4 No Exemption. No Owner shall be exempt from liability for Assessments by waiver of the use or enjoyment of any of the Common Areas or Common Area Improvements or by abandonment of such Owner's Lot.

10.5 Lien for Assessments. All sums assessed to an Owner for Assessments, fines, penalties, attorneys' fees and costs of collection and chargeable to such Owner's Lot, including interest thereon, after delinquency, at the highest rate permitted under applicable law, shall constitute a lien on such Lot superior to all other liens and encumbrances, except (i) liens for taxes and special assessments levied by governmental and taxing authorities, and (ii) liens described at Section 10.6. To evidence the failure of an Owner to pay any Assessments, fines, penalties, attorneys' fees, costs of collection and any interest on any of the preceding which are due the Association may, but shall not be required to, prepare written notice setting forth the amount of such unpaid indebtedness, the name of the Owner of the Lot and a description of the Lot. Such notice shall be signed by a duly authorized representative of the Board and may be recorded in the Office of the County Clerk in the county in which the Subdivision is situated. The lien of the

Association may, at the option of the Association, be enforced by foreclosure of the defaulting Owner's Lot by the Association, in accordance with the provisions applicable to the exercise of powers of sale, as set forth in Section 51.002 of the Texas Property Code (as amended or succeeded from time to time), or in any manner permitted by law. Each Owner, by accepting a deed to such Owner's Lot, expressly grants to the Association a power of sale, as set forth in said Section 51.002 (as amended or succeeded from time to time) in connection with the foregoing lien for Assessments, fines, penalties, attorneys' fees, costs of collection and any interest on any of the preceding. In any such foreclosure, the Owner shall be required to pay the costs and expenses of such proceedings, the costs and expenses for filing the notice or claim of lien and all reasonable attorneys' fees. The Association shall have the power to bid for the Lot at foreclosure sale and to acquire and hold, lease, mortgage and convey same. Suit to recover a money judgment for unpaid Assessments, fines, penalties, attorneys' fees, costs of collection and any interest on any of the preceding shall be maintainable without foreclosing or waiving the lien securing the same. Any person or entity holding a lien on a Lot may pay any unpaid and past due Assessment, fines, penalties, attorneys' fees, costs of collection and any interest on any of the preceding payable with respect to such Lot, and upon such payment, such person or entity shall have a lien on such Lot for the amount paid of the same rank as the lien held by such person or entity.

10.6 Subordination of the Lien to Mortgage. The lien for Assessments provided for herein shall be subordinate to the lien of any bona fide arm's length mortgage or mortgages granted or created by the Owner of any Lot to secure the payment of monies advanced and used for the purpose of purchasing and/or improving such Lot or the Residence thereon, which mortgage is recorded prior to the date that such Assessments came due. Sale or transfer of any Lot shall not affect the lien for Assessments; provided, however, that the sale or transfer of any Lot pursuant to a foreclosure, a deed in lieu of foreclosure, assignment in lieu of foreclosure under such bona fide arm's length purchase money or improvement mortgage or deed of trust shall extinguish the lien of such Assessments as to payments thereof coming due prior to such sale or transfer, except for claims for such Lot's pro-rata share of such Assessments resulting from a reallocation among all Lots, which reallocation, if necessary, will require a readjustment of the monthly Assessment as provided in Section 10.1 hereof. No sale or transfer shall relieve such Lot, or the Owner(s) thereof, from liability for any Assessments thereafter becoming due or from the lien thereof. The purchaser, donee or other transferee of a Lot, by deed or other writing (hereinafter in this Section referred to as the "Grantee"), shall be jointly and severally liable with the transferor of such Lot (hereinafter in this Section referred to as the "Grantor") for all unpaid Assessments against the Lot up to the time of the grant or conveyance, without prejudice to the Grantee's right to recover from Grantor the amounts paid by the Grantee.

