

DECLARATION OF COVENANTS AND RESTRICTIONS

FOR

085840

STEWART PENINSULA

SOUTHSHORE

THIS DECLARATION (this "Declaration"), made as of the 7th day of November, 1994, by STEWART PENINSULA DEVELOPMENT PARTNERS ("Declarant"), a Texas general partnership;

WITNESSETH:

Introductory Statement

A. Declarant is the owner of certain tracts of land and/or subdivided lots (collectively called "Developer Tract") situated in the City of The Colony, Denton County, Texas, as more particularly described on Exhibit "A" attached hereto and made a part hereof. Goodman Homes Inc. and Hampton Enterprises, Inc. each own one subdivided lot described on Exhibit "A-1" attached hereto (collectively called "Builder Lots"). The Developer Tract and the Builder Lots, together with additions thereto as may be made subject to the terms of this Declaration by any Supplemental Declaration of Covenants executed and filed, from time to time, by Declarant in the Deed Records of Denton County, Texas, are collectively called the "Properties". Declarant desires to create on the Properties a residential community with residential lots, open spaces and other common facilities for the benefit of the Owners, as hereinafter defined.

B. Declarant desires to provide for the efficient preservation of the values and amenities within the Properties and for the maintenance of said open spaces and other common facilities. To this end, Declarant and the present owners of the Builder Lots desire to impose upon the Properties the covenants, conditions, restrictions, easements, charges and liens contained in this Declaration and to create a non-profit corporation to which would be delegated and assigned the powers of maintaining and administering the community properties and facilities in accordance with the terms of this Declaration.

D. Declarant has caused or will cause to be incorporated under the Non-Profit Corporation Act of the State of Texas (the "Act") a non-profit corporation, Stewart Peninsula Southshore Homeowners Association, Inc. (the "Association").

NOW, THEREFORE, Declarant and the present owners of the Builder Lots declare that the Properties shall be held, transferred, sold, conveyed and occupied subject to the covenants, restrictions, easements, charges and liens (sometimes referred to collectively as the "Covenants") hereinafter set forth.

Declaration

ARTICLE I

DEFINITIONS

The following words when used in this Declaration shall have the following meanings:

"ACC" means the Architectural Control Committee appointed by the Board in accordance with the provisions of Article IX hereof.

"Assessments" shall mean and refer to the regular annual assessments, the special assessments and the default assessments provided in Section 4.1 hereof.

"Association" shall mean and refer to the Stewart Peninsula Southshore Homeowners Association, Inc., a Texas non-profit corporation.

"Board" shall mean the Board of Directors.

"Common Properties" shall mean and refer to all real property (including easements and improvements) owned or held by the Association for the common use and enjoyment of the Owners. The Common Properties to be owned by the Association at the time of conveyance of the first Lot include the tracts or parcels of land described on Exhibit "B" attached hereto, together with any and all improvements constructed thereon.

"Declarant" shall mean and refer to Stewart Peninsula Development Partners, and its successors and assigns, if (a) such successor or assignee should acquire more than one (1) undeveloped Lot from Stewart Peninsula Development Partners for the purpose of development and (b) any such successor or assignee shall receive by assignment from Stewart Peninsula Development Partners all or a portion of its rights hereunder as such Declarant, by an instrument expressly assigning such rights as Declarant to such successor or assignee.

"Dwelling Unit" shall mean and refer to any building or portion of a building situated upon the Properties which is designed and intended for use and occupancy as a residence by a single person, a couple, a family or a permitted family size group of persons.

"Eligible Insurers" is defined in Article VII.

"Eligible Mortgagees" is defined in Article VII.

"Institutional Mortgage" shall mean a mortgage or deed of trust creating a first lien on a Lot which is held by a third party institutional lender.

"Lot" shall mean, with respect to any Properties for which a subdivision map has been recorded in the map or plat records of Denton County, Texas, each lot shown on such recorded subdivision map which is or is to be improved with a residential dwelling. With respect to any Properties owned by Declarant which have not been legally subdivided by the recordation of a subdivision map, "Lot" shall mean each one of the maximum number of residential lots permitted within such Properties owned by Declarant according to the Planned Development Concept Plan for Stewart Peninsula dated April 18, 1994 and revised June 1, 1994 (the "Concept Plan") (each Lot defined in the immediately preceding sentence and owned by Declarant being hereinafter sometimes called an "Unplatted Lot").

"Maintenance Fund" is defined in Section 4.2.

"Member" shall mean and refer to each Owner as provided herein in Article II.

"Owner" shall mean and refer to the record owner, whether one or more persons or entities, of the fee simple title to any Lot but, notwithstanding any applicable theory of mortgages or other security devices, shall not mean or refer to any mortgagee or trustee under a mortgage or deed of trust unless and until such mortgagee or trustee has acquired title pursuant to foreclosure or any conveyance in lieu of foreclosure. Declarant shall be deemed an Owner of each Unplatted Lot.

"Properties" shall have the meaning given to it in Paragraph A of the Introductory Statement above.

"Resident" shall mean and refer to each person (not otherwise an Owner or Member) authorized by an Owner to reside within such Owner's Dwelling Unit.

"Two-Thirds Member Vote By Class" shall mean the approval of two-thirds (2/3) of each class of Members entitled to vote who either (i) are voting in person or by proxy at a meeting duly called for this purpose and at which the necessary quorum exists, or (ii) execute a written consent in lieu of a meeting for such purpose.

"Two-Thirds Member Vote" shall mean the approval of two-thirds (2/3) of all Members (regardless of class) entitled to vote who either (i) are voting in person or by proxy at a meeting duly called for this purpose and at which the necessary quorum exists, or (ii) execute a written consent in lieu of a meeting for such purpose.

ARTICLE II

MEMBERSHIP AND VOTING RIGHTS IN THE ASSOCIATION; ADDITIONS TO THE PROPERTIES

2.1 Membership. Each and every Owner shall automatically be and must remain a Member of the Association, subject to the terms of this Declaration, the Articles of Incorporation

and the Bylaws of the Association and the Association's rules and regulations. Membership of an Owner in the Association shall be appurtenant to and may not be separated from the interest of such Owner in and to a Lot. Ownership of a Lot shall be the sole qualification for being a Member; provided, however a Member's privileges in the Common Properties may be regulated or suspended as provided in this Declaration, the Bylaws of the Association and/or the Association's rules and regulations. Any person or entity that holds an interest in and to a Lot merely as security for the performance of an obligation shall not be a Member until such time as the holder or its successor acquires title to the Lot through foreclosure or conveyance in lieu thereof.

2.2 Transfer. Membership of an Owner in the Association may not be severed from or in any way transferred, pledged, mortgaged or alienated except upon the sale or assignment of said Owner's interest in a Lot and then only to the purchaser or assignee as the new Owner thereof. Such membership shall not be severed by the encumbrance by an Owner of a Lot. Any attempt to make a prohibited severance, transfer, pledge, mortgage or alienation shall be void and of no further force or effect. Owners shall notify the Association of any transfer of the fee title to a Lot. Such transfer shall automatically operate to transfer the membership to the new Owner thereof. In the event an Owner should fail or refuse to provide written evidence of transfer of the membership in the Association registered in such Owner's name to the transferee of such Owner's interest in a Lot, the Association shall have the right to record the transfer upon the books and records of the Association.

2.3 Classes of Membership. The Association shall have two classes of voting membership:

CLASS A. Class A Members shall be all Members with the exception of Declarant. Class A Members shall be entitled to one vote for each Lot in which they hold the interest required for membership. When more than one person holds such interest or interests in any Lot, all such persons shall be Members, and the vote for such Lot shall be exercised as they, among themselves, determine, but in no event shall more than one vote be cast with respect to any such Lot.

CLASS B. The Class B Member(s) shall be the Declarant. The Class B Member(s) shall be entitled to three (3) votes for each Lot owned by the Class B Member(s). However, at such times as the total number of Lots owned by the Class A Members equals or exceeds three (3) times the total number of Lots owned by the Class B Member(s), the Class B Member(s) shall, during the time such equality or excess continues, be entitled to only one (1) vote for every Lot owned by it. Unless Additional Property is subjected to the terms of this Declaration in accordance with the provisions of Section 2.4, from and after October 1, 1997 (as subsequently amended, the "Voting Conversion Date"), the Class B Member(s) shall only be entitled to one (1) vote for each Lot owned by it regardless of the number of Lots owned by the Class B Member(s) at such time. In the event Additional Properties are subjected to this Declaration in accordance with Section 2.4, then the Supplemental Declaration, as hereinafter defined, annexing such Additional Properties shall designate a new Voting Conversion Date which shall be the date

Declarant estimates that the Class A Members will own seventy-five percent (75%) of all Lots then subject to this Declaration, as supplemented by the Supplemental Declaration.

2.4 Additions to the Properties. Additional tracts of land, together with the improvements situated thereon, may become subject to this Declaration and added to the Properties in any of the following manners.

(a) Declarant may, without the consent of any Owner and at its sole option, at any time and from time to time within ten (10) years from the date of recordation of this Declaration, add to the Properties and to the concept of this Declaration, all or a portion of the real estate described on Exhibit "C" attached hereto and made a part hereof for all purposes (collectively, the "Additional Property"), by filing of record one or more Supplemental Declarations of Covenants, Conditions and Restrictions, which shall extend the coverage and/or concept of the covenants, conditions and restrictions of this Declaration to such property. Declarant hereby covenants that it will not add any of the Additional Property unless FHA and VA determine that such addition is in accordance with the general plan heretofore approved by them. The determination described in the preceding sentence shall not be required of FHA or VA in the event no Eligible Mortgagees or Eligible Insurers exist. Any such Supplemental Declaration may contain such complementary additions and modifications of the covenants, conditions and restrictions contained in this Declaration as may be necessary to reflect the different character, if any, of the added properties and as are not inconsistent with the concept of this Declaration. In no event, however, shall such Supplemental Declaration modify or add to the covenants established by this Declaration for the Properties existing prior to the filing of any such Supplemental Declaration unless such modifications and additions are approved by a Two-Thirds Member Vote. Declarant may make any such addition even though at the time such addition is made Declarant is not the Owner of any portion of the Properties. Each Supplemental Declaration shall designate the number of separate plots or tracts comprising the Additional Property which are to constitute lots, and each such separate plot or tract shall constitute a "Lot" within the meaning of this Declaration. All or any part of the Additional Property and improvements located thereon owned by Declarant or any interest held by Declarant in the Properties may be conveyed, transferred or assigned to the Association and designated as Common Properties by the Declarant at its sole discretion and without the approval, assent or vote of the Association or of its Members; provided that any property so conveyed shall be free and clear of any and all mechanics' and materialmen's liens and that all taxes and governmental assessments against any such property which are then due and payable shall have been paid prior to the date of such conveyance. Notwithstanding any other provision hereof, nothing contained herein shall be deemed to require Declarant to add any Additional Property to the Properties. Moreover, Declarant reserves the right to subject any Additional Property or any part thereof to the plan or one or more separate declarations of covenants, conditions and restriction which subjects said real property to the functions, powers and jurisdiction of an association or other entity with powers and obligations

similar to the Association and which may or may not be subject to the provisions of this Declaration.

