

COPY

AFTER RECORDING RETURN TO:
Coppell Greens, Ltd.
6400 Uptown Boulevard, N.E.
Suite 510-W
Albuquerque, New Mexico 87110

DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS
FOR COPPELL GREENS, PHASE ONE
CITY OF COPPELL
DENTON COUNTY, TEXAS

THIS DECLARATION is made on the date hereinafter set forth by Coppell Greens, Ltd., a Texas limited partnership, hereinafter referred to as the "Declarant".

WITNESSETH

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

WHEREAS, Declarant desires to create an exclusive planned community of single-family homes known as "Coppell Greens" of which the Affected Lots (as hereinafter defined) are a part and such other land as may be added thereto pursuant to the terms and provisions of this Declaration.

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

**ARTICLE I
DEFINITIONS**

Section 1. "Affected Lot" shall mean and refer to each individual platted building lot reflected on the Plat, and such other lots as may be added to the membership of the Association from time to time as allowed by this Declaration.

Section 2. "Association" shall mean and refer to the Coppell Greens Homeowners Association, Inc., a Texas non-profit corporation, established for the purpose set forth herein.

Section 3. "Common Areas" shall mean and refer to that portion of the Property described in the Plat that does not constitute Lots, streets or roads, including all lots described on the Plat designated with an "X", the Open Space, any and all entry features and entrance monuments, and all other property hereafter designated by the Declarant as "Common Areas".

Section 4. "Common Maintenance Areas" shall mean and refer to the Common Areas and the entrance monuments, drainage facilities, right-of-way, landscaping, and such other areas lying within dedicated public easements or right-of-way as deemed appropriate by the Board of Directors of the Association for the

preservation, protection and enhancement of the property values and the general health, safety or welfare of the Owners.

Section 5. "Declarant" shall mean and refer to Coppell Greens, Ltd., a Texas limited partnership, its successors and assigns who are designated as such in writing by the Declarant, and who consent in writing to assume the duties and obligations of the Declarant with respect to the Lots acquired by such successor or assign.

Section 6. "Declaration" shall mean and refer to this Declaration of Covenants, Conditions and Restrictions for Coppell Greens, Phase One, and any amendments, annexations and supplements thereto made in accordance with its terms.

Section 7. "Lot" shall mean and refer to any plot of land reflected on the Plat of the Property or any part thereof creating single-family building lots, with the exception of the Common Area and areas deeded to a governmental authority or utility, together with all improvements thereon.

Section 8. "Open Space" shall mean and refer to those Common Areas that are described in Exhibit "B", attached hereto and incorporated herein by reference for all purposes, and all other property hereafter designated by Declarant as "Open Space".

Section 9. "Open Space Lots" shall mean and refer to those Affected Lots that share a common property line with an Open Space and that are described in Exhibit "C", and such other Affected Lots that share a common property line with an Open Space as may be added to the membership of the Association from time to time as allowed by this Declaration.

Section 10. "Owner" shall mean and refer to the record owner, whether one of more persons or entities, of a fee simple title to any Affected Lot, including contract sellers, but excluding those having an interest merely as security for the performance of an obligation.

Section 11. "Owner of the Dominant Estate" shall have the meaning set forth in Article V, Section 7(c) of this Declaration.

Section 12. "Owner of the Servient Estate" shall have the meaning set forth in Article V, Section 7(c) of this Declaration.

Section 13. "Plat" shall mean the Final Plat of Coppell Greens, Phase One recorded in Cabinet P, Page 160, Plat Records, Denton County, Texas, and any replat of or amendment to the foregoing made by Declarant in accordance with the Declaration.

Section 14. "Property" shall mean and refer to the real property described in Exhibit "A", and such additions thereto as may be brought within the jurisdiction of the Association and be made subject to this Declaration.

Section 15. "Unit" shall mean and refer to any single-family residential dwelling constructed upon any Lot in conformance with this Declaration.

Section 16. "Use Easement" shall have the meaning set forth in Article V, Section 7(b) of this Declaration.

Section 17. "Zero Lot Line Wall" shall have the meaning set forth in Article V, Section 7(d)(vi) of this Declaration.

Section 18. "Zone A Lot" shall mean and refer to those Affected Lots listed in Exhibit "D", attached hereto and incorporated herein by reference for all purposes, and such other Affected Lots hereafter designated by Declarant as a "Zone A Lot".

Section 19. "Zone A Use Easement" shall have the meaning set forth in Article V, Section 7(a) of this Declaration.

Section 20. "Zone B Lot" shall mean and refer to those Affected Lots listed in Exhibit "E", attached hereto and incorporated herein by reference for all purposes, and such other Affected Lots hereafter designated by Declarant as a "Zone B Lot".

Section 21. "Zone B Use Easement" shall have the meaning set forth in Article V, Section 7(b) of this Declaration.

ARTICLE II COPPELL GREENS HOMEOWNERS ASSOCIATION, INC.

Section 1. Membership. The Declarant and every other Owner of an Affected Lot shall be a member of the Association. Membership shall be appurtenant to and shall not be separated from ownership of any Affected Lot. The Association is established to enforce this Declaration and the terms and covenants hereof, to promote the interests of the Owners as residents of the Property, and to enhance the value of the Affected Lots as a part of a harmonious, high quality residential subdivision. Every member shall have the right at all reasonable times during business hours to inspect the books of the Association.

Section 2. Funding. Subject to the terms of this Article, each Owner of any Affected Lot (other than Declarant) by acceptance of a deed therefor from Declarant or any other Owner, whether or not it shall be so expressed in such deed, covenants and agrees to pay (as a portion of the consideration and purchase money paid by each such Owner for such Affected Lot) to the Association: (1) annual assessment or charges, and (2) special assessments for capital improvements, such assessments to be established and collected as hereinafter provided. Such assessments will remain effective for the full term (and extended term, if applicable) of this Declaration. The annual and special assessments, together with interest, costs, and reasonable attorney's fees, shall be a charge on the land and shall run with the land and be a continuing lien upon the Affected Lot against which each such assessment is made. Each such assessment, together with interest, costs and reasonable attorney's fees shall also be the personal obligation of the person who was the Owner of such Affected Lot at the time when the assessment fell due. The personal obligation for delinquent assessments shall not pass to the successors in title of such Owner unless expressly assumed by them.

Section 3. Assessments.

(a) Units Owned by Class A Members. Subject to the terms of this Article, each Affected Lot is hereby subject to an initial maximum assessment of \$50.00 per month or \$600.00 per annum [until such assessment shall be increased by the action of the Board of Directors of the Association (provided that the maximum annual assessment may be increased each year not more than twenty percent (20%) above the maximum assessment for the previous year without the approval of a majority of the members who are present and voting in person or by proxy at a regular or special meeting called for this purpose at which a quorum is present)] for the purpose of creating a fund to be designated and known as the "assessment fund", which assessment will be paid by the Owner or Owners of each Affected Lot in advance in monthly, quarterly or annual installments. The assessments shall commence as to each Affected Lot upon its conveyance by Declarant to an Owner that is not an affiliate of Declarant. The rate at which each Affected Lot will be assessed, and whether such assessment shall be payable monthly, quarterly or annually, will be determined by the Board of Directors of the Association at least thirty (30) days in advance of each affected assessment period. Said rate may be adjusted from time to time by the Board of Directors as the needs of the Association may, in the judgment of the Directors, require. The assessment for each Affected Lot shall be uniform. The Association shall, upon written demand

and for a reasonable charge, furnish a certificate signed by an officer of the Association setting forth whether or not the assessment has been paid for the assessment period.

(b) Purpose of Assessment Fund. The Association shall establish an assessment fund composed of Owners' annual assessments and shall use the proceeds of such fund providing for normal, recurring maintenance charges for the Common Maintenance Areas for the use and benefit of all members of the Association. Such uses and benefits to be provided by the Association may include, by way of clarification and not limitation, any and all of the following: normal, recurring maintenance of the Common Maintenance Areas (including, but not limited to, cleaning, mowing, edging, watering, clipping, sweeping, pruning, raking, and otherwise caring for existing landscaping and related facilities) and the improvements to such Common Maintenance Areas, such as sprinkler systems, and private streets, if any, provided the Association shall have no obligation (except as expressly provided hereinafter) to make capital improvements to the Common Maintenance Areas; payment of all legal and other costs and expenses incurred in connection with the enforcement of all recorded covenants, restrictions and conditions affecting the property to which the assessment fund applies, including, without limitation, costs and expenses paid or incurred in connection with insuring such property and the payment of any and all taxes thereon; payment of all reasonable and necessary expenses in connection with the collection and administration of the assessments; employment of policemen and watchmen, if any, engagement of a manager or management firm to operate and/or maintain all or any portion of the Common Maintenance Areas; caring for vacant lots; and doing any other thing or things necessary or desirable in the opinion of the Board of Directors of the Association to keep the Property neat and in good order, or which is considered of general benefit to the Owners or occupants of the Property, it being understood that the judgment of the Board of Directors in the expenditure of said funds and the determination of what constitutes normal, recurring maintenance shall be final and conclusive so long as such judgment is exercised in good faith. The Association shall, in addition, establish and maintain an adequate reserve fund for the periodic maintenance, repair and replacement of improvements of the Common Maintenance Area. The fund shall be established and maintained out of regular annual assessments.