10.7 Statement of Assessments. Upon the written request of any Owner, prospective Owner, or any mortgagee or prospective mortgagee of a Lot, to the Association, and upon payment of a reasonable fee to the Association, the Association, by its Board, shall issue a written statement setting forth the unpaid Assessments, if any, with respect to the subject Lot, the amount of the current monthly Assessment, the date of such Assessment and the due date thereof, and any credit for advance payments or for prepaid

items, including, but not limited to, insurance premiums, which statement shall be conclusive upon the Association in favor of all persons who rely thereon in good faith. Unless such request for a statement of indebtedness shall be complied with within ten (10) days, no prospective mortgagee or prospective Owner requesting such statement shall be liable for any unpaid Assessments accruing prior to the date of such request.

10.8 Separate Taxation. Each Lot shall be deemed to be a separate and distinct entity for the purpose of the assessment and collection of taxes, assessments and other charges of the State of Texas, or of any political subdivision, special improvement district or any other taxing or assessing authority. The lien for taxes assessed to any Lot shall be confined to that Lot. No forfeiture or sale of any Lot shall divest or in any way affect title to any other Lot or the Common Areas.

10.9 Mortgaging a Lot - Priority. Subject to the requirements, covenants and restrictions of this Declaration, any Owner shall have the right, from time to time, to mortgage or encumber such Owner's Lot by deed of trust, mortgage or other security instrument.

10.10 Improvement and Maintenance of the Common Areas Prior to Conveyance to the Association. Initially, all improvement of the Common Areas shall be the responsibility of the Declarant and shall be undertaken by Declarant at its sole cost and expense with no right to reimbursement from the Association. After the initial improvements are substantially completed and until the date of the conveyance of the title to the Common Areas and their Improvements to the Association, the Declarant, on behalf of the Association, shall have the responsibility and duty of maintaining the Common Areas and their Improvements, including, but not limited to, the payment of taxes on and insurance in connection with the Common Areas and their Improvements and the cost of repairs, replacements and additions thereto, and for paying the cost of labor, equipment (including the expense of leasing any equipment) and materials required for, and management and supervision of, the Common Areas and their Improvements. In this regard, and until such time, all Assessments, both annual and special, collected by the Association (less such amount required for the operation of the Association) shall be forthwith paid by the Association to Declarant, to the extent that such assessments are required by Declarant to maintain the Common Areas and the Improvements as set forth in this Section. The Association may rely upon a certificate executed and delivered by the Declarant with respect to the amount required by Declarant to maintain the Common Areas and their Improvements hereunder.

**ARTICLE XI
DESTRUCTION OR CONDEMNATION OF IMPROVEMENTS
TERMINATION OF DECLARATION**

11.1 Attorney-In-Fact. This Declaration hereby makes mandatory the irrevocable appointment of an attorney-in-fact to deal with the Common Areas and Common Area Improvements upon the destruction or condemnation of all or any part thereof or the termination of this Declaration. Title to any Lot is declared and expressly made subject to the terms and conditions hereof, and acceptance by any Grantee of a deed from Declarant or from any Owner shall

constitute appointment of the attorney-in-fact herein provided. Each Owner, irrevocably constitutes and appoints the Association, or any successor non-profit corporation, if same be hereafter organized, the true and lawful attorney of such Owner in the name, place and stead of such Owner, for the purpose of dealing with the Common Areas and Common Area Improvements upon the destruction or condemnation of all or any part thereof or the termination of this Declaration, as hereinafter provided. As attorney-in-fact, the Association, by its authorized officers, shall have full and complete authorization, right and power to make, execute and deliver any contract, deed or any other instrument with respect to the interest of an Owner which is necessary and appropriate to exercise the powers herein granted. The rights of all First Mortgagees and other mortgagees of all or any portion of the Subdivision shall be expressly subject to the provisions set forth in this Article XI.