(b) The annexations of Additional Property authorized by this Declaration shall be accomplished by executing and filing of record in the office of the County Clerk of Denton County, Texas, a Supplemental Declaration or similar instrument, with respect to any Additional Property which shall extend the plan of this Declaration to such real property. Any such Supplemental Declaration contemplated above may contain such additions, deletions and/or modifications of the covenants, conditions, restrictions, easements, liens and charges contained in this Declaration as may be necessary to reflect the different character, if any, of such Additional Property and as are not substantially inconsistent with the plan of this Declaration. In no event, however, shall any such Supplemental Declaration, or any merger or consolidation revoke, modify or add to the covenants, conditions, restrictions, easements, liens or charges established by this Declaration, as same relate to and affect that portion of the Properties previously subject to this Declaration. Further, the method of determining Assessments for the Additional Property shall not result in an Assessment substantially less than that affecting the Properties unless such Additional Property and the Owners thereof do not enjoy substantially all of the benefits enjoyed by Owners of other Properties previously subject to this Declaration. Any annexation, merger or consolidation made pursuant to this Declaration, when made, shall automatically extend the functions, powers and jurisdiction of the Association to the real property so added. Upon the filing of any Supplemental Declaration, each Owner of a Lot within the portion of the Additional Property added to the Properties (other than Declarant) shall become a Class A Member, as herein defined, and shall become liable for assessments as provided for herein. Declarant shall continue to be the Class B Member with the number of votes per Lot (including any new Lots added pursuant to a Supplemental Declaration) as provided for in this Article II.

(c) Upon approval by a Two-Thirds Member Vote, the owner of any property who desires to add it to the concept of this Declaration and to subject it to the jurisdiction of the Association, may file of record a Supplemental Declaration of Covenants, Conditions and Restrictions as described in paragraph (a) of this Article. Any additions made pursuant to paragraphs (a), (b) or (c) of this Section 2.3, when made, shall automatically extend the jurisdiction, functions, duties and membership of the Association to the properties added. Upon acceptance in writing by the Association following approval by a Two-Thirds Class Member Vote, any person may convey, transfer or assign real property, improvements located thereon or an interest therein to the Association and designate the same as Common Properties.

(d) Declarant or the Association, upon the written approval or assent of 67% of the outstanding votes of Members, shall have the right and option to cause the Association to merge or consolidate with any similar association or associations. Upon a merger or consolidation of the Association with another association, the properties, rights and obligations of the Association, may, by operation of law or otherwise, be

transferred to the surviving or consolidated association or, alternatively, the properties, rights and obligations of another association may, by operation of law or otherwise, be added to the properties, rights and obligations of the Association as a surviving corporation pursuant to a merger. The surviving or consolidated association shall administer the covenants, conditions, restrictions, easements, liens and charges established by this Association within the Properties, together with the Covenants established upon any other real property as one plan.

ARTICLE III

PROPERTY RIGHTS IN THE COMMON PROPERTIES

3.1 Members' Easements of Enjoyment. Subject to the provisions of Section 3.3 of this Article, every Member and every tenant of every Member, who resides on a Lot, and each individual who resides with either of them, respectively, on such Lot shall have a right and easement of use and enjoyment in and to the Common Properties and such easement shall be appurtenant to and shall pass with the title to every Lot; PROVIDED, HOWEVER, such easement shall not give such person the right to make alterations, additions or improvements to the Common Properties.

3.2. Title to the Common Properties. The Declarant shall convey the fee simple title to the Common Properties to the Association, or in the case where easements constitute part of the Common Properties, Declarant shall assign and transfer such easements to the Association, in each case free and clear of all encumbrances and liens other than the lien of current taxes and assessments not in default and utility easements and mineral interests outstanding and of record in Denton County, Texas, prior to the date of the conveyance of the first Lot to an Owner.

3.3. Extent of Members' Easement. The rights and easements of enjoyment created hereby shall be subject to the following:

(a) The right of the Association to prescribe regulations governing the use, operation and maintenance of the Common Properties (including limiting the number of guests of Members);

(b) Following the approval by a Two-Thirds Member Vote by Class of Class A Members only, the right of the Association, in accordance with its Articles, to borrow money for the purpose of improving the Common Properties and facilities and in aid thereof to mortgage the Common Properties;

(c) The right of the Association to take such steps as are reasonably necessary to protect the Common Properties against foreclosure;

(d) The right of the Association, as provided in its Bylaws, to suspend the voting rights of any Member and to suspend the right of any individual to use any of the Common Properties for any period during which any assessment against a Lot owned by such Member or resided upon by such individual remains unpaid, and for any period not to exceed sixty (60) days for an infraction of its rules and regulations;

(e) The right of the Association to charge reasonable admission and other fees for the use of recreational facilities on the Common Properties; and

(f) Following approval by a Two-Thirds Member Vote, the right of the Association to dedicate or transfer all or any part of the Common Properties to any public agency, authority, or utility for such purposes and upon such conditions as the Board of Directors of the Association may determine.

ARTICLE IV

COVENANT FOR MAINTENANCE ASSESSMENTS

4.1 Creation of the Lien and Personal Obligation for Assessments. Declarant, for each Lot owned by it within the Properties, hereby covenants and agrees, and each purchaser of a Lot (by acceptance of a deed therefor, whether or not it shall be so expressed in any such deed or other conveyance), for each Lot owned by any such Owner, hereby covenants and agrees and shall be deemed to covenant and agree to pay to the Association (or to a mortgage company or other collection agency designated by the Association): (a) annual assessments or charges, to be paid in installments as the Board of Directors of the Association may elect, (b) special assessments for capital expenditures, such assessments to be fixed, established and collected from time to time as hereinafter provided, and (c) default assessments which may be assessed against an individual Owner to reimburse the Association for extra maintenance and repair costs incurred as a result of the willful or negligent acts or omissions of such Owner, his family, agents, guests and invitees, such default assessments to be fixed, established and collected from time to time as hereinafter provided. The regular annual assessments, special assessments and default assessments, together with such interest thereon and costs of collection thereof as hereinafter provided (collectively "Assessments"), shall be a charge and continuing lien upon each Lot against which each such Assessment is made. Each such Assessment, together with such interest thereon and costs of collection thereof, as hereinafter provided, shall also be the continuing personal obligation of the person who was the Owner of such Lot at the time when the Assessment became due. The annual assessments shall be payable in monthly, quarterly or annual installments as determined from time to time by the Board.

4.2 Purpose of Assessments; Maintenance Fund. The Assessments levied by the Association shall be used (i) for the purposes of promoting the recreation, health, safety and welfare of the residents of the Properties, and in particular for the improvement and maintenance of private roadways, jogging paths, walkways, recreation and landscaped areas or other

properties, services and facilities devoted to this purpose and directly related to the use and enjoyment of the Common Properties including, but not limited to, the payment of taxes on and insurance in connection with the Common Properties and the repair, replacement and additions thereto; (ii) 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 Properties; (iii) for carrying out the duties of the Board of Directors of the Association as set forth in Article V hereafter, including, but not limited to, the payment by the Association of all assessments and charges payable in connection with sewer, water and garbage pickup services and the installation and maintenance of lighting (if any) for the Common Properties; (iv) for paying the cost of maintenance of any monument sign for the Properties; and (v) for carrying out the purposes of the Association as stated in its Articles of Incorporation. The Association shall establish and maintain an adequate maintenance fund (the "Maintenance Fund") for the periodic maintenance of the Common Properties. The regular annual assessments, payable on an installment basis provided in this Article IV, collected by the Association shall constitute the maintenance fund for the Common Properties. The Board may at any time ratably increase or decrease the assessment installment payments in accordance with this Declaration to such level as shall be reasonably necessary in the judgment of the Board to cover obligations of the Association under this Declaration, including maintenance of reasonable cash reserves. The Board is obligated to maintain assessments at a level sufficient to enable payment of all costs which are the Association's obligation.

4.3 Basis and Amount of Assessments.

(a) Until the year beginning January 1, 1996, the maximum annual assessment shall be Five Hundred Forty and No/100 Dollars (\$540.00) for each Lot not owned by Declarant, and an amount equal to not more than twenty-five percent (25%) of such annual amount for each Lot owned by Declarant at the time of each such annual assessment. The Board of Directors may fix the annual assessment at any amount less than such maximum.

(b) Commencing with the year beginning January 1, 1996, and each year thereafter, the Board of Directors may set the amount of the maximum annual assessment for the following year for each Lot, provided that the maximum annual assessment may not be increased more than ten percent (10%) above the maximum annual assessment for the previous year without a vote of the membership taken in accordance with the provisions of Section 4.3(c). The maximum assessment for each Lot owned by Declarant, at the time of annual assessment, shall be an amount equal to twenty-five percent (25%) of the maximum amount assessed against each Lot owned by Members other than Declarant, unless a Lot owned by Declarant is improved with a residential structure that is occupied, in which event the maximum assessment for such Lot shall be an amount equal to the maximum amount assessed against each Lot owned by other Members.

(c) Provided that the Board has received approval by a Two-Thirds Member Vote By Class, the maximum annual assessment for the following year for each Lot may exceed the maximum amounts set forth in Section 4.3(a) or (b) above.

4.4 Special Assessments for Capital Improvements. In addition to the annual Assessments authorized by Section 4.3 above, the Association may levy in any Assessment year a special Assessment, applicable to that year only, for the purpose of defraying, in whole or in part, the costs of any construction or reconstruction, unexpected repair or replacement of any capital improvement upon the Common Properties, including the necessary fixtures and personal property related thereto; PROVIDED THAT any such Assessment for capital improvements shall have been approved by a Two-Thirds Member Vote By Class.

4.5 Uniform Rate of Assessment Within Classes of Members. In recognition of the fact that while Declarant is the Owner of Lots the benefit Declarant receives from such Lots will be proportionately less than other Owners, the regular annual and special Assessments for Lots owned by Declarant and on which no Dwelling Unit is constructed shall be fixed at twenty-five percent (25%) of the Assessments for all other Lots. Except as provided in this Section 4.5 and Section 4.3, and until such time as Additional Properties are subjected to this Declaration in accordance with Section 2.4, the regular annual and special Assessments shall be fixed at a uniform rate for all Lots. Since Additional Properties subjected to this Declaration, like the Properties originally covered by this Declaration, may involve common areas that disproportionately benefit the Lots within the particular phase of the Project in which they are located, the Board may create different classes of Owners for purposes of determining Assessments, based on the Board's determination of the benefits to be received by each such class from certain Common Properties. Except as provided above with respect to the Declarant, within any such class created by the Board the Assessments shall be uniform.