(c) Special Assessment for Working Capital Fund, Nonrecurring Maintenance and Capital Improvements. In addition to the annual assessments authorized above, the Association may, by a vote of two-thirds (2/3) of the members who are present and voting in person or by proxy at a meeting called for this purpose at which a quorum is present, levy special assessments as follows: in any assessment year, a special assessment applicable to that year only may be assessed for the purpose of defraying, in whole or in part, the cost of any nonrecurring maintenance, or the acquisition, construction, reconstruction, repair or replacement of a capital improvement upon any Common Area, including fixtures and personal property related thereto, to satisfy the Association's indemnity obligations under the Articles of Incorporation or By-Laws of the Association, or other similar purpose. The Association shall not commingle the proceeds of such special assessment with the assessment fund. Such proceeds shall be used solely and exclusively to fund the nonrecurring maintenance or improvements in question.

Section 4. Non-payment of Assessments: Remedies of the Association. Any assessment not paid within ten (10) days after the due date shall bear interest from the due date at the highest non-usurious rate of interest allowed by Texas law or eighteen percent (18%) per annum, whichever is less. The Association shall have the authority to impose late charges to compensate for the administrative and processing costs of late payments on such terms as it may establish by duly adopted resolutions and the Association may bring an action at law against the Owner personally obligated to pay the same, or foreclose the lien retained herein against the property, in accordance with the terms and provisions of Section 51.002 of the Texas Property Code, as amended, or otherwise. No Owner may waive or otherwise escape liability for the assessments provided for herein by non-use of the Common Area or abandonment of his property.

Section 5. Subordinated Lien to Secure Payment and Performance. To secure the payment of the assessments established hereby and to be levied on individual Affected Lots as above provided, and the performance by the Owners of the Affected Lots of all of the duties, obligations and indebtedness of such Owners as set forth herein and in the By-Laws of the Association, there is hereby reserved a lien for the benefit of the Association, said lien to be enforceable through appropriate proceedings at law or in equity by such beneficiary; provided, however, that each such lien shall be specifically made secondary, subordinate and inferior to all liens, present and future, given, granted, and created by or at the insistence and request of the Owner of any such Affected Lot to secure the payment of monies advanced or to be advanced on account of the purchase price and/or the improvement of any such Affected Lot; and further provided that as a condition precedent to any proceeding to enforce such lien upon any Affected Lot upon which there is an outstanding valid and subsisting first mortgage lien, said beneficiary shall give the holder of such first mortgage sixty (60) days written notice of such proposed action, such notice, which shall be sent to the nearest office of the lienholder by prepaid U.S. certified or registered mail, to contain the statement of the delinquent maintenance charges upon which the proposed action is based.¹ Upon the request of any such first mortgage lienholder, any such beneficiary shall acknowledge in writing its obligation to give the foregoing notice with respect to the particular property covered by such first mortgage lien to the holder thereof. Sale or transfer of an Affected Lot shall not affect the assessment lien. However, the sale or transfer of any Affected Lot pursuant to mortgage foreclosure shall extinguish the lien of such assessment as to payments which became due prior to such sale or transfer. No sale, foreclosure or transfer shall relieve such Affected Lot from liability for any assessments thereafter becoming due or from the lien thereof. The Association shall have the right to file notices of liens in favor of such Association in the Real Property Records of Denton County, Texas.

Section 6. Voting Rights. The Association shall have two classes of voting membership:

(a) Class A. Class A members shall be all Owners with the exception of Declarant and shall be entitled to one (1) vote for each Affected Lot owned. When more than one person holds an interest in any Affected Lot, all such persons shall be members, but the vote for such Affected Lot shall be exercised as they among themselves determine, and in no event shall more than one (1) vote be cast with respect to any Affected Lot.

(b) Class B. The Class B member shall be the Declarant who shall be entitled to ten (10) votes for each unoccupied Affected Lot owned by it. The Class B membership shall cease and be converted to Class A membership one hundred twenty (120) days after the conveyance of the Affected Lot which causes the total votes outstanding in the Class A membership to equal the total votes outstanding in the Class B membership, or ten (10) years after conveyance of the first Affected Lot by Declarant, whichever occurs earlier. Class B membership shall be reinstated at any time before the expiration of twenty (20) years from the date of conveyance of the first Affected Lot if additional Affected Lots owned by a Class B member are annexed to this Declaration in sufficient numbers to restore a ratio of at least one Class B Lot for each three Class A Lots in Property.

(c) Suspension. All voting rights of an Owner shall be suspended during any period in which such Owner is delinquent in the payment of any assessment duly established pursuant to this Article or is otherwise in default hereunder or under the By-Laws or Rules and Regulations of the Association and such suspension shall apply to the proxy authority of the Voting Representative, if any.

Section 7. Notice and Quorum. Written notice of any meeting called for the purpose of taking any action authorized herein shall be sent to all members, or delivered to their residences, not less than ten (10) days nor more than sixty (60) days in advance of the meeting. At any such meeting called, the presence of members or of proxies or Voting Representatives entitled to cast twenty-five percent (25%) of the votes of all members shall constitute a quorum. If the required quorum is not present, another meeting may be called subject to the same notice requirement, and the required quorum at such subsequent meeting shall be twenty-five (25%) of the quorum requirement for such prior meeting. The Association may call as many subsequent meetings as may be required

to achieve a quorum (the quorum requirement being reduced for each such meeting in accordance with the terms and provisions of the immediately preceding sentence). No such subsequent meeting shall be held more than sixty (60) days following the preceding meeting.

**ARTICLE III
GENERAL POWERS AND DUTIES OF
BOARD OF DIRECTORS OF THE ASSOCIATION**

Section 1. Purpose of Assessment Fund. The Board of Directors, for the benefit of the Owners, shall provide and shall pay out of the assessment fund provided for in Article II above the following:

(a) Taxes and assessments and other liens and encumbrances which shall properly be assessed or charged against the Common Areas rather than against the individual Owners, if any.

(b) Care and preservation of the Common Maintenance Area and Common Area.

(c) The services of a professional person or management firm to manage the Association or any separate portion thereof to the extent deemed advisable by the Board of Directors (provided that any contract for management of the Association shall be terminable by the Association, with no penalty upon ninety days prior written notice to the managing party), and the services of such other personnel as the Board of Directors shall determine to be necessary or proper for the operation of the Association, whether such personnel are employed directly by the Board of Directors or by the manager.

(d) Legal and accounting services.

(e) A policy or policies of insurance insuring the Association against any liability to the public or to the Owners (and/or invitees or tenants) incident to the operation of the Association in any amount or amounts as determined by the Board of Directors, including a policy or policies of insurance as provided herein in Article IV.

(f) Workers compensation insurance to the extent necessary to comply with any applicable laws.

(g) Such fidelity bonds as may be required by the By-Laws or as the Board of Directors may determine to be advisable.

(h) Any other materials, supplies, insurance, furniture, labor, services, maintenance, repairs, structural alterations, taxes or assessments (including taxes or assessments assessed against an individual Owner) which the Board of Directors 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 enforcement of this Declaration.

Section 2. Powers and Duties of Board of Directors. The Board of Directors, for the benefit of the Owners, shall have the following general powers and duties, in addition to the specific powers and duties provided for herein and in the By-Laws of the Association:

(a) To execute all declarations of ownership for tax assessment purposes with regard to the Common Areas, if any, on behalf of all Owners.

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

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

(d) To protect or defend the Common Areas from loss or damage by suit or otherwise, as the Board of Directors sees fit, and to provide adequate reserves for replacements, as the Board of Directors sees fit.

(e) To make reasonable rules and regulations for the operation of the Common Maintenance Areas 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 Owners constituting a majority of the votes of the Association, or with respect to a rule applicable to less than all of the Common Areas, by a majority of the votes of the Owners in the portions affected.

(f) To make available for inspection by Owners within sixty (60) days after the end of each year an annual report and to make all books and records of the Association available for inspection by Owners at reasonable times and intervals.

(g) 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 Owners in proportionate amounts to cover the deficiency.

(h) To enforce the provisions of any rules made hereunder and to enjoin and seek damages from any Owner for violation of such provisions or rules, as the Board of Directors sees fit.

(i) to collect all assessments and enforce all penalties for non-payment including the filing of liens and institution of legal proceedings, as the Board of Directors sees fit.

Section 3. Board of Directors Powers Exclusive. The Board of Directors shall have the exclusive right to contract for all goods, services and insurance, payment of which is to be made from the assessment fund and the exclusive right and obligation to perform the functions of the Board of Directors except as otherwise provided herein.

Section 4. Maintenance Contracts. The Board of Directors, on behalf of the Association, shall have full power and authority to contract with any Owner or other person or entity for the performance by the Association of services which the Board of Directors is not otherwise required to perform pursuant to the terms hereof, such contracts to be upon such terms and conditions and for such consideration as the Board of Directors may deem proper, advisable and in the best interest of the Association, and in compliance with all applicable laws, rules and regulations.

**ARTICLE IV
TITLE TO COMMON AREAS**

Section 1. Conveyance/Association to Hold. The Declarant may hereafter, in Declarant's sole option, grant and convey unto the Association all of the right, title and interest of the Declarant in and to the Common Areas, whereupon the Association shall assume all maintenance obligations with respect to any Common Areas which may then exist or thereafter be established. The Declarant may, but is under no obligation to, subsidize any liabilities incurred by the Association and the Declarant may, but is not obligated to, lend funds to the Association to enable it to defray its expenses, provided the terms of such loans are on reasonable market conditions at the time. Nothing contained herein shall create an obligation on the part of Declarant to establish any additional Common Areas.

Section 2. Liability Insurance. From and after the date on which title to any Common Area vests in the Association, the Association shall purchase and carry a general comprehensive public liability insurance policy for the benefit of the Association and its members, covering occurrences on the Common Areas. The policy limits shall be as determined by the Board of Directors of the Association. The Association shall use its best efforts to see that such policy shall contain, if available, cross-liability endorsements or other appropriate provisions for the benefit of the members, Directors, and the management company and other insureds, as their interests may be determined.