11.2 Destruction Due to Fire or Other Casualty. Repair and reconstruction of the Common Area Improvements means restoring all improvements located on the Common Area to substantially the same condition in existence prior to any fire, casualty or other damage, with the Common Area Improvements having substantially the same vertical and horizontal boundaries as before. The proceeds of any insurance collected by the Declarant, the Owners or the Association with respect to any damage to the Common Area Improvements caused by fire, casualty or other cause shall be made available to the Association for the purpose of repair, restoration or replacements, unless all of the Owners agree in writing not to rebuild. If the insurance proceeds are insufficient to repair and reconstruct the Common Area Improvements, such damage or destruction shall be promptly repaired and reconstructed by the Association, as attorney-in-fact, using the proceeds of insurance and the proceeds of an Assessment to be made against all of the Owners and their Lots. Such deficiency assessment shall be due and payable within thirty (30) days after written notice thereof and shall be a Special Assessment assessed uniformly to each Lot. The Association shall have the authority to cause the repair or restoration of the improvements using all of the insurance proceeds for such purpose notwithstanding the failure of an Owner to pay such Assessment. The Assessment provided for herein shall be the debt of each Owner and shall be secured by a lien on the Lot of such Owner which may be enforced and collected as is provided in Section 10.5 hereof. To the extent that all of the Owners agree not to repair the damage or if there are more than adequate insurance settlement proceeds to repair such damage, the remaining insurance settlement proceeds shall be collected by the Association, and such proceeds shall be divided by the Association according to each Owner's interest (as such interest appears on the policy or policies), and such divided proceeds shall be paid into separate accounts, such apportionment to be uniformly and equally applied to each Lot. Each such account shall be in the name of the Association, and shall be further identified by the number of the Lot and the name of the Owner. The total funds of each account shall be used and disbursed, without contribution from one account to another, by the Association, as attorney-in-fact in the following order and for the following purposes:

- (i) for payment of Special Assessment liens against such Owner's Lot;

(ii) for payment of unpaid Assessments allocable to such Owner's Lot;

(iii) any balance remaining shall be released to the Owner.

11.3 Termination of Declaration. If this Declaration is terminated, or if, after the expiration of the Declarant Control Period, Owners holding one hundred percent (100%) of the votes in the Association agree that the Common Areas or some portion thereof should be sold, the Association shall record a notice setting forth such fact or facts, and upon the recording of such notice by the Association's authorized officers, the Common Areas or the relevant portion thereof shall be sold by the Association, as attorney-in-fact, for all of the Owners, free and clear of the provisions contained in this Declaration, the Plats, the Articles and the Bylaws. The sales proceeds shall be apportioned between the Owners on the basis of each Owner's voting percentage in the Association, and such apportioned proceeds shall be paid into separate accounts, each such account representing one Lot. Each such account shall be in the name of the Association and shall be further identified by the number of the Lot and the name of the Owner. From each separate account, the Association, as attorney-in-fact, shall use and disburse the total amount of each of such funds, without contribution from one fund to another, for the same purposes and in the same order as is provided in Section 10.2.

11.4 Condemnation. If all or any part of the Common Areas is taken or threatened to be taken by eminent domain or by power in the nature of eminent domain (whether permanent or temporary), the Association, as attorney-in-fact, and each Owner shall be entitled to participate in the proceedings incident thereto at their respective expense. The Association shall give timely written notice of the existence of such proceedings to all Owners known to the Association to have an interest in any Lot. The expense of participation in such proceedings by the Association shall be a Common Expense. The Association, as attorney-in-fact, is specifically authorized to obtain and pay for such assistance from attorneys, appraisers, architects, engineers, expert witnesses and other persons as the Association in its discretion deems necessary or advisable to aid or advise it in matters relating to such proceedings. After the damages or awards for such taking are determined, such damages or awards shall be paid to the account of each Owner and to be applied or paid as set forth in Section 11.2 hereof, unless restoration takes place as herein provided. The Association, if it deems advisable, may call a meeting of the Owners, at which meeting the Owners, by a majority shall decide whether and how to replace or restore, as far as possible, the Common Area Improvements so taken or damaged. In the event it is determined that such Common Areas should be replaced or restored by obtaining other land or building additional structures, this Declaration, and the Plats shall be duly amended by instrument executed by the Association, as attorney-in-fact, on behalf of the Owners.