4.6 Date of Commencement of Assessments; Due Date. The annual assessments provided for herein shall commence as to all Lots on the first day of the month following conveyance of the Common Properties to the Association and shall be payable in advance in monthly, quarterly or annual installments (as determined from time to time by the Board), on the first day of each such installment period. The first annual assessment shall be made for the balance of the calendar year in which it is levied. The amount of the annual assessment which may be levied for the balance remaining in the first year of assessment shall be an amount which bears the same relationship to the annual assessments provided for in Section 4.3 as the remaining number of months in that year bear to twelve. The first annual assessment shall be due and payable in as many installments as there are installment payment dates remaining in the first year. The same pro rata reduction in the amount of the assessment shall apply to the first annual assessment levied against any Lot which is hereafter added to the Lots now subject to assessment at a time other than the beginning of any assessment period. The due date or dates, if it is to be paid in installments, of any special assessment under Section 4.4 or of any default assessment under Section 4.1, shall be fixed in the respective resolution authorizing such assessment. Notwithstanding anything contained to the contrary in this Section, it is hereby understood that the Board of Directors of the Association shall have the right to establish a payment date that is different from the payment date provided herein.

4.7 Duties of the Board with Respect to Assessments.

(a) The Board shall fix the date of commencement and the amount of the Assessment against each Lot for each Assessment period at least thirty (30) days in advance of such date or period and shall, at that time, prepare a roster of the Lots and Assessments applicable thereto which shall be kept in the office of the Association and shall be open to inspection by any Owner.

(b) Written notice of the Assessment shall thereupon be delivered or mailed to every Owner subject thereto.

(c) The Board shall upon demand at any time furnish to any Owner liable for each Assessment a certificate in writing signed by an officer of the Association, setting forth whether such Assessment has been paid. Each such certificate shall be conclusive evidence of payment of any Assessment therein stated to have been paid. A reasonable charge may be made by the Board for the issuance of such certificates.

4.8 Effect of Non-Payment of Assessment: The Personal Obligation of the Owner, the Lien, Remedies of Association.

(a) If any Assessment or any part thereof is not paid on the date(s) when due (being the dates specified by the Board pursuant to Section 4.7), then the unpaid amount of such Assessment shall become delinquent and shall, together with such interest thereon and the costs of collection thereof as hereinafter provided, be a continuing lien (the "Lien") on the Lot of the non-paying Owner which shall bind such Lot in the hands of the then Owner, his heirs, executors, devisees, personal representatives and assigns. The personal obligation of the then Owner to pay such Assessment, however, shall remain his personal obligation and shall not pass to his successors in title unless expressly assumed by them. Any assumption of the obligation to pay an Assessment by a successor in title shall not relieve the prior Owner of his personal obligation to pay such Assessment. The lien for unpaid Assessments shall be unaffected by any sale or assignment of a Lot and shall continue in full force and effect. No Owner may waive or otherwise escape liability for the Assessments provided herein by non-use of the Common Properties or abandonment of his Lot.

(b) In furtherance of the Lien provided in Section 4.8(a), and to secure the full and timely payment of all Assessments and other amounts payable by each Owner hereunder, each Owner, by his acceptance of a deed or other conveyance of the Lot and regardless of whether or not such deed or other conveyance expressly contains such a provision, does hereby grant and convey unto Declarant, in trust as Trustee (the "Trustee"), for the benefit of the Association, the Lot owned by such Owner, subject to all easements and other encumbrances affecting such Lot; provided, that each such grant shall be subordinated to the lien of any mortgage or deed of trust only to the extent provided in Section 4.9; and for these purposes the provisions of this Section 4.8(b) shall be deemed to have created a deed of trust (the "Deed of Trust") covering all of the Lots with a power of sale granted to the Trustee in accordance with the provisions of

Chapter 51 of the Texas Property Code (the "Code") and as it may be amended from time to time. The Deed of Trust created hereby shall be upon the same terms and conditions, and shall provide to the Association all of the rights, benefits and privileges, of the Deed of Trust promulgated by the State Bar of Texas for use by lawyers designated as Form No. 2402, and all amendments, modifications and substitutions thereof, which form is hereby incorporated by reference for all purposes hereof. The Association, acting through its president, shall have the right in its sole discretion at any time, and from time to time, to appoint in writing a substitute or successor trustee who shall succeed to all rights and responsibilities of the then acting Trustee.

(c) Without limitation of the remedies available to the Association and to the other Owners upon the occurrence of a default by any Owner in the payment of any Assessment or other amount due and payable hereunder, the Association may, at its election and by and through the Trustee, sell or offer for sale the Lot owned by the defaulting Owner to the highest bidder for cash at public auction in accordance with the provisions of the Code. The Association may, at its option, accomplish such foreclosure sale in such manner as permitted or required by the Code or by any other present or subsequent laws relating to the same. After the sale of any Lot in accordance with the provisions of this Section 4.8(c), the Owner of such Lot shall be divested of any and all interests and claims thereto, and the proceeds of any such sale shall be applied in the following order of priority: (i) to the payment of the costs and expenses of taking possession of the Lot, (ii) to the payment of reasonable Trustee's fees, (iii) to the payment of costs of advertisement and sale, (iv) to the payment of all unpaid Assessments and other amounts payable by such Owner to the Association hereunder, and (v) to the defaulting Owner or to any other party entitled thereto. The Association shall have the right to become the purchaser at the sale of any Lot pursuant to the Deed of Trust and shall have the right to be credited on the amount of its bid therefor all of the Assessments due and owing by the defaulting Owner to the Association as of the date of such sale.

(d) If any Assessment or part thereof is not paid within thirty (30) days after the delinquency date, the unpaid amount of such Assessment shall bear interest from the date of delinquency at the maximum legal rate of interest, and the Association may, at its election, bring an action at law against the Owner personally obligated to pay the same in order to enforce payment and/or to foreclose the lien against the property subject thereto, and there shall be added to the amount of such Assessment the costs of preparing and filing the complaint (including reasonable attorneys' fees) in such action, and in the event a judgment is obtained such judgment shall include interest on the Assessment as above provided and a reasonable attorneys' fee to be fixed by the court, together with the costs of the action.

4.9 Subordination of the Lien to Mortgages. The lien securing the payment of the Assessments and other obligations provided for herein shall be superior to any and all other charges, liens or encumbrances which may hereafter in any manner arise or be imposed upon any Lot whether arising from or imposed by judgment or decree or by any agreement, contract, mortgage or other instrument, except for:

(a) bona fide first mortgage or deed of trust liens for purchase money and/or home improvement purposes placed upon a Lot, including without limitation Institutional Mortgages and Eligible Mortgages, in which event the Association's lien shall automatically become subordinate and inferior to such first lien,

(b) liens for taxes or other public charges as are by applicable law made superior to the Association's lien; and

(c) such other liens about which the Board may, in the exercise of its reasonable discretion, elect to voluntarily subordinate the Association's lien;

provided however, such subordination shall apply only to the Assessments which have been due and payable prior to the foreclosure sale (whether public or private) of such Lot pursuant to the terms and conditions of any such first mortgage or deed of trust or tax lien. Such sale shall not relieve such Lot from liability for the amount of any Assessment thereafter becoming due nor from the lien of any such subsequent Assessment. Such subordination shall not apply where the first mortgage or deed of trust or tax lien is used as a device, scheme or artifice to evade the obligation to pay Assessments and/or to hinder the Association in performing its functions hereunder.

4.10 Exempt Property. The following property subject to this Declaration shall be exempted from the Assessments, charge and lien created herein:

(a) All properties dedicated to and accepted by the local public authority and devoted to public use.

(b) All Common Properties.

4.11 Omission of Assessments. The omission of the Board, before the expiration of any year, to fix the assessments hereunder for that or the next year, shall not be deemed a waiver or modification in any respect of the provisions of this Declaration, or a release of any Owner from the obligation to pay the assessments, or any installment thereof for that or any subsequent year, but the assessment fixed for the preceding year shall continue until a new assessment is fixed by the Board.

ARTICLE V

GENERAL POWERS AND DUTIES OF BOARD OF DIRECTORS
OF THE ASSOCIATION

5.1 Powers and Duties.

(a) The Board, for the benefit of the Properties and the Owners, shall provide, and shall pay for out of the Maintenance Fund or other Assessments, to the extent appropriate, the following:

(i) Care, preservation and maintenance of the Common Properties, including without limitation, the purchase and upkeep of any desired personal property used in connection with the maintenance of the Common Properties; maintenance of grounds, including care and replacement of trees, shrubs and grass, lighting systems and any installed sprinkler systems on the Common Properties; the maintenance of all entry monuments; and payment of utility usage charges and taxes, assessments and other charges properly assessed against the Common Properties; PROVIDED, HOWEVER, in the event the need for maintenance or repair is caused through the willful or negligent act of any Owner, his family, or guests, or invitees, the cost of such maintenance or repairs shall be added to and become a part of the Assessment attributable to such Owner's Lot.

(ii) 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.

(iii) Legal and accounting services.

(iv) If deemed appropriate by the Board, a policy or policies of insurance insuring the Association against any liability to the public or to the Owners (and/or invitees, guests or tenants), incident to the operation of the Association, in an amount not less than \$250,000 to indemnify against the claim of one person, \$500,000 against the claims of two or more persons in any one occurrence, and property damage insurance in an amount not less than \$100,000 per occurrence; which policy or policies shall contain an endorsement providing that the rights of the named insureds shall not be prejudiced with respect to actions against other named insureds.

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

- (vi) Such fidelity bonds as the Board may determine to be advisable.
 - (vii) Any other materials, supplies, insurance, furniture, labor, services, maintenance, repairs, taxes or assessments (including taxes or assessments assessed against an individual Owner) 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.
- (b) The Board shall have the following additional rights, powers and duties:
- (i) To execute all replats of the Properties and to execute all declarations of ownership for tax assessment purposes with regard to the Common Properties on behalf of all Owners.
 - (ii) To borrow funds to pay costs of operation, secured by assignment or pledge of rights against delinquent Owners, if the Board sees fit.
 - (iii) To enter into contracts, maintain one or more bank accounts (granting authority as the Board shall desire to one or more persons to sign checks), and, generally, to have all the powers necessary or incidental to the operation and manage of the Association.
 - (iv) To protect or defend the Common Properties from loss or damage by suit or otherwise, and to provide adequate reserves for replacements.
 - (v) To make reasonable rules and regulations for the maintenance and protection of the Common Properties, 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, or, with respect to a rule applicable to less than all of the Properties, by the Members owning Lots in the portions affected.
 - (vi) To make available to each Owner upon written request within sixty days after the end of each year an annual report.
 - (vii) 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.
 - (viii) 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 provision or rules.