Section 3. Condemnation. In the event of condemnation or a sale in lieu thereof of all or any portion of the Common Areas, the funds payable with respect thereto shall be payable to the Association and shall be used by the Association to purchase additional Common Areas to replace that which has been condemned or to take whatever steps are it deems reasonably necessary to repair or correct any damage suffered as a result of the condemnation. In the event that the Board of Directors of the Association determines that the funds cannot be used in such a manner due to lack of available land for additional Common Areas or for whatever reason, any remaining funds may be utilized by the Association for the general assessment fund.

**ARTICLE V
EASEMENTS**

Section 1. Utility Easements. As long as Class B membership shall be in effect, the Declarant hereby reserves the right to grant perpetual, nonexclusive easements for the benefit of the Declarant or its designees, upon, across, over, through and under any portion of the Common Area or any portion of any Affected Lot outside of the permitted building area of such Affected Lot as reasonably required for the providing of ingress and egress in connection with the installation, replacement, repair, maintenance, use and operation of all utility and service lines and service systems, public and private, including, without limitation, cable television, to the Property. Declarant, for itself and its designees, reserves the right to retain title to any such easements. Upon cessation of Class B membership, the Association shall have the right to grant the easements described herein.

Section 2. Declarant's Easement to Correct Drainage. As long as Class B membership shall be in effect, Declarant hereby reserves a blanket easement on, over and under the ground within the Property to reasonably maintain and correct drainage of surface waters and other erosion controls in order to maintain reasonable standards of health, safety and appearance and shall be entitled to remove trees or vegetation, without liability for replacement or damages, as may be reasonably necessary to provide adequate drainage for any portion of the Property. Notwithstanding the foregoing, nothing herein shall be interpreted to impose any duty upon Declarant to correct or maintain any drainage facilities within the Property.

Section 3. Easement for Unintentional Encroachment. The Declarant hereby reserves an exclusive easement for the unintentional encroachment by any structure upon the Common Area caused by or resulting from, construction, repair, shifting, settlement or movement of any portion of the Property, which exclusive easement shall

exist at all times during the continuance of such encroachment as an easement appurtenant to the encroaching property to the extent of such encroachment.

Section 4. Entry Easement. In the event that an Owner fails to maintain an Affected Lot as required herein, or in the event emergency repairs are required, the Declarant hereby reserves an easement to enter upon any such Affected Lot and to do the work reasonably necessary for the proper maintenance and operation of the Property. Entry upon the Affected Lot as provided herein shall not be deemed a trespass, and the Declarant shall not be liable for any damage so created unless such damage is caused by the Declarant's willful misconduct or gross negligence. Upon cessation of Class B membership, the Association shall succeed to the easement described herein.

Section 5. Drainage Easements. Easements for the installation and maintenance of utilities, storm water retention, detention ponds, and/or a conservation area are reserved as may be shown on the Plat. Within these easement areas, no structure, plant or material shall be placed or permitted to remain which may damage or interfere with the installation and maintenance of utilities, or which may hinder or change the direction or flow of drainage channels or slopes in the easements. The easement area of each Affected Lot and all improvements contained therein shall be maintained continuously by the Owner of the Affected Lot, except for those improvements for which a public authority, utility company or the Association is responsible.

Section 6. Temporary Completion Easement. All Affected Lots shall be subject to easement of ingress and egress for the benefit of the Declarant, its employees, subcontractors, successors and assigns, over and upon the front, side and rear yards of the Property as may be reasonably expedient or necessary for the construction, servicing and completion of dwellings and landscaping upon Affected Lots adjacent to the Property, provided that such easement shall terminate twelve (12) months after the date such Affected Lot is conveyed to the Owner by the Declarant.

Section 7. Owner's Use Easements.

(a) Subject to the provisions of Paragraph (d) of this Section, every Owner of a Zone A Lot shall have a right and easement of use and enjoyment in and to an eight (8) foot wide strip running the entire length of the Affected Lot immediately adjacent to the Owner's Zone A Lot as depicted in the Typical Lot Exhibit on the Plat (the "Zone A Use Easement") and such easement shall be appurtenant to and shall pass with title to every Zone A Lot. The Zone A Use Easement on each Zone A Lot shall be located on the side lot line that is identified on Exhibit "F" attached hereto and incorporated herein by reference.

(b) Subject to the provisions of Paragraph (d) of this Section, every Owner of a Zone B Lot shall have a right and easement of use and enjoyment in and to a five (5) foot wide strip running the entire length of the Affected Lot immediately adjacent to the Owner's Zone B Lot as depicted in the Typical Lot Exhibit on the Plat (the "Zone B Use Easement"; the Zone A Use Easement and the Zone B Use Easement being collectively referred to herein as the "Use Easement") and such easement shall be appurtenant to and shall pass with title to every Zone B Lot. The Zone B Use Easement on each Zone B Lot shall be located on the side lot line that is identified on Exhibit "F" attached hereto and incorporated herein by reference.

(c) The Owner to whom the Use Easement is granted is referred to herein as the "Owner of the Dominate Estate" and the Owner whose Affected Lot is subject to the Use Easement is referred to herein as the "Owner of the Servient Estate".

(d) Extent of Owner's Use Easements. The Use Easement created hereby shall be subject to the following:

(i) the Owner of the Dominant Estate shall be entitled to landscape the Use Easement in accordance with the provisions of this Declaration;

(ii) the Owner of the Dominant Estate shall be responsible for the maintenance of the Use Easement (including, but not limited to, cleaning, mowing, edging, watering, clipping, sweeping, pruning, raking and otherwise caring for existing landscaping and related facilities);

(iii) the Owner of the Dominant Estate shall not construct any permanent or above ground improvements within the Use Easement except fences in accordance with the provisions of this Declaration, and sprinkler systems;

(iv) the Owner of the Dominant Estate shall not be entitled to install a pool or excavate any portion of the Use Easement, except for the limited purpose of installing a sprinkler system, and in no event shall the Owner of the Dominant Estate compromise the foundation of any structure or improvement on the Lot owned by the Owner of the Servient Estate;

(v) the Owner of the Servient Estate shall not construct or permit any gutter downspouts or storm water discharge from his Lot onto the surface of the Use Easement; provided, however, the owner of the Servient Estate may discharge gutter downspouts directly into an underground stormwater plumbing system constructed within the Use Easement that discharges to the street or another approved drainage easement;

(vi) all walls of the Unit constructed on the Lot owned by the Owner of Servient Estate facing the Use Easement (the "Zero Lot Line Wall") shall be constructed of solid opaque materials only, including masonry, wood and/or glass block materials, and shall not contain any doors or operable opaque windows. Each Unit constructed on an Affected Lot shall be orientated so that the Zero Lot Line Wall shall face the side lot line that is identified on Exhibit "F" attached hereto and incorporated herein by reference;

(vii) the Owner of the Servient Estate shall be entitled to enter the Use Easement at reasonable times and upon reasonable prior notice to the owner of the Dominant Estate, and without notice in the event of an emergency, for purposes of constructing and maintaining the improvements constructed on the Lot owned by the Owner of the Servient Estate;

(viii) the Owner of the Servient Estate shall not be entitled to place HVAC equipment within the Use Easement; and

(ix) neither the Owner of the Dominant Estate nor the Owner of the Servient Estate shall modify the grade or drainage pattern within the Use Easement. If either Owner violates this provision said Owner shall be liable to the other Owner for any damage resulting from said modification.

Section 8. Open Space Easement. Subject to the provisions of this Section 8, the Association shall have an open space easement on a ten (10) foot wide strip across the rear of each Open Space Lot (the "Open Space Easement"). The Open Space Easement is established for the purpose of allowing the Owner's of Open Space Lots to have unobstructed views of the Open Space across adjacent Open Space Lots. Each Owner shall be prohibited from constructing or erecting any permanent or temporary above ground improvement or structure in the Open Space Easement except for fences erected in accordance with the provisions of this Declaration. Each Owner may landscape the Open Space Easement in accordance with the provisions of this Declaration and shall be responsible for the maintenance of the Open Space Easement (including, but not limited to, cleaning, mowing, edging, watering, clipping, sweeping, pruning, raking and otherwise caring for existing landscaping and related facilities).

**ARTICLE VI
USE AND OCCUPANCY**

All Affected Lots and dwellings shall be used and occupied only for single-family residence purposes. No Affected Lot or dwelling may be used for commercial, institutional or other non-residential purpose if such use involves the attendance or entry of non-residents upon the Lot or otherwise diminishes the residential character of the Lot or neighborhood. This prohibition shall not apply to "garage sales" conducted with prior written consent of the Association provided that no Owner shall conduct more than two (2) garage sales of no more than two (2) days duration each during any twelve (12) month period.

**ARTICLE VII
PROPERTY RIGHTS**

Section 1. Owners' Easement of Enjoyment. Every Owner shall have a right and easement in and to the Common Areas and a right and easement of ingress and egress to, from and through said Common Areas, and such easement shall be appurtenant to and shall pass with the title to every Affected Lot, subject to the following provisions:

(a) The right of the Association to establish and publish rules and regulations governing the use of the Common Areas affecting the welfare of Association members;

(b) The right of the Association to suspend the right of use of the Common Areas and the voting rights of an Owner for any period during which any assessment against his Affected Lot remains unpaid; and for a period not to exceed sixty (60) days for any infraction of its published rules and regulations;

(c) The right of the Association, subject to the provisions hereof, to dedicate or transfer all or any part of the Common Areas, if any, to any public agency, authority or utility for such purposes and subject to the conditions as may be agreed by the Association. No such dedication or transfer shall be effective unless approved by two-thirds (2/3) of the members who are present and voting in person or by proxy at a meeting called for this purpose at which a quorum is present and an instrument evidencing such approval has been recorded;

(d) The rights of the Association set forth in Section 2 of this Article VII; and

(e) All easements herein described are easements appurtenant to and running with the land; they shall at all times inure to the benefit of and be binding upon the Owners, and all of their grantees, and their respective heirs, successors, personal representatives and assigns, perpetually and in full force.