ARTICLE XII MORTGAGE PROTECTION

12.1 Notice to Association. An Owner who mortgages such Owner's Lot shall notify the Association, giving the name and address of the mortgagee

thereof. Each mortgagee shall be permitted to notify the Association of the fact that such mortgagee holds a deed of trust or mortgage on a Lot and the Board shall maintain such information. No First Mortgagee shall have any rights under this Declaration unless and until the Association has been notified in writing of the name and address of such First Mortgagee.

12.2 Notices to First Mortgagees. The Association shall notify a First Mortgagee in writing, upon request of such First Mortgagee, of:

(a) any default by the mortgagor in the performance of such mortgagor's obligations, as set forth in this Declaration, which is not cured within thirty (30) days;

(b) any lapse, cancellation or material modification of any insurance policy or fidelity bond maintained by the Association; and

(c) any condemnation or casualty loss of any part of the Common Areas if such loss exceeds Fifty Thousand and No/100 Dollars (\$50,000.00).

**ARTICLE XIII
MISCELLANEOUS PROVISIONS**

13.1 Amendment and Revocation. Except as set forth in this Declaration, this Declaration shall not be revoked, nor shall any of the provisions herein be amended unless Owners representing not less than ninety percent (90%) of the eligible votes in the Association, agree to such revocation or amendment by written consent or ballot, but no such amendment shall affect Declarant's right to exercise the duties and functions of the Board of Directors, as allowed in Section 6.6 hereof. During the Declarant Control Period, this Declaration may be amended by the Declarant in accordance with the provisions of Section 6.6. Any amendment shall be deemed to be effective as of the date of recordation of this Declaration and shall be prior and superior to the rights and interests of all Owners of any fee title or lien interest in the Property regardless of when any Owner shall have acquired an interest in the Property.

13.2 Correction of Error and Certain Plat Amendments. Declarant reserves, and shall have the continuing right, until the expiration of the Declarant Control Period, without the consent of the other Owners or any mortgagee of a Lot, to amend this Declaration, the Articles or the Bylaws for the purposes specifically provided for herein or for the purpose of resolving or clarifying any ambiguities or conflicts, correcting any inadvertent misstatements, errors or omissions herein. Further, in accordance with the Declarant's authority under Section 1.1(x) herein, the Declarant shall have and reserves the right, at any time, or from time to time, upon the joinder and consent of the appropriate county and/or municipal authorities, and with the joinder and consent of the directly affected Lot Owners, to file a replat of the Plat to effect a resubdivision or reconfiguration of any Lots in the Property then owned by Declarant, so long as such replat results in each resubdivided Lot containing not less than the minimum lot size prescribed by

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the City of Richardson Zoning Ordinances, as applicable. Directly affected Lot Owners are only those Lot Owners whose Lot dimensions are changed by the replatting. Directly affected Lot Owners shall not unreasonably withhold or delay their joinder in or consent to the replat or amendments to the Plat and the joinder and consent of Lot Owners who are not directly affected shall not be required. The privilege to replat Lots in the Property owned by the Declarant reserved in this Section 13.2 shall be exercisable only by Declarant.

13.3 Ownership of Common Personal Property. Upon expiration of the Declarant Control Period, Declarant shall execute and deliver a bill of sale to the Association transferring all items of personal property located on the Subdivision, furnished by Declarant and intended for the common use and enjoyment of the Owners.

13.4 Notice. All notices, demands or other notices intended to be served upon an Owner or Occupant may be sent, at the discretion of the Board, by ordinary or certified mail, postage prepaid, addressed in the name of such Owner or Occupant in care of the Lot number and Residence address of such Owner or Occupant. All notices, demands or other notices intended to be served upon the Board or the Association, shall be sent by certified mail, postage prepaid, to the address set forth in the preamble hereto, until such address is changed by a notice of address duly recorded in the real property records of the county in which the Subdivision is located.

13.5 Conflict Between Declaration, Articles and Bylaws. Whenever the application of the provisions of this Declaration conflict with the application of any provision of the Articles or Bylaws adopted by the Association, the provisions or application of this Declaration shall prevail.