5.2 Board Powers, Exclusive. The Board shall have the exclusive right to contract for all goods, services, and insurance, payment for which is to be made from the Maintenance Fund or other Assessments and the exclusive right and obligation to perform the functions of the Board, except as otherwise provided herein.

ARTICLE VI

EASEMENTS

6.1 Easement Reserved for the Association. Full rights of ingress and egress shall be had by the Association at all times over and upon each Lot and the Properties for the carrying out by the Association of its rights, functions, duties and obligations hereunder; provided, that any such entry by the Association upon any Lot shall be made with as minimum inconvenience to the Owner as practical, and any damage caused thereby shall be repaired by the Association at the expense of the Maintenance Fund.

6.2 Easements and Rights Reserved by Each Declarant. Declarant hereby reserves for itself, its successors and assigns, the right to: (i) dedicate streets, walks and alleys throughout the Properties, and (ii) reserve or grant easements of ingress and egress and for the installation, construction, maintenance, repair and replacement of utilities and related facilities, which shall include, but not be limited to, sewer (sanitary and storm), gas, electric, telephone and water lines, upon, over, under, and across the Properties, as it in its sole discretion deems proper or appropriate. Further, Declarant hereby reserves temporary construction easements for the construction, repair, removal, maintenance and reconstruction of improvements within the Properties, including the right to remove, on a temporary basis, fences, driveways, sprinkler systems, landscaping and other improvements as shall be reasonably necessary to enable Declarant to complete the development and improvement of the Properties; provided, that any such improvements removed by Declarant shall be replaced and/or restored, upon completion of the construction activities, to substantially their former condition. All claims for damages, if any, arising out of any such construction or other activities by Declarant are hereby waived by each Owner and the Association.

6.3 Rights Reserved to Municipal Authorities and Utility Companies. Full rights of ingress and egress shall be had by Declarant, any municipal authority having jurisdiction over the Properties, and any utility company which provides utilities to the Properties, at all times over any dedicated easement for the installation, operation, maintenance, repair or removal of any utility, together with the right to remove any obstruction that may be placed in such easement that would constitute interference with the use of such easement, or with the use, maintenance, operation or installation of such utility. All claims for damages, if any, arising out of the construction, maintenance and repair of utilities or on account of temporary or other inconvenience caused thereby against the Declarant, or any utility company or municipality, or any of its agents or servants are hereby waived by each Owner and the Association. Declarant further reserves the right to alter, redesign or discontinue any street, avenue or way shown on

the subdivision plat not necessary for ingress or egress to and from an Owner's Lot, subject to the approval of the City of The Colony, if required.

6.4 Easements for Encroachment. There shall be reciprocal appurtenant easements for encroachment as between each Lot and such portion or portions of the Common Properties adjacent thereto or as between adjacent Lots due to the unintentional placement or settling or shifting of the improvements constructed, reconstructed, or altered thereon (in accordance with the terms of this Declaration) to a distance of not more than two (2) feet, as measured from any point on the common boundary between each Lot and the adjacent portion of the Common Properties or as between adjacent Lots, as the case may be, along a line perpendicular to such boundary at such point; provided, however, in no event shall an easement for encroachment exist if such encroachment occurred due to willful conduct on the part of an Owner, Resident, tenant, or the Association.

ARTICLE VII

RIGHTS OF CERTAIN MORTGAGEES AND MORTGAGE INSURERS

The provisions within this Article are for the primary benefit of:

(a) the owners and holders of Institutional Mortgages which are required to satisfy the applicable requirements of FHA, VA, FNMA, FLMC and other similar governmental, quasi-governmental and nationally recognized public and/or private sources of end financing (such mortgagees sometimes collectively referred to herein as "Eligible Mortgagees" and their mortgages referred to as "Eligible Mortgages"); and

(b) the insurers, guarantors, participants and subsidizers of the Eligible Mortgages, sometimes collectively referred to herein as the "Eligible Insurers".

To the extent applicable, necessary or proper, the provisions of this Article VII apply not only to this Declaration but also to the Articles of Incorporation and By-Laws of the Association. This Article is supplemental to, and not in substitution of, any other provisions of this Declaration, the Articles of Incorporation and By-Laws, but in the event of ambiguity or conflict, this Article shall control.

7.1 Notices of Action. An Eligible Mortgagee or Eligible Insurer who provides written request to the Association (such request to state the name and address of such holder, insurer or guarantor and a reasonable description of the Dwelling Unit covered by the Eligible Mortgage) will be entitled to receive timely written notice of:

(a) any proposed termination of the Association;

(b) any condemnation loss or any casualty loss which affects a material portion of the Properties or which materially affects any Dwelling Unit on which there is an Eligible Mortgage held, insured or guaranteed by such Eligible Mortgagee or Eligible Insurer, as applicable;

(c) any delinquency in the payment of Assessments or charges owed by an Owner of a Dwelling Unit subject to the Eligible Mortgage of such Eligible Mortgagee or Eligible Insurer, where such delinquency has continued for a period of sixty (60) days;

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

(e) any proposed action which would require the consent of the Eligible Mortgagees as required hereinbelow.

7.2 Joinder to Documents. (a) Eligible Mortgagees who have requested the Association to notify them concerning any proposed action that requires the consent of a specified percentage of Eligible Mortgagees also have the right to participate in the decision process relating to certain amendments to this Declaration, as hereinafter provided. Amendments of a material nature (as defined below) shall be agreed to by: (i) at least Two-Thirds Member Vote; (ii) the Declarant, and (iii) Eligible Mortgagees representing at least fifty-one percent (51%) of the Dwelling Units that are subject to Eligible Mortgages. A substantive change to the provisions of this Declaration concerning any of the following shall be considered as material:

- voting rights;
- the manner in which the Board is authorized to determine Assessments;
- Assessment liens or subordination of Assessment liens;
- reserves for maintenance, repair, and replacement of Common Properties;
- responsibility for maintenance and repairs;
- boundaries of any Lot covered by an Eligible Mortgage;
- convertibility of Dwelling Units into Common Properties or vice versa;
- insurance or fidelity bonds;
- imposition of any restrictions on a Dwelling Unit Owner's right to sell or transfer his or her Dwelling Unit;

- any action to terminate the legal status of the Association or the Properties as a result of substantial destruction or condemnation of a portion of the Properties, or
- any provisions that expressly benefit Eligible Mortgagees or Eligible Insurers.

Additions or amendments such as the correction of a technical error or the clarification of a statement shall not be considered or construed as being "material."

(b) If and when Owners consider terminating the coverage of this Declaration over the Properties for reasons other than substantial destruction or condemnation, the approval of Eligible Mortgagees representing at least sixty-seven percent (67%) of the Dwelling Units that are subject to an Eligible Mortgage must be obtained.

7.3 Special FHLMC Provision.

(a) So long as required by the Federal Home Loan Mortgage Corporation, the following provisions apply in addition to and not in lieu of the other Sections of this Article. Unless two-thirds (2/3) of the Eligible Mortgagees or Owners give their consent, and subject to the condition that any proposed action of the Association purportedly covered by the following requirements shall be material and adverse, the Association shall not:

(i) by act or omission seek to abandon, partition, subdivide, encumber, sell or transfer the Common Properties which the Association owns, directly or indirectly (but the granting of easements for public utilities or for other public purposes consistent with the intended use of the Properties shall not be deemed a transfer);

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

(iii) by act or omission charge, waive or abandon any scheme of regulations or enforcement thereof pertaining to the exterior appearance and maintenance of Dwelling Units and of any Common Properties owned by the Association;

(iv) assign any future income of the Association, including its right to receive Assessments;

(v) fail to maintain fire and extended coverage insurance on assets owned by the Association, if required by this Declaration; or

(vi) use hazard insurance proceeds for any Common Properties losses for any purpose other than the repair, replacement or reconstruction of such Common Properties.

The provisions of this Section 7.3 shall not be construed to reduce the percentage vote that shall be obtained from Eligible Mortgagees or Owners when a larger percentage vote is otherwise required for any of the actions described in this Section.

(b) Eligible Mortgagees may, jointly or singularly, pay taxes or other charges which are in default and which may or have become a charge against the Common Properties (if any) and may pay overdue premiums on casualty insurance policies, or secure new casualty insurance coverage upon the lapse of a policy, for any Common Properties owned by the Association, and Eligible Mortgagees making such payments shall be entitled to immediate reimbursement from the Association.

7.4 Approval of Amendments. The failure of an Eligible Mortgagee or Eligible Insurer to respond within thirty (30) days to any written request of the Association for approval of an addition or amendment shall constitute an implied written approval of the addition or amendment.

7.5 Inspection of Books. The Association shall have current copies of the Declaration, Articles of Incorporation, Bylaws, rules and regulations, books, records and financial statements available for inspection by Owners and by Eligible Mortgagees and Eligible Insurers during normal business hours or under other reasonable circumstances.

7.6 Financial Statements. The Association shall provide any Eligible Mortgagee or Eligible Insurer which submits a written request with a copy of an annual financial statement within ninety (90) days following the end of each fiscal year of the Association. Such financial statement shall be audited by an independent certified public accountant, at the expense of the Association, if any Eligible Mortgagee or Eligible Insurer submits a written request for it.

7.7 Enforcement. The provisions of this Article are for the benefit of Eligible Mortgagees and Eligible Insurers and their successors and may be enforced by any of them by any available means, at law, or in equity.

7.8 Attendance at Meetings. Any authorized representative(s) of an Eligible Mortgagee or Eligible Insurer may attend and address any meeting of the Association which an Owner may attend.

ARTICLE VIII

PROTECTIVE COVENANTS

8.1 Residential Purpose Only. Each Lot and Dwelling Unit shall be used exclusively for single-family residential purposes only. No building or structure intended for or adapted to business purposes, and no apartment house, double house, lodging house, rooming house, hospital, sanatorium or doctor's office, or other multiple-family dwelling shall be erected,

placed, permitted or maintained on any Lot, or on any part thereof. No improvement or structure whatever, other than a private Dwelling Unit, patio walls, swimming pool, and customary outbuildings, garage, servants' quarters or guest house may be erected, placed or maintained on any Lot. All parking spaces shall be used exclusively for the parking of passenger automobiles, except as expressly permitted in Section 8.6.