Section 2. Effect of Declaration. Reference in any deed, mortgage, trust deed or any other recorded documents to the easements, restrictions and covenants herein described or to this Declaration shall be sufficient to create and reserve such easements and covenants to the respective grantees, mortgagees, or trustees of said parcels as fully and completely as if those easements, restrictions and covenants were fully related and set forth in their entirety in said documents.

Section 3. Rezoning Prohibited. No Affected Lot shall be rezoned to any classification allowing commercial, institutional or other non-residential use without the express consent of the Association and Declarant (as long as Declarant owns any Affected Lot subject to this Declaration), which may be withheld in Declarant's sole discretion. Declarant or the Association may enforce this covenant by obtaining an injunction against any unapproved rezoning at the expense of the enjoined party.

**ARTICLE VIII
USE RESTRICTIONS/MINIMUM DWELLING UNIT SIZES**

Section 1. Nuisances. No noxious or offensive activity shall be carried on upon any Affected Lot, nor shall anything be done which may be or may become an annoyance or nuisance to the neighborhood.

Section 2. Development Activity. Notwithstanding any other provision herein, Declarant and its successors and assigns shall be entitled to conduct on the Property all activities normally associated with and reasonably convenient to the development of the Property and the construction and sale of dwelling units on the Property, including without limitation the right to place and maintain on the Property construction trailers, model homes, marketing facilities, signage, lighting, construction trucks, equipment and other similar items necessary for the construction on and marketing of the Property.

Section 3. Temporary Structures. Except as otherwise expressly set forth herein, no structures of a temporary character, including, without limiting the generality thereof, any trailer, tent, shack, garage, barn, motor home or mobile home or other outbuilding, shall be used on any Affected Lot at any time as a residence, either temporarily or permanently.

Section 4. Signs and Picketing. No sign or emblem of any kind may be kept or placed upon any Affected Lot or mounted, painted or attached to any Unit, fence or other improvement upon such Affected Lot so as to be visible from public view except the following:

(a) **For Sale or Lease Signs.** An Owner may erect one (1) sign not exceeding 2' x 3' in area, fastened only to a stake in the ground and extending not more than three (3) feet above the surface of the ground advertising the Affected Lot for sale or lease.

(b) **Declarant's Signs.** Signs or billboards may be erected by the Declarant.

(c) **Political Signs.** Political signs may be erected upon an Affected Lot by the Owner of such Affected Lot advocating the election of one or more political candidates or the sponsorship of a political party, issue or proposal provided that such signs shall be limited to one per candidate or issue and shall not be erected more than a reasonable period of time [in no event to exceed one hundred eighty (180) days] in advance of the election to which they pertain and are removed within fifteen (15) days after the election.

In addition to the foregoing, to protect the safety and harmony of the community, no person shall engage in picketing on any Affected Lot, easement, right-of-way or Common Area within or adjacent to the Property, nor shall any vehicle parked, stored or driven in or adjacent to the Property bear or display any signs, slogans, symbols, words or decorations intended to create controversy, invite ridicule or disparagement, or interfere in any way with the exercise of the property rights, occupancy or permitted business activities of any Owner or Declarant. The Committee may, without notice, remove any non-complying sign from the Property.

Section 5. Campers, Trucks, Boats, and Recreational Vehicles. No campers, vans, pickup trucks, boats, boat trailers, recreational vehicles and other types of non-passenger vehicles, equipment, implements or accessories may be kept on any Affected Lot unless the same are fully enclosed within the garage located on such Lot and/or said vehicles and accessories are screened from view by a screening structure or fencing and said vehicles and accessories are in an operable condition.

Section 6. Livestock and Poultry. No animals, livestock or poultry of any kind shall be raised, bred or kept on any Affected Lot, except that dogs, cats, or other household pets may be kept, provided that they are not kept, bred, or maintained for any commercial purpose.

Section 7. Garbage and Refuse Disposal. No Affected Lot shall be used or maintained as a dumping ground for rubbish. Trash, garbage or other waste shall not be kept except in sanitary containers. All incinerators or other equipment for the storage or disposal of such material shall be kept in a clean and sanitary condition.

Section 8. Sight Distance at Intersections. No fence, wall, hedge or shrub planting which obstructs sight lines at elevations between two (2) and six (6) feet above the roadways shall be placed or permitted to remain on any corner Affected Lot within the triangular area formed by the street boundary lines and a line connecting them at points twenty-five (25) feet from the intersection of the street boundary lines, or in the case of a rounded property corner, from the intersection of the street boundary lines extended. The same sight line limitations shall apply on any Lot within ten (10) feet from the intersection of a street boundary line with the edge of a driveway or alley pavement or Open Space. No tree shall be permitted to remain within such distance of such intersections unless the foliage line is maintained at sufficient height to prevent obstruction of such sight lines.

Section 9. Parking. No vehicles, trailers, implements or apparatus may be driven or parked in the Common Maintenance Area, Common Area or on any easement.

Section 10. Commercial or Institutional Use. No Affected Lot, and no building erected or maintained on any Affected Lot shall be used for manufacturing, industrial, business, commercial, institutional or other non-residential purposes.

Section 11. Building Standards. No building shall be erected or maintained on any Affected Lot unless it complies with all applicable governmental ordinances, laws, rules and regulations. In addition, no building, structure, fence wall or improvement shall be erected or maintained on any Affected Lot unless same has been approved by the Committee (hereinafter defined) pursuant to the terms and provisions of Section 19 of this Article VIII.

Section 12. Detached Buildings. No detached accessory buildings (including, but not limited to, storage buildings), shall be erected, placed or constructed upon any Affected Lot without prior consent of the Board of Directors.

Section 13. Fences. No fence, wall or hedge shall be erected or maintained on any Affected Lot nearer to the street than the front building setback lines reflected on the Plat. No fence, wall or hedge shall be erected or maintained on any Affected Lot which shall exceed eight (8) feet in height. No chain link fences or other wire type fences shall be erected on any Affected Lot which is visible at ground level from an adjacent Lot or a public view. Wood fencing approved by the Committee will be allowed to extend from the outer perimeter of a dwelling to the side property lines, including the boundary line of the Use Easement for the benefit of an Affected Lot. All fencing shall: (i) except as provided in subparagraph (vi) below, be of wood material and present a solid, board on board, facing (i.e., picket type fencing or other staggered spacing type fencing is not permitted); (ii) have a minimum height of six (6) feet; (iii) have slats measuring between four (4) and six (6) inches which are installed vertically only (not horizontally or diagonally); (iv) have an even flat top with a horizontal slat measuring between four (4) inches wide installed at the top of the fence; (v) not be painted or stained on any surface which is visible from any street or adjoining Lot; provided, however, a clear stain that does not add a color to the wood may be used; (vi) on Open Space Lots, be constructed of only iron or tubular steel fencing along any common property line with an Open Space, and, to the extent fencing is installed beyond the rear perimeter of a Unit located on an Open Space Lot to the common property line with an Open Space, it shall be of the same material and style as the fence on the common property line with the Open Space; and (vii) all fences that are inside of or that tie into the perimeter masonry screening wall shall be no higher than a perimeter masonry screening wall for a distance of ten (10) feet from said wall.

Given the great variety of potential fencing and screening configurations and materials, it is understood that the fencing restrictions contained in this Section 13 may not be exhaustive; therefore, no fence, wall or hedge on any Affected Lot shall be erected, placed, altered, painted or stained without the prior written approval of the Committee. Upon submission of a written request for same, the Committee may, from time to time, at its sole

discretions, permit the construction of fences or walls which are in variance with the provisions of this Section 13 wherein the sole opinion of the Committee, the fence or wall is an integral part of the architectural style or design of the home.

Section 14. Antennae, Satellite Dishes and Solar Collectors. No Owner may erect or maintain solar collector panels or equipment upon any Affected Lot unless such apparatus is erected and maintained in such a way that it is screened from view from any street, alley, Common Areas, Open Space, park or other public area. Antennas for UHF and VHF television reception and satellite dishes having a diameter of one (1) meter or less shall be screened from view to the greatest extent possible so long as an acceptable quality signal may still be received. All other antenna, dishes or other equipment for receiving or sending sound or video messages are not allowed on the Property unless inside the attic of the main residential structure or, with written permission of the Committee, one (1) satellite dish with a diameter in excess of one (1) meter may be placed in the backyard of an Affected Lot so long as it is completely screened from view from any street, alley, Common Areas, Open Space, park or other public area. Amateur radio antennas, towers or masts, either for transmitting and/or receiving, shall not be permitted on the Property.

Section 15. Chimneys. All fireplaces flues, smoke stacks, and spark arrestors shall be completely enclosed and concealed from public view in finished chimneys constructed of materials architecturally compatible with the finish material of the exterior walls of the dwelling.

Section 16. Clothes Hanging Devices. Exterior clothes hanging devices shall not be permitted.

Section 17. Window Treatment. No aluminum foil, reflective film or similar treatment shall be placed on window or glass doors.