13.6 Invalidation of Parts. If any of the provisions of this Declaration or any paragraph, sentence, clause, phrase or word or the application thereof in any circumstance be invalidated, such invalidity shall not affect the validity of the remainder of this Declaration, and the application of any provision, paragraph, sentence, clause, phrase or word in any other circumstance shall not be affected thereby.

13.7 Omissions. In the event of the omission from this Declaration of any word, sentence, clause, provision or stipulation which shall be necessary for the accomplishment of the intent and purposes hereof, or any part hereof, then such omitted matter shall be supplied by inference and/or by reference.

13.8 Gender. Whenever used herein, unless the context shall otherwise provide, the singular number shall include the plural, the plural the singular, and the use of any gender shall include all genders.

13.9 Termination of Responsibility of Declarant. If Declarant shall convey all of its rights, title and interest in and to the Property and assign all its rights, benefits and obligations as Declarant hereunder to any partnership, individual or individuals, corporation or corporations, then and in such event Declarant shall be relieved of the performance of any further duty or obligation hereunder, and such partnership, individual or individuals, corporation or corporations, shall be obligated to perform all such duties and obligations of the Declarant.

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

DECLARANT:

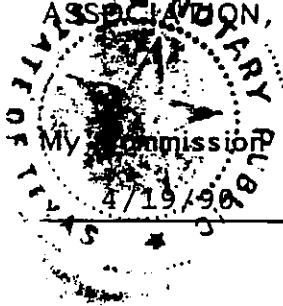
FARM & HOME SAVINGS
ASSOCIATION

By: *Fred W. Wilmot*
Name: Fred W. Wilmot
Title: Senior Vice President

THE STATE OF TEXAS
COUNTY OF DALLAS

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§
§

This instrument was acknowledged before me on May 25, 1988, by Fred W. Wilmot, Sr. Vice President of FARM & HOME SAVINGS ASSOCIATION, a savings and loan association.



Karen King
Notary Public, State of Texas
Karen King
(Printed or Typed Name of Notary)

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.

1004 221
EXHIBIT "A"

BEING a tract of land situated in the Thomas Vance Survey Abstract No. 940 in the City of Richardson, Collin County, Texas and being more particularly described as follows:

Beginning at the intersection of the South line of Renner Road (100' R.O.W.) with the West line of Jupiter Road (100' R.O.W.);

THENCE South $0^{\circ} 08' 26''$ East along the West line of Jupiter Road for a distance of 1588.71' to a point for corner;

THENCE South $89^{\circ} 51' 34''$ West a distance of 86.57' to an iron rod for corner;

THENCE North $0^{\circ} 08' 26''$ West a distance of 15.00' to an iron rod for corner;

THENCE South $89^{\circ} 51' 34''$ West a distance of 155.00' to a point for the beginning of a circular curve to the right;

THENCE along said circular curve to the right having a central angle of $12^{\circ} 00' 00''$, a radius of 310.72', a tangent length of 32.66' and an arc length of 65.08' to the point of tangency;

THENCE North $78^{\circ} 08' 26''$ West a distance of 152.25' to a point for the beginning of a circular curve to the left;

THENCE along said circular curve to the left having a central angle of $36^{\circ} 49' 38''$, a radius of 408.30', a tangent length of 135.93', and an arc length of 262.44' to the end of said circular curve to the left;

THENCE South $87^{\circ} 28' 50''$ West a distance of 76.11' to a point for corner;

THENCE North $4^{\circ} 14' 34''$ West a distance of 212.03' to an iron rod for corner;

THENCE North $6^{\circ} 34' 27''$ West a distance of 968.44' to an iron rod for corner;

THENCE South $52^{\circ} 21' 47''$ West a distance of 912.94' to an iron rod for corner;

THENCE South $42^{\circ} 15'$ East a distance of 1062.41' to an iron rod for corner;

THENCE South $19^{\circ} 32' 57''$ East a distance of 287.32' to an iron rod for corner;