8.2 Rubbish, Etc. No Lot shall be used in whole or in part for the storage of rubbish of any character whatsoever, nor for the storage of any property or thing that will cause such Lot to appear in an unclean or untidy condition or that will be obnoxious to the eye; nor shall any substance, thing or material be kept upon any Lot that will emit foul or obnoxious odors, or that will cause any noise that will or might disturb the peace, quiet, comfort or serenity of the occupants of the surrounding property. No weeds, underbrush or other unsightly growths shall be permitted to grow or remain upon the Lot, and no refuse pile or unsightly objects shall be allowed to be placed or suffered to remain anywhere thereon.

8.3 Animals. No animals, reptiles, livestock, poultry or birds of any kind shall be raised, bred or kept on any Lot, except that dogs, cats or other household pets may be kept in reasonable numbers, provided that they are not kept, bred or maintained for any commercial purpose. Horses, reptiles, ponies, goats, sheep, hogs, pigs, monkeys, chickens, ducks, peacocks, pigeons, and Guinea fowl shall not be deemed as household pets and are expressly prohibited. Notwithstanding the foregoing, however, no individual dogs or other animals deemed by the Board in its sole discretion to be dangerous to persons or other animals shall be raised, bred or kept on any Lot.

8.4 Development Activity. Notwithstanding any other provision herein, Declarant and its successors and assigns shall be entitled to conduct on the Properties all activities normally associated with and convenient to the development of the Properties and the construction and sale of Lots within the Properties.

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

(a) For Sale Signs. An Owner may erect one (1) sign on his Lot, 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 such Lot advertising the property for sale.

(b) Declarant's Signs. Declarant may erect and maintain a sign or signs deemed reasonable and necessary for the construction, development, operation, promotion, leasing and sale of the Lots.

(c) Builders' Signs. Any Dwelling Unit builder may utilize one professional sign (of not more than five (5) square feet in size) per Lot for advertising and sales promotion of such Dwelling Unit.

(d) Political Signs. Political signs may be erected upon a Lot by the Owner of such 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 not be erected more than ninety (90) days in advance of the election to which they pertain and shall be removed within fifteen (15) days after such election.

8.6 Campers, Trucks, Boats and Recreational Vehicles. No campers, commercial vans, commercial pickup trucks, boats, boat trailers, recreational vehicles and other types of non-passenger vehicles, equipment, implements or accessories may be kept on any 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 approved by the ACC (as provided in Article IX hereof), and such vehicles and accessories are in an operable condition. The ACC, as designated in this Declaration, shall have the absolute authority to determine from time to time whether a vehicle and/or accessory is operable and adequately screened from public view. Upon an adverse determination by said ACC, the vehicle and/or accessory shall be removed and/or otherwise brought into compliance with this paragraph.

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

8.8 Building Standards. No building shall be erected or maintained on any Lot unless it complies with all applicable governmental requirements, including any applicable building codes and ordinances.

8.9 Detached Buildings. No detached accessory buildings, including, but not limited to, detached garages and storage buildings, shall be erected, placed or constructed upon any Lot without the prior consent of the ACC.

8.10 Fences.

(a) No fence, wall or hedge shall be erected, placed or altered on any Lot without the approval of the ACC. All clotheslines, wood piles, tool sheds, air-conditioning equipment, sanitation facilities or other service facilities must be enclosed with fences, walls or landscaping, as may be required by the ACC, so as not to be generally visible by the public unless otherwise approved by the ACC in writing.

(b) The ACC shall promulgate specific Design Guidelines governing the composition and location of screening walls, fences and hedges to be located upon Lots. Screening walls shall be incorporated into and be harmonious with the overall landscaping plan developed for the Properties. Fencing shall comply with the construction and location criteria described in Exhibit "D" attached hereto.

(c) No chain link, wire or other open fencing will be allowed unless expressly approved by the ACC.

(d) The foregoing restrictions shall not be applicable to the construction or erection of any fence, wall or hedge on any Lot or the Common Properties by Declarant.

8.11 Antennae, Satellite Dishes and Solar Collectors. No Owner may erect or maintain a television or radio receiving or transmitting antenna, satellite dish or similar implement or apparatus, or solar collector panels or equipment upon any Lot unless (a) such apparatus is erected and maintained in such a way that it is screened from public view at a point in the center of the public street right-of-way directly in front of the Dwelling Unit erected on such Lot, and (b) the Owner has received the prior written approval from the ACC to the size, location and screening of such apparatus.

8.12 Chimneys. All fireplace flues, smoke stacks and spark arrestors shall be completely enclosed and concealed from public view in finished chimneys of materials architecturally compatible with the principal finish material of the exterior walls of the Dwelling Unit or as otherwise approved in writing by the ACC.

8.13 Clothes Hanging Devices. Exterior clothes hanging devices shall not be permitted unless completely screened from public view.

8.14 Window Treatment. No aluminum foil, reflective film, signs or similar treatment shall be placed on windows or glass doors.

8.15 Front Entry Garages. Where applicable zoning ordinances and building codes permit garages with entrances directly facing the street, each such garage shall be equipped with an electrical or mechanical garage door opener/closer that can be opened and closed remotely from a device located in a vehicle outside the garage. In the case of Dwelling Units with such front entry garages, vehicles of the Owner or Resident and their respective families shall not be parked on a regular basis in the driveway providing access between the street and the garage. Vehicles continuously parked in the driveway for more than twenty-four (24) hours shall be deemed in violation of this covenant.

8.16 Temporary Structures. No temporary structure of any kind shall be erected or placed upon any Lot. No trailer, mobile, modular or prefabricated home, tent, shack, barn or any other structure or building, other than the residential structure to be built thereon, shall be placed on any Lot, either temporarily or permanently, and no residence house, garage or other structure appurtenant thereto, shall be moved upon any Lot from another location; except, however, that Declarant reserves the exclusive right to erect, place and maintain, and to permit builders and Owners to erect, place and maintain such facilities in and upon the Properties as in its sole discretion may be deemed necessary or convenient during the period of and in connection with the sales of Lots, construction and selling of residential structures and constructing other improvements on the Properties. Such facilities may include, but not

necessarily be limited to, a temporary office building, storage area, signs, portable toilet facilities and sales office. Declarant and builders of residential structures on Lots shall also have the temporary right to use a residence situated on an Lot as a temporary office or model home during the period of and in connection with construction and sales or leasing operations on the Properties, but in no event shall a builder have such right for a period in excess of one (1) year from the date of substantial completion (as defined by the American Institute of Architects) of his last residential structure on the Properties.

8.17 Trash Receptacles and Collection. All trash receptacles shall be screened by fences or shrubbery so as not to be generally visible by the public, unless otherwise approved by the ACC in writing. Each and every Owner shall observe and comply with any and all regulations or requirements promulgated by the City of The Colony, Texas, and/or the Association, in connection with the storage and removal of trash and garbage. All Lots shall at all times be kept in a healthful, sanitary and attractive condition. No Lot shall be used or maintained as a dumping ground for garbage, trash, junk or other waste matter. All trash, garbage, or waste matter shall be kept in adequate containers which shall be constructed of metal, plastic or masonry materials, with tightly-fitting lids, and which shall be maintained in a clean and sanitary condition. No Lot shall be used for open storage of any materials whatsoever, except that new building materials used in the construction of improvements erected on any Lot may be placed upon such Lot at the time construction is commenced and may be maintained thereon for a reasonable time, so long as the construction progresses without unreasonable delay, until completion of the improvements, after which these materials shall either be removed from the Lot, or stored in a suitable enclosure on the Lot. No garbage, trash, debris, or other waste matter of any kind shall be burned on any Lot.

8.18 Swimming Pools. No above-ground swimming pools shall be permitted.

8.19 Truck Weight Limit. Trucks with tonnage in excess of three-quarters ton shall not be permitted to park overnight on the streets, driveways or otherwise within the Properties.

8.20 Utilities.

(a) Dwelling Units shall be connected to the water and sewer lines as soon as practicable after same are available at the Lot line. No privy, cesspool or septic tank shall be placed or maintained upon or in any Lot. The installation and use of any propane, butane, LP Gas or other gas tank, bottle or cylinder of any type, shall require the prior written approval of the ACC.

(b) All telephone, electric, cable or other service lines shall be installed underground and shall meet all requirements of the City of The Colony, Texas.

(c) A general utility plan for the construction and installation of all utility and other services, including, but not limited to, water, sanitary sewer, storm sewer, electric, telephone, cable and gas services must be submitted to the ACC for approval prior to installation.

8.21 Paint. All painted improvements and other painted structures on each Lot shall be repainted by the Owner thereof at his sole cost and expense as often as is reasonably necessary to ensure the attractiveness and aesthetic quality of such Lot or Dwelling Unit. The approval of the ACC otherwise required for improvements under Article IX, shall not be required for such repainting so long as neither the color scheme nor the arrangement of the colors of any improvements, nor the color of any paint thereon is altered.

8.22 Planting and Maintenance of Trees; Automatic Irrigation of Landscaped Areas. Prior to occupancy of a Dwelling Unit, trees shall be planted by the builder or Owner in accordance with the minimum criteria described on Exhibit "E" attached hereto, and thereafter maintained and replaced, if necessary, in order to continually comply with such criteria. Existing soils on which Dwelling Units will be constructed may be subject to movement caused by fluctuations in the moisture content of the soil. To minimize these fluctuations in moisture content of soils adjacent to foundations of Dwelling Units, and to maintain the attractiveness of landscaping installed in such areas, each builder of a Dwelling Unit or Owner shall install and continually maintain an automatically controlled irrigation system sufficient to maintain a relatively constant moisture content in all landscaped areas adjacent to the foundation of the Dwelling Unit.

ARTICLE IX

ARCHITECTURAL CONTROL

Anything contained in the foregoing Article VIII to the contrary notwithstanding, no erection of buildings or exterior additions or alterations to any building situated upon the Properties, nor erection of or changes to or additions in fences, hedges, walls and other structures, nor construction of any swimming pools or other improvements, shall be commenced, erected and maintained until (1) a preliminary sketch showing basic plan and general specifications of same shall have been submitted and approved by an Architectural Control Committee (herein called the "ACC") appointed by the Board, and (2) the final plans and specifications showing the nature, kind, shape, height, materials, and location of the same shall have been submitted to and approved in writing as to harmony of external design, appearance, and location in relation to surrounding structures and topography by the ACC or by the Board. A copy of the approved plans and drawings shall be furnished by each Owner to the ACC and retained by the ACC. In the event the ACC or the Board fails to approve or disapprove such design and location within thirty (30) days after the said plans and specifications have been submitted to it, or, in the event, if no suit to enjoin the addition, alteration or changes has been commenced prior to the completion thereof, approval will not be required and this Article will be deemed to have been fully complied with. Neither the members of the ACC nor the Board shall be entitled to compensation for, or liable for damages, claims or causes of actions arising out of, services performed pursuant to this Article. The provisions of this Article IX shall not be applicable to either Declarant or to the construction or erection of any improvements, additions, alterations, buildings or other structures by Declarant upon any Lot.