Section 18. Water Wells. The drilling, operating or maintaining of any water wells on any Affected Lot shall not be permitted. Each Unit shall be connected to the City water and sanitary sewer system.

Section 19. Architectural Control Committee. The Architectural Control Committee (hereinafter called the "Committee") shall be composed of three (3) individuals selected and appointed by the Association, each generally familiar with residential and community development design matters and knowledgeable about the Association's concern for a high level of taste and design standards within the Property. The initial members of the Committee shall be appointed by the Declarant. The Committee shall function as the representative of the Owners of the Affected Lots for the purposes herein set forth as well as for all other purposes consistent with the creation and preservation of a first-class community development. The Committee shall use its best efforts to promote and ensure a high level of taste, design, quality, harmony and conformity throughout the Property.

In the event of the death or resignation of any member of the Committee, the Association shall have full authority to designate and appoint a successor. The Association shall have the right to remove any member of the Committee at any time, with or without cause. No member of the Committee shall be liable for, and shall be indemnified against, 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 Declaration. The Committee shall be entitled, at any time and from time to time, to seek and obtain professional advice and counsel (including but not limited to architects, attorneys, designers, engineers and landscape technicians) in connection with the performance of its duties and all reasonable costs and expenses related thereto paid for or reimbursed by the Association. The Association shall have the right and power to impose and collect a reasonable fee from each Owner for the review and approval/disapproval process and services rendered by the Committee.

No building, structure, fence, wall or improvement of any kind or nature shall be erected, placed or altered on any Affected Lot until all plans and specifications, a plot plan and one or more surveys have been submitted to and approved in writing by the Committee, or a majority of its members, as to:

- (i) quality of workmanship and materials; adequacy of site dimensions; adequacy of structural design; proper facing of main elevation with respect to nearby streets;
- (ii) minimum finished floor elevation, mandatory brick shelf elevation, and proposed footprint of the dwelling;
- (iii) conformity and harmony of the external design, color, type and appearance of exterior surfaces and landscaping;
- (iv) location with respect to topography and finished grade elevation and effect of location and use on neighboring Affected Lots and improvements situated thereon; drainage arrangements; and
- (v) the other standards set forth within this Declaration (and any amendments hereto) or as may be set forth within bulletins promulgated by the Committee, or matters in which the Committee has been vested with the authority to render a final interpretation and decision.

The Committee is authorized and empowered to consider and review any and all aspects of dwelling construction which may, in the reasonable opinion of the Committee, adversely affect the living enjoyment of one or more Owners or the general value of the Property.

Final plans, specifications and surveys shall be submitted in duplicate to the Committee for approval or disapproval. The Committee is authorized to request the submission of samples of proposed construction materials. At such time as the plans, specifications and surveys meet the approval of the Committee, one complete set of plans, specifications and surveys will be retained by the Committee and the other complete set will be marked "Approved" and returned to the Owner or his designated representative. If found not to be in compliance with this Declaration, one set of such plans, specifications and surveys shall be returned "Disapproved," accompanied by a reasonable statement of items found not to comply with this Declaration. Any modification or change to the approved set of plans, specifications and surveys must again be submitted to the Committee for its inspection and approval. The Committee's approval or disapproval, as required herein, shall be evidenced in writing. If the Committee fails to approve or disapprove such plans, specifications and surveys within thirty (30) days after the date of submission, then such instruments shall be submitted by such Owner to the Board of Directors of the Association. If the Board of Directors fails to approve or disapprove such plans, specifications and surveys within thirty (30) days, then the Committee and Association approval shall be presumed. No approval of any plans by the Committee or the Board of Directors shall be construed to mean that the plans comply with applicable law, building code, or governmental regulation, it being the responsibility of the person submitting any plans to assure compliance with all applicable laws. Notwithstanding the foregoing, Declarant or any other party regularly engaged in the construction of new single-family residences on the Lots shall only be required to submit standard plans and specifications for each type of residence to be constructed on a Lot one (1) time to the Committee for approval and upon obtaining such approval Declarant shall be entitled to construct residences based upon the standard plans and specifications approved without seeking further approval.

The Committee may from time to time publish and promulgate architectural standards bulletins and/or lot information sheets which shall be fair, reasonable and uniformly applied and shall carry forward the spirit and intention of this Declaration. Unless otherwise indicated herein, the Committee shall not have unbridled discretion with respect to taste, design and any standards specified herein, and the Committee shall be responsive to technological advances or general changes in architectural designs and materials and related conditions in future years and use its best efforts to balance the equities between matters of taste and design (on the one hand) and use of private property (on the other hand). Such bulletins and lot information sheets shall supplement this Declaration and are incorporated herein by reference. EACH OWNER SHALL SEEK AND OBTAIN AND BECOME THOROUGHLY FAMILIAR WITH ANY AND ALL ARCHITECTURAL STANDARDS BULLETINS AND LOT INFORMATION SHEETS PRIOR TO ACQUISITION OF, AND CONSTRUCTION ON, ANY AFFECTED LOT.

Section 20. Minimum Dwelling Unit Size; Construction Materials.

(a) Each Unit constructed on any Affected Lot shall have the minimum floor area as required by City standard.

(b) The exterior wall surface of all Units shall be constructed in accordance with City standards.

(c) All retaining walls in front or side yards facing the street and all walls facing Common Areas are to be constructed of milsap stone. All retaining walls on interior and rear lot lines are to be constructed of six (6) inch treated timbers. All footings for retaining walls must extend at least six (6) inches below the final grade of any swale. All retaining walls must be at least two courses high. The maximum slope above any retaining walls in front yards and side yards shall not exceed 12% and the maximum slope above any retaining walls in rear yards shall not exceed 25%. Except as otherwise provided in this subsection, all retaining walls constructed on the Property must be constructed with properly engineered concrete, masonry or other material(s) approved in writing by the Committee.

(d) All roofs on two story structures shall have at least a five (5) foot to twelve (12) foot pitch and all roofs on single story structures shall have at least a six (6) foot to twelve (12) foot pitch unless otherwise approved by the Committee. A minimum twenty (20) year warranty is required on all roofing materials.

Section 21. Oil and Mining Operations. No oil drilling or development operations, oil refining, quarrying or mining operations of any kind shall be permitted upon or in any Affected Lot nor shall oil wells, tanks, tunnels, mineral excavations or shafts be permitted upon or in any Affected Lot. No derrick or other structure designed for use in boring for oil or natural gas or other minerals shall be erected, maintained or permitted upon any Affected Lot.

Section 22. Landscaping. Each Affected Lot shall be fully landscaped and continuously maintained in accordance with the requirements established by the Committee or a majority of its members.

Section 23. Building Lines. All residences or dwellings erected or placed on any Affected Lot shall face the road or street adjacent to the Affected Lot as shown on the Plat of the Property or as prescribed in the deed from Declarant conveying the Affected Lot. No portion of such dwelling or residence shall be nearer to the front of the property line of said Affected Lot than as designated on the recorded plat of the Property. No portion of such dwelling or residence located on Zone A Lot shall be nearer to the side property line than eight (8) feet and no portion of such dwelling or residence located in Zone B Lot shall be nearer to the side property line than five (5) feet. In addition, no portion of such dwelling or residence shall be nearer to the rear property line than twenty (20) feet.

ARTICLE IX
ANNEXATION

Section 1. Annexation by Declarant. At any time during the initial term of this Declaration, the Declarant may, at its sole option, annex additional property to this Declaration to be subject to the terms hereof to the same extent as if originally included herein and subject to such other terms, covenants, conditions, easements and restrictions as may be imposed thereon by Declarant. Annexation shall be evidenced by a written Declaration of Annexation executed by Declarant setting forth the legal description of the property being annexed and the restrictive covenants to be applied to such annexed property.

Section 2. Annexation by Action of Members. At any time the Board of Directors may request approval of the membership for the annexation of additional property into the Association to be subject to all of the terms of this Declaration to the same extent as if originally included herein. No such annexation shall be effective unless approved by two-thirds (2/3) of the members who are present and voting in person or by proxy at a meeting called for this purpose at which a quorum is present. Any property that is contiguous to existing property to this Declaration may be annexed hereto according to the foregoing requirements, provided however, that no such annexation shall be effective without the consent and joinder of the owners of the property to be annexed. Such annexation must be evidenced by a Declaration of Annexation as set forth in Section 1 above executed by the parties herein described.

Section 3. No Duty to Annex. Nothing herein contained shall establish any duty or obligation on the part of the Declarant or any member to annex any property to this Declaration.

Section 4. Effect of Annexation on Class B Membership. In determining the number of Affected Lots owned by Declarant for the purpose of Class B Membership status according to Article II, Section 6, the total number of Affected Lots covered by the Declaration including all Affected Lots annexed thereto shall be considered. If Class B Membership has previously expired but annexation of additional property restores the ratio of Affected Lots owned by Declarant to the number required for Class B Membership, such Class B Membership shall be reinstated.