THENCE South $32^{\circ} 05' 51''$ West a distance of 80.38' to an iron rod for corner;

THENCE South $82^{\circ} 19' 59''$ West a distance of 1140.86' to an iron rod for corner;

THENCE North $13^{\circ} 48' 34''$ East a distance of 394.91' to an iron rod for corner;

THENCE North $02^{\circ} 17' 18''$ East a distance of 529.19' to an iron rod for corner;

Exhibit "A"

THENCE North 23° 09' 17" East a distance of 751.25' to an iron rod for corner;

THENCE North 52° 10' 33" West a distance of 74.44' to an iron rod for corner;

THENCE North 19° 54' 31" East a distance of 96.36' to an iron rod for corner;

THENCE North 06° 45' 29" West a distance of 107.86' to an iron rod for corner;

THENCE North 52° 10' 10" West a distance of 138.79' to an iron rod for corner;

THENCE South 75° 22' 00" West a distance of 140.66' to an iron rod for corner;

THENCE South 30° 15' 21" West a distance of 357.84' to an iron rod for corner;

THENCE North 89° 48' 08" West a distance of 357.95' to an iron rod for corner;

THENCE North 0° 20' 17" East a distance of 918.97' to an iron rod for corner in the South line of said Renner Road;

THENCE South 89° 53' 10" East along the South line of said Renner Road for a distance of 2960.27' to the Point of Beginning and containing 97.9435 Acres (4,266,404 Sq. Ft.) of land.

SAVE AND EXCEPT a 0.0528 acre parcel of land out of the Thomas Vance Survey, Abstract No. 940 in the city of Richardson, Collin County, Texas and being more particularly described as follows:

BEGINNING at the intersection of the south right-of-way line of Renner Road (110 foot R.O.W.) and the west right-of-way line of Jupiter Road (100 foot R.O.W.);

THENCE S 00°08'26" E along said west line of Jupiter Road for a distance of 300.00 feet to a point for corner;

THENCE N 03°57'12" W for a distance of 150.38 feet to a point for corner;

THENCE N 00°08'26" W for a distance of 140.00 feet to a point for corner;

THENCE N 45°00'48" W for a distance of 14.17 feet to a point for corner in the said south line of Renner Road;

THENCE S 89°53'10" E along said south line for a distance of 20.00 feet to the POINT OF BEGINNING, and containing 0.0528 acres (2300 S.F.)

44-561

SEP 11 PM 3:59
COLLIN COUNTY TEXAS

FIRST AMENDMENT TO
SECOND AMENDED AND RESTATED DECLARATION
OF
COVENANTS, EASEMENTS AND RESTRICTIONS

THIS FIRST AMENDMENT TO SECOND AMENDED AND RESTATED DECLARATION ("First Amendment") for WHITECHAPEL SUBDIVISION PHASE IA, WHITECHAPEL SUBDIVISION PHASE IB, WHITECHAPEL SUBDIVISION PHASE IIA, WHITECHAPEL SUBDIVISION PHASE IIB and WHITECHAPEL SUBDIVISION PHASE IIC, additions to the City of Richardson, Texas (hereinafter referred to as the "Declaration") is executed effective as of the 20th day of January, 1988, by FARM AND HOME SAVINGS ASSOCIATION (hereinafter referred to as "Declarant"), whose address is 1934 West Gray, Houston, Texas 77019.

W I T N E S S E T H :

WHEREAS, Declarant, as owner of the Property (as defined in the Declaration and as further described on Exhibit "A" attached hereto), now desires to amend the Second Amended and Restated Declaration of Covenants, Easements and Restrictions for Fairways of Sherrill Park (formerly known as Whitechapel Subdivision) ("Declaration") recorded at Volume 2854, Page 186 of the Real Property Records of Collin County, Texas; and

WHEREAS, Declarant has the power to amend the Second Amended and Restated Declaration without a meeting of the current Members of the Association (as such terms are hereinafter defined) pursuant to Section 6.6 thereof and Declarant is amending the Declaration in accordance with Section 6.6 and all other applicable provisions of the Declaration thereof; and