ARTICLE X

MAINTENANCE OF LOTS AND DWELLING UNITS BY OWNERS

10.1 Duty of Maintenance. The Owner of each Lot shall, at his sole cost and expense, keep his Lot and Dwelling Unit in a well-maintained, safe, clean and attractive condition at all times. Such maintenance includes, but is not limited to, the following:

- (a) Prompt removal of all litter, trash, refuse and waste;
- (b) Mowing grass on a regular basis;
- (c) Tree and shrub pruning;
- (d) Adequately watering landscaped areas;
- (e) Keeping exterior lighting and maintenance facilities in working order;
- (f) Keeping lawn, garden and landscaped areas alive, free of weeds, and attractive;
- (g) Keeping parking areas, driveways and roads in good repair;
- (h) Complying with all government health and police requirements;
- (i) Repair of exterior damages to improvements; and
- (j) Cleaning of abutting waterways and landscaped areas lying between public right-of-way lines and the Owner's Lot unless such streets, waterways or landscaped areas are expressly designated to be Common Properties maintained by applicable governmental authorities or the Association.

10.2 Enforcement. If, in the opinion of the Association, any Owner has failed in any of the foregoing duties or responsibilities, then the Association may give such Owner written notice of such failure and such Owner must within ten (10) days after receiving such notice, perform the care or make arrangements with the Association for making the repairs and maintenance required. Should any such Owner 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 care and maintenance without any liability for damages for wrongful entry, trespass or otherwise to any person. The Owner of any Lot on which such work is performed shall be liable for the cost of such work (such costs constituting a default assessment as specified in Section 4.1 hereof) 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, the said indebtedness

shall be a debt of said Owner, and shall constitute a lien against the Lot on which said work was performed. Such lien shall have the same attributes as the lien for Assessments as set forth in this Declaration, and the Association shall have identical powers and rights in all respects, including but not limited to the right of foreclosure.

ARTICLE XI

GENERAL PROVISIONS

11.1 Power of Attorney. Each and every Owner and Member hereby makes, constitutes and appoints Declarant as his/her true and lawful attorney-in-fact, coupled with an interest and irrevocable, for him/her and in his/her name, place and stead and for his/her use and benefit, to do the following; PROVIDED, HOWEVER, to the extent this Declaration requires the assent of a certain number of the Members as a condition to such action, such assent has been obtained:

(a) to exercise, do or perform any act, right, power, duty or obligation whatsoever in connection with, arising out of, or relating to any matter whatsoever involving this Declaration and the Properties;

(b) to sign, execute, acknowledge, deliver and record any and all instruments which modify, amend, change, enlarge, contract or abandon the terms within this Declaration, or any part hereof, with such clause(s), recital(s), covenant(s), agreement(s) and restriction(s) as Declarant shall deem necessary, proper and expedient under the circumstances and conditions as may be then existing; and

(c) to sign, execute, acknowledge, deliver and record any and all instruments which modify, amend, change, enlarge, contract or abandon the subdivision plat(s) of the Properties, or any part thereof, with any easements and rights-of-way to be therein contained as the Declarant shall deem necessary, proper and expedient under the conditions as may then be existing.

The rights, powers and authority of said attorney-in-fact to exercise any and all of the rights and powers herein granted shall commence and be in full force upon recordation of this Declaration in the Denton County Clerk's Office and shall remain in full force and effect thereafter until all Lots owned by Declarant have been sold and conveyed by Declarant to Class A Members.

11.2 Duration. This Declaration shall run with and bind the land subject to this Declaration, and shall inure to the benefit of and be enforceable by the Association and/or the Owner of any land subject to this Declaration, their respective legal representatives, heirs, successors and assigns, for an original fifty (50) year term expiring on the fiftieth (50th) anniversary of the date of recordation of this Declaration, after which time this Declaration shall be automatically extended for successive periods of ten (10) years unless an instrument is signed by the Owners of at least fifty-one percent (51%) of all Lots within the Properties and recorded

in the Deed Records of Denton County, Texas, which contains and sets forth an agreement to abolish this Declaration; provided, however, no such agreement [where approved by less than seventy-five percent (75%) of the Owners of all Lots within the Properties] to abolish shall be effective unless made and recorded one (1) year in advance of the effective date of such abolishment.

11.3 Amendments. This Declaration is expressly subject to change, modification and/or deletion by means of amendment at any time and from time to time as provided herein. This Declaration may be amended and/or changed in part as follows:

(a) In response to any governmental or quasi-governmental suggestion, guideline, checklist, requisite or requirement, particularly with respect to those entities or agencies directly or indirectly involved in, or having an impact on, mortgage financing, mortgage insurance and/or reinsurance, Declarant shall have the complete and unrestricted right and privilege to amend, change, revise, modify or delete portions of this Declaration, and each and every Owner and Member specifically and affirmatively authorizes and empowers Declarant, utilizing the attorney-in-fact status set forth in Section 11.1 above, to undertake, complete and consummate any and all such amendments, changes, revisions, modifications or deletions as Declarant (in their sole and absolute discretion) shall deem reasonable and appropriate.

(b) In accordance with Section 2.4 hereof.

(c) With the assent of a Two-Thirds Members Vote.

Any and all amendments shall be recorded in the Office of the County Clerk of Denton County, Texas.

11.4 Enforcement. Each Owner of each Lot shall be deemed, and held responsible and liable for the acts, conduct and omission of each and every Resident, Member, guest and invitee affiliated with such Lot, and such liability and responsibility of each Owner shall be joint and several with their Resident(s), Member(s), guests and invitees. The lien created hereby on each Lot shall extend to, cover and secure the proper payment and performance by each and every Resident, Member, guest and invitee affiliated with each Owner. Unless otherwise prohibited or modified by law, all parents shall be liable for any and all personal injuries and property damage proximately caused by the conduct of their children (under the age of 18 years) within the Properties to the same extent as if the parent was directly responsible for the action of their child. Enforcement of this Declaration may be initiated by any proceeding at law or in equity against any person or persons violating or attempting to violate them, whether the relief sought is an injunction or recovery of damages, or both, or enforcement of any lien created by this Declaration, but failure by the Association or any Owner to enforce any Covenant herein contained shall in no event be deemed a waiver of the right to do so thereafter. The Association, each Owner and the City of The Colony, Texas are each specifically authorized (but not obligated) to enforce this Declaration. With respect to any litigation hereunder, the

prevailing party shall be entitled to recover all costs and expenses, including reasonable attorneys' fees, from the non-prevailing party.

11.5 Validity. Violation of or failure to comply with this Declaration shall not affect the validity of any mortgage, bona fide lien or other similar security instrument which may then be existing on any Lot. Invalidation of any one or more of the provisions of this Declaration, or any portions thereof, by a judgment or court order shall not affect any of the other provisions or covenants herein contained, which shall remain in full force and effect. In the event any portion of this Declaration conflicts with mandatory provisions of any ordinance or regulation promulgated by the City of The Colony, Texas (including, without limitation, the Comprehensive Zoning Ordinance), then such municipal requirement shall control.

11.6 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. Words of any gender used herein shall be held and construed to include any other gender, and words in the singular shall be held to include the plural and vice versa, unless the context requires otherwise. Examples, illustrations, scenarios and hypothetical situations mentioned herein shall not constitute an exclusive, exhaustive or limiting list of what can or cannot be done.

11.7 Registration with the Association. Each and every Owner, Member and Resident shall have an affirmative duty and obligation to originally provide, and thereafter revise and update, within fifteen (15) days after a material change has occurred, the following information: (a) the full name and address of each Owner and Resident, (b) the telephone numbers of each Owner and Resident; and (c) such other information as may be reasonably requested from time to time by the Association. In the event any Owner or Resident fails, neglects or refuses to so provide, revise and update such information, then the Association may, but is not required to, use whatever means it deems reasonable and appropriate to obtain such information and the offending Owner, Member and Resident shall become automatically jointly and severally liable to promptly reimburse the Association for all reasonable costs and expenses incurred in so doing.

11.8 Notices to Resident/Member/Owner. Any notice required to be given to any Resident, Member or Owner under the provisions of this Declaration shall be deemed to have been properly delivered when (i) deposited in the United States Mail, postage prepaid, addressed to the last known address of the person who appears as the Resident, Member or Owner on the records of the Association at the time of such mailing, or when (ii) delivered by hand or by messenger to the last known address of such person within the Properties; or when (iii) posted on the Association's bulletin board for at least thirty (30) consecutive calendar days.

11.9 Notices to Mortgagees. The holder(s) of a mortgage may be furnished with written notification from the Association of any default by the respective mortgagor/Member/Owner in the performance of such mortgagor's/Member's/Owner's obligation(s) as established by this Declaration, provided that the Association has been theretofore furnished, in writing, with the

and capricious conduct or gross negligence) shall be final and binding upon all Owners,

correct name and address of such mortgage holder(s) and a request to receive such notification and a reasonable supply of self-addressed, stamped envelopes.

11.10 Disputes. Matters of dispute or disagreement between Owners, Residents or Members with respect to interpretation or application of the provisions of this Declaration or the Association Bylaws, shall be determined by the Board. These determinations (absent arbitrary Residents and Members.

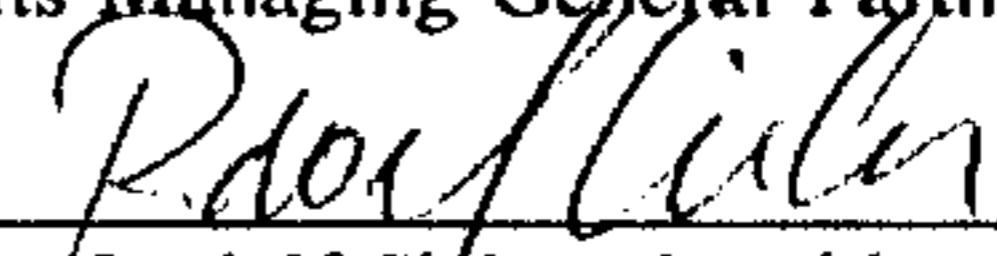
11.11 HUD/VA Approval. Notwithstanding anything to the contrary contained in this Declaration, as long as Declarant retains a disproportionate voting right as the Class B Member and any Eligible Mortgagee holds an Eligible Mortgage encumbering a Lot, the following actions shall require the prior approval of HUD or VA: (a) annexation of Additional Properties to become a portion of the Properties, (b) amendment of the Articles of Incorporation or By-Laws of the Association or amendment of this Declaration, (c) mortgaging or dedication of Common Properties, or (d) dissolution of the Association.