ARTICLE X GENERAL

Section 1. Remedies. In the event of any default by any Owner under the provisions of this Declaration, By-Laws or rules and regulations of the Association, the Association and/or any Owner shall have each and all of the rights and remedies which may be provided for in this Declaration, the By-Laws and said rules and regulations, and those which may be available at law or in equity (including without limitation the rights and remedies set forth in Section 51.002 of the Texas Property Code, as amended), and may prosecute any action or other proceedings against such defaulting Owner and/or others for enforcement of any lien, statutory or otherwise, including foreclosure of such lien and the appointment of a receiver for the Affected Lot and ownership interest of such Owner, or for damages or injunction, or specific performance, or for judgement for the payment of the money and collection thereof, or for any combination of the remedies, or for any other relief. No remedies herein provided or available at law or in equity shall be deemed mutually exclusive of any other such remedy. All expenses of the Association in connection with any such actions or proceedings, including court costs and attorney's fees and other fees and expenses, and all damages, permitted by law from the due date until paid, shall be charged to and assessed against such defaulting Owner, and shall be added to and deemed part of the respective maintenance assessment (to the same extent as the lien provided herein for unpaid assessments) upon the Affected Lot and upon all of his additions and improvements thereto, and upon all of his personal property upon the Affected Lot. Any and all of such rights and remedies may be exercised at any time and from time to time, cumulatively or otherwise, by the Association or any Owner.

Section 2. Term and Amendments. The covenants and restrictions of this Declaration shall run with and bind the land for a term of thirty (30) years from the date this Declaration is recorded, after which time they shall be automatically extended for successive periods of ten (10) years, unless seventy percent (70%) of the total votes, in the aggregate, of the outstanding votes shall have voted to terminate the covenants and restrictions of this Declaration upon the expiration of the initial thirty (30) year period or any extension thereof, which termination shall be by written instrument signed by Members entitled to cast seventy percent (70%) of the total votes, in the aggregate, and properly recorded in the Real Property Records of Denton County, Texas. This Declaration may be amended by an instrument signed by Owners constituting not less than seventy percent (70%) of the total votes, in the aggregate, of the Association; provided, however, that no such amendment shall be effective unless joined by Declarant until such time as Declarant no longer owns an Affected Lot. Any amendment must be recorded.

Notwithstanding any provisions hereof to the contrary, the Declarant may, at its sole discretion and without consent being required of anyone, (i) modify, amend, or repeal this Declaration at any time prior to the closing of the sale of the first Affected Lot, provided said amendment, modification, or repeal is in writing and properly recorded in the Real Property Records of Denton County, Texas and/or (ii) amend this Declaration to correct errors or cause this Declaration to be in compliance with any and all applicable laws, rules and regulations (including without limitation any and all applicable laws, rules and regulations of the Federal Housing Administration and/or the Veterans Administration).

Section 3. Severability. Invalidation of any one of these covenants or restrictions by judgement or court order shall in no way affect any other provisions, which shall remain in full force and effect.

Section 4. Rights and Obligations. The provisions of this Declaration and the Articles of Incorporation and By-Laws and the rights and obligations established thereby shall be deemed to be covenants running with the land and shall inure to the benefit of, and be binding upon, each and all of the Owners and their respective heirs, representatives, successors, assigns, purchasers, grantees and mortgagees. By the recording or the acceptance of a deed conveying a Affected Lot of any ownership interest in the Affected Lot whatsoever, the person to whom such Affected Lot or interest is conveyed shall be deemed to accept and agree to be bound by and subject to all of the provisions of this Declaration and the Articles of Incorporation and By-Laws, whether or not mention thereof is made in said deed.

Section 5. Miscellaneous Provisions. Any provisions of this Declaration or of the Articles of Incorporation and By-Laws to the contrary notwithstanding, the following provisions shall control:

(a) **FHA/VA Approval.** If any prospective Owner applies for FHA or VA mortgage financing and receives a commitment therefor, for so long as the Class B Membership provided for in Article II exists the following actions will require approval of the Federal Housing Administration or the Veterans Administration, as applicable: (1) annexation of additional properties, (2) dedication of Common Areas, and (3) amendment of this Declaration.

(b) The following actions will require notice to all institutional holders of first mortgage liens who have notified the Association in writing of their address to which such notices are to be delivered: (1) abandonment or termination of the Association; or (2) material amendment to the Declaration.

(c) Upon the request of any first mortgagee of a Unit on an Affected Lot, the Association shall furnish to such mortgagee a written notice of any default by the Owner of such Unit in the performance of such Owner's obligations under this Declaration or the By-Laws or Association rules and regulations which is not cured within thirty (30) days. Any first mortgagee of a dwelling who comes into possession of such dwelling pursuant to the remedies provided in the mortgage, a foreclosure of the mortgage, or deed (or assignment) in lieu of foreclosure, shall take such property free of any claims for unpaid assessments or charges in favor of the Association against the mortgaged dwelling which accrued prior to the time such holder comes into possession of the dwelling.

(d) Unless at least seventy-five percent (75%) [or such lesser percentage as is allowed or permitted by applicable FHA or VA regulations from time to time] of the first mortgagees (based upon one vote for each mortgage) have given their prior written approval, neither the Association nor the Owners shall be entitled to:

(i) by act or omission seek to abandon, partition, encumber, or transfer the Common Areas, if any, or any portion thereof of interest therein (the granting of easements for public utilities or other public purposes consistent

with the intended use of such property shall not be deemed a transfer within the meaning of this clause);

(ii) substantially change the method of determining the obligations, assessments, dues or other charges which may be levied against an Owner by the Association;

(iii) by act or omission change, waive, or abandon any scheme of regulations or enforcement thereof pertaining to the architectural design or the exterior appearance of the dwellings or maintenance of the dwellings or Lots;

(iv) fail to maintain liability and extended coverage insurance on insurable property comprising a part of the Common Areas on a current replacement cost basis in an amount not less than one hundred percent (100%) of the insurable value (based on current replacement costs).

(e) All personal pronouns used in this Declaration, whether used in the masculine, feminine or neuter gender, shall include all other genders; the singular shall include the plural, and vice versa.

Section 6. Headings. The headings contained in this Declaration are for reference purposes only and shall not in any way affect the meaning or interpretation of this Declaration.

Section 7. Conflicts. In the event of conflict between the terms of this Declaration and the ByLaws, rules, regulations or Articles of Incorporation of the Association, this Declaration shall control.

Section 8. Floodplain. In the event any of the Affected Lots are located partially within a floodplain or flood prone area, such Affected Lots, and the construction of any improvements thereon, must conform with the rules, regulations and guidelines set forth in all applicable City of Coppell flood management ordinance(s) and other applicable laws, rules and regulations.

Section 9. Counterparts. This Declaration may be executed in one or more counterparts, all of which, when taken together, shall constitute one and the same Declaration.

IN WITNESS WHEREOF, the Declarant has caused this instrument to be executed on its behalf, attested and its corporate seal to be hereunto affixed as of the 22nd day of October, 1998.

DECLARANT:

COPPELL GREENS, LTD.,
a Texas limited partnership

By: Argus Development Company of Texas, Inc.,
General Partner

By: Ben F Spencer
Name: BEN F SPENCER
Title: PRESIDENT

THE STATE OF TEXAS

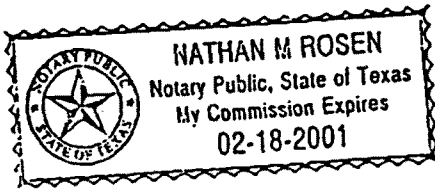
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COUNTY OF DALLAS

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This instrument was acknowledged before me on the 22nd day of October, 1998, by Ben F. Spencer, President of Argus Development Company of Texas, Inc., General Partner of Coppel Greens, Ltd., a Texas limited partnership, on behalf of said limited partnership.



[Signature]
Notary Public, State of Texas

coppel.gre/declarat.3

EXHIBIT "A"

Property Description
Coppell Greens, Phase One

A tract of land situated in the Clarinda Squires Survey, Abstract No. 1682 and the William T. Hyder Survey, Abstract No. 1701 in the City of Coppell, Denton County, Texas and being part of a tract of land as conveyed to BancPlus Savings Association by a deed recorded in Volume 2583, Page 245 of the Deed Records of Denton County, Texas and being more particularly described as follows:

BEGINNING at a ½" iron rod found for corner on the west line of Denton Tap Road (a variable width right-of-way), said point being the northeast corner of the said BancPlus Savings Association tract and the southeast corner of a tract of land as conveyed to Annie Lee Roberts by deed recorded in Volume 2305, Page 131 of the Deed Records of Denton County, Texas;

THENCE S. 00°00'24" W., 1150.96 feet along the said west line of Denton Tap Road to a ½" iron rod set for corner;

THENCE N. 89°59'36" W., 229.41 feet leaving said west line of Denton Tap Road to a ½" iron rod set for corner;

THENCE S. 06°30'48" W., 42.10 feet to a ½" iron rod set for corner;

THENCE S. 24°15'07" W., 332.95 feet to a ½" iron rod set for corner;

THENCE N. 89°48'36" W., 591.35 feet to a ½" iron rod set for corner;

THENCE N. 66°17'50" W., 142.19 feet to a ½" iron rod set for corner;

THENCE N. 16°53'38" E., 182.45 feet to a ½" iron rod set for corner;

THENCE N. 30°48'36" E., 101.29 feet to a ½" iron rod set for corner;

THENCE N. 41°13'09" E., 92.62 feet to a ½" iron rod set for corner;

THENCE N. 32°12'44" E., 49.04 feet to a ½" iron rod set for corner;

THENCE N. 57°47'16" W., 139.50 feet to a ½" iron rod set for corner;

THENCE S. 32°12'44" W., 37.37 feet to a ½" iron rod set for corner;

THENCE N. 57°47'16" W., 277.61 feet to a ½" iron rod set for corner, said point being the beginning of a curve to the left having central angle of 08°38'17", a radius of 625.00 feet and a chord bearing and distance of N. 62°06'24" W., 94.14 feet;

THENCE along said curve 94.23 feet to the end of said curve, a ½" iron rod set for corner;

THENCE N. 23°34'28" E., 35.73 feet to a ½" iron rod set for corner, said point being the beginning of a curve to the right having a central angle of 18°13'13", a radius of 400.00 feet and a chord bearing and distance of N. 32°41'04" E., 126.67 feet;

THENCE along said curve 127.20 feet to the end of said curve, a ½" iron rod set for corner;

THENCE N. 67°55'48" W., 144.35 feet to a ½" iron rod set for corner, said point being the beginning of a non-tangential curve to the right having a central angle of 26°08'55", a radius of 538.09 feet and a chord bearing and distance of N. 49°40'27" E., 243.45 feet;

THENCE along said curve 245.58 feet to the end of said curve, a ½" iron rod set for corner, said point being the beginning of a curve to the left having a central angle of 38°25'48", a radius of 411.91 and a chord bearing and distance of N. 43°32'01" E., 271.13 feet;

THENCE along said curve 276.28 feet to the end of said curve, a ½" iron rod set for corner;

THENCE N. 24°19'07" E., 309.90 feet to a ½" iron rod set for corner, said point being on the south line of the said Annie Lee Roberts tract;

THENCE S. 89°58'33" E., 907.68 feet along the said south line of the Annie Lee Roberts tract to the POINT OF BEGINNING and containing 35.8820 acres (1,563,018 square feet) of land.