WHEREAS, Declarant desires to amend the Declaration to provide for a variance procedure whereby the Committee will have the authority, in its sole discretion, to permit Owners to construct improvements that are in variance from the Declaration or architectural standards established from time to time by the Committee for the Subdivision and to delete the prohibition of detached buildings in Phases 1B and 11C; and

WHEREAS, all capitalized terms used herein shall have the same meanings as set out in this Declaration;

WHEREAS, Declarant wishes to provide for the orderly and efficient management, operation, use and enjoyment of the Subdivision and for the protection of the value and desirability thereof; and

WHEREAS, Declarant hereby declares that all of the Subdivision and any interest therein shall be held, sold and conveyed subject to the following covenants and conditions as well as those easements, restrictions, covenants and conditions set forth in the Declaration, which shall run with the Subdivision and be binding upon and enure to the benefit of all parties having any right, title or interest therein or any part thereof, their heirs, successors, assigns and personal representatives.

NOW THEREFORE, for good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, Declarant does hereby amend the Declaration as follows:

The following paragraph shall be added as a new section 5 under Article VIII:

"8.5 Variance. Upon submission of a written request for same, the Committee may, from time to time, in its sole discretion, permit Owners to construct, erect, or install improvements which are in variance from the architectural standards, this Declaration or previously published architectural bulletins, if any, which are provided in this Declaration or which may be promulgated in the future. In any case, however, such variances shall be in basic conformity with and shall blend effectively with the general architectural style and design of the community. No member of the Committee nor the Declarant or Association shall be liable to any Owner for any claims, causes of action, or damages arising out of the grant of any variance to an Owner or the denial of a variance to an Owner or the denial of a variance to an Owner. Each request for a variance submitted hereunder may be reviewed without reference to other requests for or grants of a variance and the grant of a variance to any Owner shall not constitute a waiver of the Committee's right to strictly enforce the covenants, restrictions and architectural standards provided hereunder, against any other Owner."

In addition, the following subsection set forth under Article V, subsection 5 of the Declaration shall be deleted in its entirety:

"5.5 Storage Buildings, Garages and Carports. No detached, non-masonry storage buildings, garages, carports, or greenhouses shall be permitted on any Phase IB Lot or Phase IIC Lot."

Except as amended hereby, the Declaration shall remain unchanged and in full force and effect. The Declaration shall now consist of so much of the original Declaration as remains unchanged hereby and the terms of this First Amendment.

IN WITNESS WHEREOF, the undersigned Declarant has executed this instrument on the 30TH day of May, 1989, but same is made effective on the 20th day of January, 1988.

FARM AND HOME SAVINGS ASSOCIATION

By: [Signature]
Name: LAWRENCE M. BROWN
Title: VICE PRESIDENT

THE STATE OF TEXAS §
COUNTY OF DALLAS §

This instrument was acknowledged before me on May 30TH, 1989, by LAWRENCE M. BROWN, VICE PRESIDENT of FARM AND HOME SAVINGS ASSOCIATION, a savings and loan association.

[Signature]
Notary Public, State of Texas

My Commission Expires:

KIMBERLY ARNOLD
(Printed or Typed Name of Notary)



EXHIBIT "A"

BEING a tract of land situated in the Thomas Vance Survey Abstract No. 940 in the City of Richardson, Collin County, Texas and being more particularly described as follows:

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THENCE N 03°08'26" W for a distance of 140.00 feet to a point for corner;

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THENCE S 89°53'10" E along said south line for a distance of 20.00 feet to the POINT OF BEGINNING, and containing 0.0528 acres (2300 S.F.)

**SECOND AMENDMENT TO THE SECOND AMENDED AND RESTATED
DECLARATION OF COVENANTS, EASEMENTS AND RESTRICTIONS**

THIS SECOND AMENDMENT TO THE SECOND AMENDED AND RESTATED DECLARATION FOR FAIRWAYS OF SHERRILL PARK is dated and effective January 20, 1988, by FARM & HOME SAVINGS ASSOCIATION (the "Declarant").