Witness the hand of an authorized representative of Declarant on the acknowledgment date noted below.

DECLARANT:

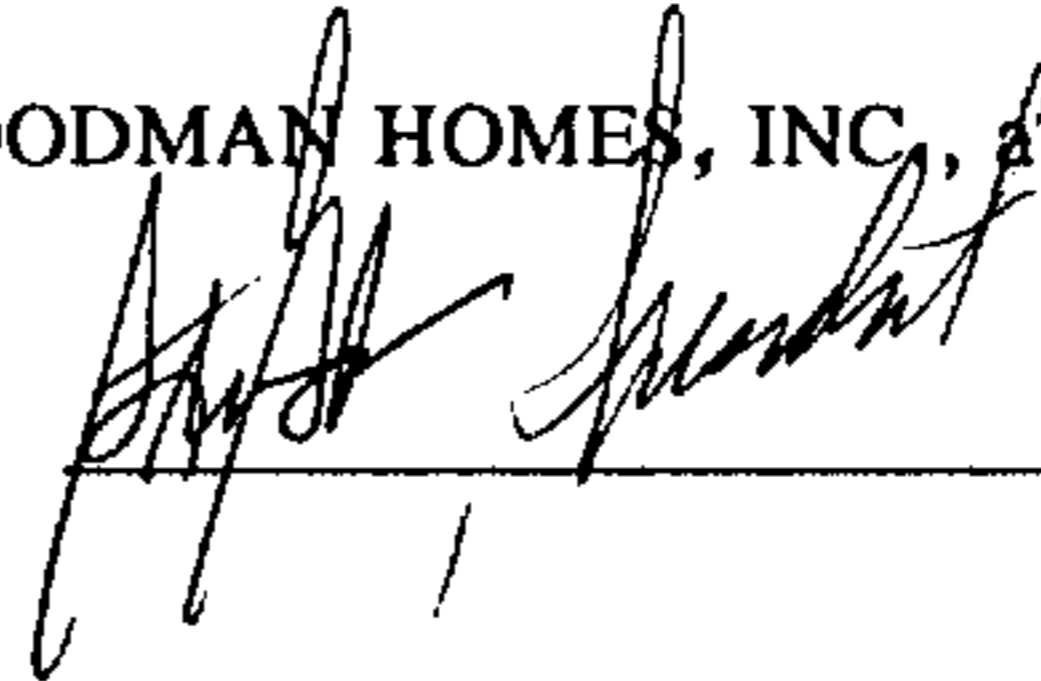
STEWART PENINSULA DEVELOPMENT PARTNERS, a Texas general partnership

By: Stewart Peninsula, Inc., a Texas corporation and its Managing General Partner

By: 
Rudolf Sieber, President

OTHER LOT OWNERS:

GOODMAN HOMES, INC., a Texas corporation

By: 

HAMPTON ENTERPRISES, INC., a Texas corporation

By: 

THE STATE OF TEXAS §

COUNTY OF DALLAS §

This instrument was acknowledged before me on the 8th day of November, 1998,⁴
by Rudolf Sieber, President of Stewart Peninsula, Inc., a Texas corporation and Managing
General Partner of STEWART PENINSULA DEVELOPMENT PARTNERS, a Texas general
partnership, on behalf of such partnership.



Dianna L. Irish

Notary Public in and for
the State of Texas

DIANNA L. IRISH

Printed Name

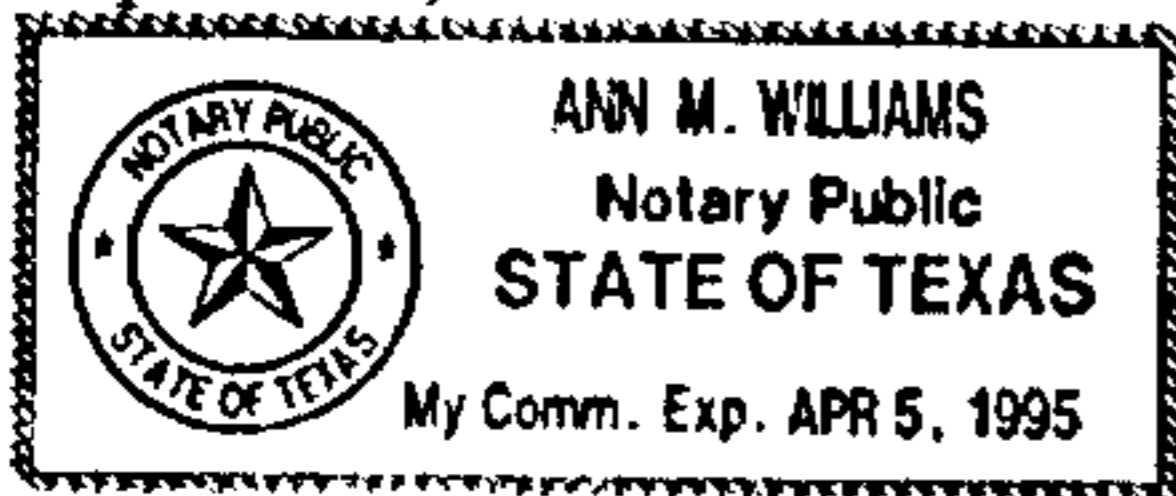
My Commission Expires:

July 5, 1998

THE STATE OF TEXAS §

COUNTY OF DALLAS §

This instrument was acknowledged before me on the 10th day of November, 1998,⁴
by Stephen S. Goodman, President of Goodman Homes, Inc., a Texas
corporation, on behalf of such corporation.



Ann M. Williams

Notary Public in and for
the State of Texas

Ann M. Williams

Printed Name

My Commission Expires:

4-5-95

THE STATE OF TEXAS §
 §
COUNTY OF DALLAS §

This instrument was acknowledged before me on the ____ day of _____, 1993,
by _____, _____ of Hampton Enterprises, Inc., a Texas
corporation, on behalf of such corporation.

My Commission Expires:

Notary Public in and for
the State of Texas

Printed Name

EXHIBIT "A"

DEVELOPER TRACT

Legal Description

Being a tract of land situated in the BBB & CRR Survey, Abstract Number 181, and the Patrick O'Leary Survey, Abstract Number 978, in the City of The Colony, Denton County, Texas, and being a portion Tracts 1 and 2, as described in deed to The Colony Lake Dallas LTD. recorded in Volume 1133, Page 329, Deed Records, Denton County, Texas, and being more particularly described as follows;

BEGINNING at an "X" found in concrete for the southwest corner of the J.C. Caton Survey, Abstract Number 313, said "X" also being the southeast corner of said Patrick O'Leary Survey, said "X" also being in the north line of said BBB & CRR Survey;

THENCE N 89° 11' 31" E 1024.80 feet with said north line of the BBB & CRR Survey to a 5/8" iron rod capped "Carter & Burgess" set;

THENCE S 00° 19' 54" E, 194.62 feet with the easterly line of said 100.206 acre tract to a United States Corp of Engineers Brass Monument found in the north line of Lake Lewisville, from which a 3/8" iron rod bears N 17° 42' 24" W, 1.14 feet;

THENCE S 51° 45' 09" W, 478.39 feet with the southerly line of said 100.206 acre tract and said north line of Lake Lewisville to a United States Corp of Engineers Brass Monument found, from which a 3/8" iron rod found bears N 15° 32' 12" W, 1.21 feet;

THENCE S 20° 49' 28" W, 300.85 feet with said southerly line of the 100.206 acre tract and with said north line of Lake Lewisville to a United States Corp of Engineers Brass Monument found, from which a 3/8" iron rod found bears N 35° 22' 24" W, 1.31 feet;

THENCE S 56° 41' 38" W, 515.46 feet with said southerly line of the 100.206 acre tract and with said north line of Lake Lewisville to a United States Corp of Engineers Brass Monument found from which a 3/8" iron rod found bears N 54° 08' 42" W, 0.99 feet;

THENCE N 00° 20' 22" W, 426.94 feet with said southerly line of the 100.206 acre tract and with said north line of Lake Lewisville to a 5/8" iron rod capped "Carter & Burgess" set, from which a 3/8" iron rod found bears N 72° 10' 24" W, 1.06 feet;

THENCE S 47° 16' 58" W, 574.06 feet with said southerly line of the 100.206 acre tract and with said north line of Lake Lewisville to a United States Corp of Engineers Brass Monument found, from which a 3/8" iron rod found bears N 52° 22' 10" W, 1.48 feet;

THENCE S 56° 12' 18" W, 621.51 feet with said southerly line of the 100.206 acre tract and with said north line of Lake Lewisville to a United States Corp of Engineers Brass Monument found, from which a 3/8" iron rod found bears N 72° 46' 37" W, 1.62 feet;

THENCE S 54° 01' 18" W, 181.55 feet with said southerly line of the 100.206 acre tract and with said north line of Lake Lewisville to a 5/8" iron rod capped "Carter & Burgess" set, from which a 3/8" iron rod found bears N 15° 49' 07" E, 2.38 feet;

THENCE N 03° 40' 25" W, 277.21 feet with the westerly line of said 100.206 acre tract and with said north line of Lake Lewisville to a United States Corp of Engineers Brass Monument found, being by deed in the west line of said BBB & CRR Survey, from which a 3/8" iron rod found bears N 56° 23' 13" E, 0.45 feet;

THENCE N 03° 35' 15" W, 665.18 feet with said westerly line of the 100.206 acre tract and with said north line of Lake Lewisville and generally along said west line of the BBB & CRR Survey to a 120 penny nail found, in an asphalt road from which a United States Corp of Engineers Brass Monument found bears S 85° 57' 34" W, 18.90 feet;

THENCE N 02° 05' 52" W, 250.44 feet to a 5/8" iron rod capped "Carter & Burgess" set, in said asphalt road for the point of curvature of a curve to the right having a central angle of 53° 36' 41", a radius of 150.00 feet, and a long chord that bears N 24° 42' 29" E, 135.29 feet;

THENCE with said curve an arc distance of 140.35 feet to a 5/8" iron rod capped "Carter & Burgess" set, in said asphalt road for the point of compound curvature of a curve to the right having a central angle of 37° 37' 34", a radius of 800.00 feet, and a long chord that bears N 70° 19' 36" E, 515.97 feet;

THENCE with said curve an arc distance of 525.36 feet to an "X" set in concrete road, said "X" being in the dedicated south line of North Colony Boulevard, as shown on the plat of Ethridge/North Colony Addition, recorded in Cabinet H, Page 351, Plat Records, Denton County, Texas ;

THENCE N 89° 08' 23" E, 500.57 feet with said south line of North Colony Boulevard to an "X" found in concrete, said "X" being in the west line of said J.C. Caton Survey, and the east line of said Patrick O'Leary Survey;

THENCE S 01° 24' 14" E, 39.52 feet with said west line of the J.C. Caton Survey and said east line of the Patrick O'Leary Survey to the POINT OF BEGINNING and containing 1,798,501 square feet or 41.288 acres of land, more or less.