EXHIBIT "B"

**Open Space/Common Area Lots
Coppell Greens, Phase One**

Block A, Lots 1X, 10X, 21X

Block B, Lots 4X, 15X

Block C, Lots 1X, 18X

Block D, Lots 8X

Block E, Lots 7X

EXHIBIT "C"

**Open Space Lots
Coppell Greens, Phase One**

Block A, Lots 6 - 29

Block B, Lots 2 - 14

Block C, Lots 18 - 53

Block D, Lots 1 - 16

Block E, Lots 1 - 7

EXHIBIT "D"

**Zone A Lots
Coppell Greens, Phase One**

Block A, Lots 1 - 29

Block B, Lots 1 - 7

Block C, Lots 47 - 53

Block D, Lots 1 - 16

Block E, Lots 1 - 7

EXHIBIT "E"

**Zone B Lots
Coppell Greens, Phase One**

Block B, Lots 8 - 15

Block C, Lots 1 - 46

AIS/SAIC/SBB Document Digitization Preparation Instructions

Please forward all association and/or management company documents to be digitized to the address listed below. Do not include originals, as these documents may be destroyed once they have been digitized. Copies should be of the best quality possible as this will help to ensure the most efficient processing. Please remove any staples, paper clips or Post-It notes from these documents and insert a completed copy of this page at the beginning of each document.

Deborah Fischer
c/o AssociationVoice
Mountain States Imaging
7050 S Yosemite St
Centennial, CO 80112

1). Document Title: Amendment to the Declaration - 2.11. pdf
(See SAIC naming convention)

2). Document Processing

Include within AIS online Disclosure/Resale report

PDF

OCR

3). Return Address

William Hession, PCAM
SBB Management
5728 LBJ Freeway
Suite 300
Dallas, TX 75240

128331

**DECLARATION OF AMENDMENT TO THE
DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS
FOR COPPELL GREENS, PHASE ONE
CITY OF COPPELL, DENTON COUNTY, TEXAS
AND
DECLARATION OF ANNEXATION OF COPPELL GREENS, PHASE TWO
CITY OF COPPELL, DENTON COUNTY, TEXAS**

THIS DECLARATION OF AMENDMENT AND ANNEXATION is made on the date hereinafter set forth by Coppell Greens, Ltd., a Texas limited partnership.

W I T N E S S E T H

WHEREAS, Coppell Greens, Ltd., is the Declarant under that certain Declaration of Covenants, Conditions and Restrictions For Coppell Greens, Phase One, recorded under Clerk's File No. 98R-0096982 of the Official Real Property Records of Denton County, Texas (the "Declaration");

WHEREAS, the City of Coppell, Texas (the "City") has required that the Declaration be amended to provide the City with the right and ability to perform the responsibilities of the Association (as defined in the Declaration) with respect to the Common Maintenance Areas (as defined in the Declaration);

WHEREAS, pursuant to Article X, Section 2 of the Declaration, the Declarant may, at its sole discretion and without consent being required of anyone, amend the Declaration to be in compliance with any and all applicable laws, rules, and regulations;

WHEREAS, pursuant to Article IX, Section 1 of the Declaration, the Declarant has the right, at the Declarant's option, to annex additional property to the Declaration to be subject to the terms of the Declaration to the same extent as if originally included therein;

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

WHEREAS, Declarant desires to annex the Annexed Property to the Declaration to be subject to the terms of the Declaration to the same extent as if originally included therein.

NOW, THEREFORE, the Declarant declares that the Declaration is amended as specified herein and the Annexed Property shall be held, sold and conveyed subject to all of the restrictions, covenants and conditions set forth in the Declaration to the same extent as if the Annexed Property was originally included in the Declaration, all of which shall be deemed to be covenants running with the land and imposed on and intended to benefit and burden each Affected Lot and other portions of the Annexed Property in order to maintain within the Annexed Property a planned community of high standards. All

of such covenants shall be binding on all parties having any right, title or interest therein or any part thereof, their respective heirs, personal representatives, successors and assigns, and shall inure to the benefit of each Owner thereof.

A. The Declaration is amended to insert the following as a new Section 10 to Article X:

"Section 10. Rights of City of Coppell. The City and its lawful agents shall have the right and ability, after due notice to the Association, to perform the responsibilities of the Association if the Association with respect to Common Maintenance Areas fails to do so in compliance with any provisions of this Declaration, the agreements, covenants, or By-Laws of the Association, or any applicable City codes, ordinances, or regulations, and assess the Association for all costs incurred by the City in performing said responsibilities if the Association fails to do so. Nothing contained herein shall be construed to limit or waive the City's ability to pursue enforcement actions available to the City pursuant to state law or City codes, ordinances, or regulations. The Association shall indemnify and hold the City harmless from any and all costs, expenses, suits, demands, liabilities or damages, including attorneys' fees and costs of suit, incurred or resulting from the City's performance of the aforementioned responsibilities of the Association due to the Association's failure to perform said responsibilities after due notice."

B. With respect to the annexation of the Annexed Property to the Declaration, the following definitions shall be applicable:

1. The term "Affected Lot" as used in the Declaration shall also mean each individual platted building lot reflected on the Final Plat of Coppell Greens, Phase Two.

2. The term "Open Space" as used in the Declaration shall also mean the Common Areas described on Exhibit "B" attached hereto.

3. The term "Open Space Lots" as used in the Declaration shall also mean those Affected Lots that share a common property line with an Open Space and that are described in Exhibit "C" attached hereto.

4. The term "Plat" as used in the Declaration shall also mean the Final Plat of Coppell Greens, Phase Two recorded in Cabinet R, Page 104, Plat Records of Denton County, Texas, and any replat of or amendment to the foregoing made by Declarant in accordance with the Declaration, or the development requirements and conditions of the City of Coppell, Ordinance 91500-A-139, as amended.

5. The term "Zone A Lot" as used in the Declaration shall also mean the Affected Lots listed in Exhibit "D" attached hereto.

6. The term "Zone B Lot" as used in the Declaration shall also mean the Affected Lots listed in Exhibit "E" attached hereto.

C. With respect to the annexation of the Annexed Property to the Declaration, the following shall govern the Use Easements on the Affected Lots contained within the Annexed Property:

1. The Zone A Use Easement on each Zone A Lot shall be located on the side lot line that is identified on Exhibit "F" attached hereto and the Zone B Use Easement on each Zone B Lot shall be located on the side lot line that is identified on Exhibit "F" attached hereto.

No prospective Owner has applied for FHA or VA mortgage financing.

All of the capitalized terms used in this Declaration of Annexation, unless otherwise defined herein, shall have the same meaning as assigned to such terms in the Declaration.

IN WITNESS WHEREOF, the Declarant has caused this instrument to be executed on its behalf as of the 22ND day of December, 1999.

DECLARANT:

COPPELL GREENS, LTD.,
a Texas limited partnership

By: Argus Development Company of Texas, Inc.,
General Partner

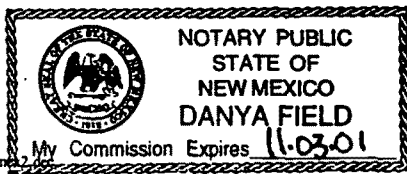
By: [Signature]
Name: JEFFREY DESIONOWSKI
Title: VICE PRESIDENT

STATE OF NEW MEXICO

COUNTY OF BERNALILLO

§
§
§

This instrument was acknowledged before me on the 22ND day of December, 1999, by JEFFREY DESIONOWSKI, VICE PRESIDENT of Argus Development Company of Texas, Inc., General Partner of Coppell Greens, Ltd., a Texas limited partnership, on behalf of said limited partnership.