92-0013156

RECITALS:

A. The Second Amended and Restated Declaration of Covenants, Easements and Restrictions dated January 20, 1988, was filed at Volume 2854, Page 186 in the Land Records of Collin County, Texas, as such Second Amended and Restated Declaration of Covenants, Easements and Restrictions was amended by that certain First Amendment to the Second Amended and Restated Declaration of Covenants, Easements and Restrictions recorded at Volume 3126, Page 869, Land Records of Collin County, Texas (as amended, the "Declaration").

B. Pursuant to Section 6.6 of the Declaration, Declarant has the power to amend the Declaration during the Declarant Control Period without a meeting of the current Members of the Association. As of the date hereof, the Declarant Control Period has not expired.

C. Declarant wishes to provide for the orderly and efficient management, operation, use and enjoyment of the Property and for the protection of the value and desirability thereof.

D. Declarant now desires to amend said Declaration.

NOW, THEREFORE, in accordance with the terms and provisions of the Declaration, the Declaration is hereby amended as follows:

1. The fourth sentence of Section 3.22 of the Declaration is hereby deleted from the Declaration, and the following is hereby substituted therefor:

"Except as otherwise provided to the contrary in the immediately following sentence, no fence shall exceed six (6) feet in height. Fences located on the rear lot line of lots which back up to an alleyway may exceed six (6) feet in height and be of a maximum height of eight (8) feet in height, and only that portion of the fence which is on the rear lot line of the property abutting an alleyway may exceed six (6) feet in height. The Architectural Control Committee may publish guidelines which

permit a short section of fence on the side lot line near its intersection with the rear fence to exceed six (6) feet in height so that the transition between the eight (8) foot rear lot line fence and the six (6) foot side lot line fence may be accomplished by an angled decrease in height rather than an abrupt reduction in height from eight (8) feet to six (6) feet."

Except as amended in accordance with the preceding provisions of this paragraph, Section 13.1 of the Declaration is not otherwise amended.

2. Section 13.9 of the Declaration is hereby amended and restated in its entirety as follows:

"Effective as of the date Declarant conveys all of its rights, title and interest in and to the Property and no longer holds any interest in and to the Property, Declarant shall be deemed to have assigned all its rights, benefits and obligations as Declarant hereunder to the Association. Declarant shall then be relieved of the performance of any further duty or obligation hereunder, and the Association and its Board of Directors shall then be obligated to perform all such duties and obligations of the Declarant without the necessity of any further writing or assignment of such rights and obligations by the Declarant."

The terms used herein shall have the same meaning given them in the Declaration, unless otherwise expressly defined herein.

Except as expressly stated herein, no other terms, covenants, or conditions of the Declaration have been altered or amended hereby, and the same are hereby expressly ratified and confirmed.

EXECUTED the 3rd day of March, 1992, to be effective January 20, 1988.

DECLARANT:

FARM & HOME SAVINGS ASSOCIATION

By:


John M. Bonner, Vice President

STATE OF TEXAS

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§

COUNTY OF HARRIS

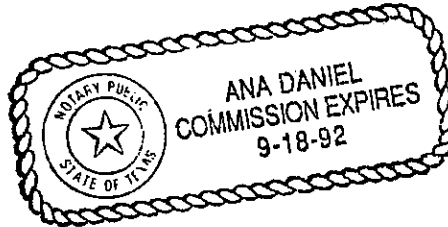
This instrument was acknowledged before me on March 3, 1992, by John M. Bonner, Vice President of FARM & HOME SAVINGS ASSOCIATION, on behalf of said association.

Ana Daniel

Notary Public, State of Texas

My Commissions Expires:

(Printed or Typed Name of Notary)



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

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

MAR 03 1992

Helen Stames

COUNTY CLERK
COLLIN COUNTY TEXAS



1992/03/03 3:31
92-0013156 RS 12.00

COLLIN COUNTY, TX