[Signature]
Notary Public, State of New Mexico

EXHIBIT "A" (Page 1 of 2)

BEGINNING at a 1/2" iron rod found on the northwesterly line of Kilmichael Drive (a 50 foot right-of-way) said point being the most southerly southeast corner of Lot 7 in Block "E" of Coppell Greens, Phase I, an addition to the City of Coppell as recorded in Plat Cabinet "P", Page 160-161 of the Plat Records of Denton County, Texas, said point also being in a non-tangent curve to the left running in a southerly direction and having a central angle of 18°13'13" a radius of 400.00 feet and a chord bearing of S. 32°41'04" W.;

THENCE along said curve, and along the said northwesterly line of Kilmichael Drive, 127.20 feet to the end of said curve, a 1/2" iron rod found for corner;

THENCE S. 23°34'28" W., 35.73 feet to a 1/2" iron rod found for corner being on the southerly line of Dalmalley Lane (a 50 foot right-of-way), said point also being in a non-tangent curve to the right running in a southerly direction and having a central angle of 08°38'17" a radius of 625.00 feet and a chord bearing of S. 62°06'24" E.;

THENCE along said curve, and along the said southerly line of Dalmalley Lane, 94.23 feet to the end of said curve, a 1/2" iron rod found for corner;

THENCE S. 57°47'16" E., 277.61 feet continuing along the said southerly line of Dalmalley Lane to a 1/2" iron rod found for corner, said point being on the east line of Fallkirk Drive (a 50 foot right-of-way);

THENCE N. 32°12'44" E., 37.37 feet along the said east line of Fallkirk Drive to a 1/2" iron rod found for corner;

THENCE S. 57°47'16" E., 139.50 feet leaving the said east line of Fallkirk Drive to a 1/2" iron rod found for corner;

THENCE S. 32°12'44" W., 49.04 feet to a 1/2" iron rod found for corner;

THENCE S. 41°13'09" W., 92.62 feet to a 1/2" iron rod found for corner;

THENCE S. 30°48'36" W., 101.29 feet to a 1/2" iron rod found for corner;

THENCE S. 16°53'38" W., 182.45 feet to a 1/2" iron rod found for corner;

THENCE N. 66°17'50" W., 632.22 feet to a 1/2" iron rod found for corner;

THENCE N. 62°37'41" W., 197.01 feet to a 1/2" iron rod found for corner;

THENCE N. 64°55'48" W., 368.52 feet to a 1/2" iron rod found for corner, said point being on the east line of a tract of land as conveyed to James H. Cummings and David K. Cummings by deeds recorded in Volume 85229, Page 3702 and Volume 1779, Page 653 of the Deed Records of Denton County, Texas;

THENCE N. 00°05'25" E., 348.71 feet along the said east line of the Cummings tract, to a 1/2" iron rod set for corner;

THENCE N.30°50'04"E., 198.71 feet leaving the said east line of the Cummings tract to a 1/2" iron rod set for corner;

THENCE N40°06'20"E., 175.50 feet to a 1/2" iron rod set for corner;

THENCE N.10°02'37"E., 76.53 feet to a 1/2" iron rod set for corner;

THENCE N. 30°30'01"E., 241.61 feet to a 1/2" iron rod set for corner, said point being on the south line of a tract of land as conveyed to Annie Lee Roberts by deed recorded in Volume 2305, Page 131 of the Deed Records of Denton County, Texas;

THENCE S. 89°58'33" E., 921.15 feet along the said south line of the Roberts tract to a 1/2" iron rod found for corner, said point being on the west line of the said Coppell Greens, Phase One;

THENCE S. 24°19'07" W., 309.90 feet leaving the said south line of the Roberts tract, and running along the said west line of Coppell Greens, Phase One, to a 1/2" iron rod found for corner, said point being the beginning of a curve to the right having a central angle of 38°25'48" a radius of 411.91 feet and a chord bearing of S.43°32'01"W.;

THENCE along said curve, and along the said west line of Coppell Greens, Phase One, 276.28 feet to the end of said curve, a 1/2" iron rod found for corner, said point also being the beginning of a curve to the left having a central angle of 26°08'55" a radius of 538.09 feet and a chord bearing of S. 49°40'27" W.;

THENCE along said curve, and continuing along the said west line of Coppell Greens, Phase One, 245.58 feet to the end of said curve, a 1/2" iron rod found for corner;

THENCE S. 67°55'48" E., 144.35 feet to the Point of Beginning and containing 26.524 acres (1,155,401 square feet) of land.

EXHIBIT "B"

**Open Space/Common Area Lots
Coppell Greens, Phase Two**

Block A, Lot 45X

Block C, Lot 58X

Block E, Lot 13X

Block F, Lot 11X

EXHIBIT "C"

**Open Space Lots
Coppell Greens, Phase Two**

Block A, Lots 30 - 51

Block C, Lots 54 - 59
Lots 76 - 79

Block E, Lots 9 - 16
Lots 24 - 29
Lots 31 - 35

Block F, Lots 1 - 26

EXHIBIT "E"

**Zone B Lots
Coppell Greens, Phase Two**

Block A, Lot 51

Block C, Lots 54 - 79

Block E, Lots 8 - 15

Block F, Lots 1 - 26

coppell.gr\exh-phii b-3

EXHIBIT "D"

**Zone A Lots
Coppell Greens, Phase Two**

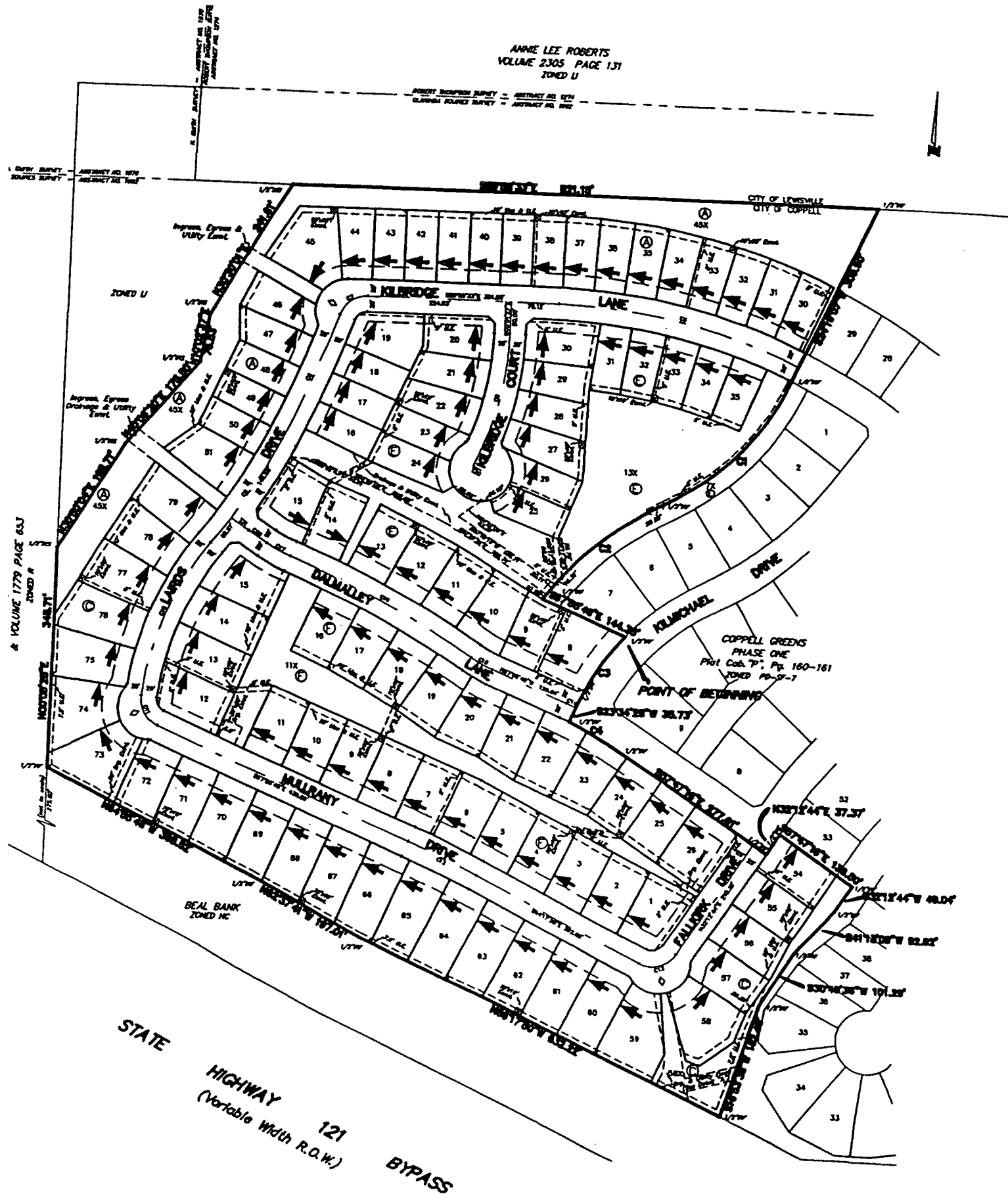
Block A, Lots 30 - 50

Block E, Lots 16 - 35

EXHIBIT "F"

ANNE LEE ROBERTS
VOLUME 2305 PAGE 131
ZONED U

POINT BEGINS SURVEY - ABSTRACT NO. 1574
GLADWIN SQUARE SURVEY - ABSTRACT NO. 1572



VOLUME 1779 PAGE 633
ZONED R

STATE
HIGHWAY 121
(Variable Width R.O.W.)
BYPASS

COPPELL GREENS
PHASE ONE
Plat Cosh. 7th, Pgs. 160-161
ZONED PD-97-7

BEAL BANK
ZONED NC

NE 1/4 44th 37.37

NE 1/4 44th 48.04

SE 1/4 44th 82.82

SE 1/4 44th 101.28

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 DENTON }
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 Denton County, Texas on

DEC 27 1999

Cynthia Mitchell
COUNTY CLERK
DENTON COUNTY, TEXAS



Filed for Record in:
DENTON COUNTY, TX
CYNTHIA MITCHELL, COUNTY CLERK

On Dec 27 1999
At 12:39pm

Doc/Num : 99-R0128331
Doc/Type : RST
Recording: 25.00
Doc/Mgmt : 6.00
Receipt #: 50660
Deputy - Christy