SAVE AND EXCEPT THE FOLLOWING:

Lots 14 and 15, Block A, Stewart Peninsula Southshore, Phase I, an Addition to the City of The Colony, Denton County, Texas, according to the Plat thereof recorded in Cabinet K, Page 339, of the Map Records of Denton County, Texas

EXHIBIT "A-1"

BUILDER LOTS

Legal Description

Lots 14 and 15, Block A, Stewart Peninsula Southshore, Phase I, an Addition to the City of The Colony, Denton County, Texas, according to the Plat thereof recorded in Cabinet K, Page 339, of the Map Records of Denton County, Texas

EXHIBIT "B"

COMMON PROPERTIES

Legal Description

The Common Area containing 1.345 acres designated on the Plat of Stewart Peninsula Southshore, Phase I, an Addition to the City of The Colony, Denton County, Texas, according to the Plat thereof recorded in Cabinet K, Page 339, of the Map Records of Denton County, Texas,

TOGETHER WITH LANDSCAPING EASEMENTS OVER AND ACROSS THE FOLLOWING FIVE PARCELS:

PARCEL 1

BEING A 0.132 ACRE TRACT OF LAND SITUATED IN THE L.C. CANTON SURVEY, ABSTRACT NO. 313, CITY OF THE COLONY, DENTON COUNTY, TEXAS AND BEING OUT OF THAT CERTAIN TRACT OF LAND CONVEYED TO THE CITY OF THE COLONY AS RECORDED IN VOLUME 1824, PAGE 160 OF THE DEED RECORDS OF DENTON COUNTY, TEXAS. SAID 0.132 ACRE TRACT BEING MORE PARTICULARLY DESCRIBED BY METES AND BOUNDS AS FOLLOWS:

COMMENCING at the intersection of the southeasterly right-of-way of North Colony Blvd. (a 120 foot R.O.W.) with the southwesterly right-of-way of Holden Cr. (a 50 foot R.O.W.), the same being the northwesterly corner of Lot 1, Block 246 of The Colony No. 28, an addition to the City of The Colony as shown on Plat recorded in Cabinet D, Page 28 of the M.R.D.C.T;

THENCE along a curve to the right having a radius of 850.01 feet, a delta angle of 08°28'45", a long chord that bears S 49°29'12" W a distance of 125.68 feet, an arc distance of 125.79 feet to the POINT OF BEGINNING;

THENCE S 46°26'48" E, a distance of 194.60 feet to the north line of Stewart Peninsula, Southshore Phase 1, an addition to the City of The Colony as shown on Plat thereon recorded in Cabinet K, Page 339 of the Map Records of Denton County, Texas;

THENCE S 89°11'31" W, along said north line, a distance of 30.71 feet to the back of a concrete curb of Avocet Way (a 50 foot R.O.W.);

THENCE along said back of curb, along a curve to the left having a radius of 165.50 feet, a delta angle of 44°53'19", a long chord that bears N 51°03'54" W a distance of 126.37 feet, an arc distance of 129.66 feet;

THENCE continuing along the back of curb, along a curve to the right having a radius of 134.50 feet, a delta angle of 25°31'37", a long chord that bears N 60°45'18" W a distance of 59.43 feet, an arc distance of 59.92 feet;

THENCE continuing along the back of curb, along a curve to the right having a radius of 21.50 feet, a delta angle of 103°31'02", a long chord that bears N 03°46'01" E a distance of 33.77 feet, an arc distance of 38.84 feet to a point in the back of curb of said North Colony Blvd.;

THENCE continuing along the back of curb, along a curve to the left having a radius of 822.01 feet, a delta angle of 01°26'56", a long chord that bears N 54°48'04" E a distance of 20.78 feet, an arc distance of 20.79 feet;

THENCE S 46°26'48" E, departing the back of curb, crossing said Lot 1, Block 246, a distance of 28.46 feet to the POINT OF BEGINNING, and containing 0.132 acres of land, more or less.

Bearing based on Plat of Stewart Peninsula, Southshore Phase 1 as recorded in Cabinet K, Page 339 M.R.D.C.T..

PARCEL 2

BEING A 0.637 ACRE TRACT OF LAND SITUATED IN THE L.C. CANTON SURVEY, ABSTRACT NO. 313, AND THE BBB & CRR SURVEY, ABSTRACT NO. 181, CITY OF THE COLONY, DENTON COUNTY, TEXAS AND BEING A PORTION OF NORTH COLONY BLVD. (A 120' R.O.W.) DEDICATED TO THE CITY OF THE COLONY RECORDED IN CABINET D, PAGE 28 MAP RECORDS DENTON COUNTY, TEXAS (M.R.D.C.T.), HERON COVE LANE (A VARIABLE WIDTH R.O.W.), DEDICATED TO THE CITY OF THE COLONY BY PLAT RECORDED IN CABINET K, PAGE 339 M.R.D.C.T., AND A PORTION OF THAT TRACT OF LAND DEDICATED TO THE CITY OF COLONY BY DEED RECORDED IN VOLUME 1824, PAGE 160 OF THE DEED RECORDS DENTON COUNTY TEXAS (D.R.D.C.T.), SAID 0.637 ACRE TRACT BEING MORE PARTICULARLY DESCRIBED BY METES AND BOUNDS AS FOLLOWS:

BEGINNING at the northeasterly corner of Lot 9, Block B of the said Stewart Peninsula Shouthshore Phase 1, the same being in the westerly line of Avocet Way (a 50 foot R.O.W.);

THENCE S 89°11'31" W, a distance of 362.91 feet to the southerly right-of-way line of North Colony Blvd. (a 120 foot R.O.W.);

THENCE along the southerly line of said North Colony Blvd., along a curve to the right having a radius of 850.01 feet, a delta angle of 09°51'37", a long chord that bears S 81°09'51" W a distance of 146.10 feet, an arc distance of 146.28 feet;

THENCE S 42°31'11" W, a distance of 14.42 feet to a point in the easterly line of Heron Cove Lane (a 50 foot R.O.W.);

THENCE N 86°19'05" W, a distance of 10.98 feet to the back of a concrete curb of said Heron Cove Lane;

THENCE N 03°40'55" E, along the back of curb, a distance of 14.94 feet;

THENCE continuing along the back curb, along a curve to the right having a radius of 25.00 feet, a delta angle of 82°02'42", a long chord that bears N 44°42'16" E a distance of 32.82 feet, an arc distance of 35.80 feet the back of curb of said North Colony Blvd.;

THENCE along the back of curb of said North Colony Blvd., along a curve to the left having a radius of 822.01 feet, a delta angle of 25°03'07", a long chord that bears N 73°12'04" E a distance of 356.56 feet, an arc distance of 359.41 feet;

THENCE along a curve to the right having a radius of 21.50 feet, a delta angle of 77°46'59", a long chord that bears S 80°26'00" E a distance of 27.00 feet, an arc distance of 29.19 feet to the back of curb of Avocet Way (a 50 foot R.O.W.);

THENCE along the back of curb of said Avocet Way, along a curve to the left having a radius of 165.50 feet, a delta angle of 31°58'18", a long chord that bears S 57°31'40" E a distance of 91.16 feet, an arc distance of 92.35 feet;

PARCEL 2 continued

THENCE continuing along the back of curb, along a curve to the right having a radius of 134.50 feet, a delta angle of $37^{\circ}40'02''$, a long chord that bears $S 54^{\circ}40'47'' E$ a distance of 86.84 feet, an arc distance of 88.42 feet;

THENCE departing the back of curb of said Avocet Way, along the northerly line of said Stewart Peninsula Southshore Phase 1 Addition, $S 89^{\circ}11'31'' W$, a distance of 11.83 to the POINT OF BEGINNING, and containing 0.637 acres of land, more or less.

Bearings based on Plat of Stewart Peninsula, Southshore Phase 1 as recorded in Cabinet K, Page 339 M.R.D.C.T..

PARCEL 3

BEING A 0.100 ACRE TRACT OF LAND SITUATED IN THE PATRIC O'LEARY SURVEY, ABSTRACT NO. 978, AND THE BBB & CCR SURVEY, ABSTRACT NO. 181, CITY OF THE COLONY, DENTON COUNTY, TEXAS AND BEING A PORTION OF NORTH COLONY BLVD. AND HERON COVE LANE, BOTH BEING VARIABLE WIDTH RIGHT-OF-WAYS DEDICATED TO THE CITY OF THE COLONY BY FINAL PLAT OF STEWART PENINSULA, SOUTHSORE PHASE I, AS RECORDED IN CABINET K, PAGE 339 OF THE DEED RECORDS OF DENTON COUNTY, TEXAS. SAID 0.100 ACRE TRACT BEING MORE PARTICULARLY DESCRIBED BY METES AND BOUNDS AS FOLLOWS:

COMMENCING at the northwest corner of the Stewart Peninsula, Southshore Phase 1, an addition to the City of The Colony as Shown on Plat recorded in Cabinet K, Page 339 of the Map Records of Denton County, Texas;

THENCE S 00°51'37" E, a distance of 32.93 feet to the POINT OF BEGINNING;

THENCE N 89°02'56" E, along the back of a concrete curb of North Colony Blvd. (a 120 foot R.O.W.), a distance of 179.30 feet;

THENCE along the back of curb, along a curve to the right having a radius of 25.00 feet, a delta angle of 89°32'49", a long chord that bears S 46°10'39" E a distance of 35.22 feet, an arc distance of 39.07 feet to a point in the back of curb of Heron Cove Lane (a variable width R.O.W.);

THENCE S 01°24'14" E, along the back of curb, a distance of 12.41 feet;

THENCE S 88°35'46" W, departing the back of curb, a distance of 19.00 feet to a point in the westerly line of said Heron Cove Lane;

THENCE N 46°07'23" W, a distance of 15.13 feet to a point in the southerly line of said North Colony Blvd;

THENCE continuing along the southerly line of said North Colony Blvd., along a curve to the right having a radius of 850.01 feet, a delta angle of 05°33'17", a long chord that bears N 84°20'22" W a distance of 82.37 feet, an arc distance of 82.41 feet;

THENCE S 89°08'23" W, continuing along the southerly line of said North Colony Blvd., a distance of 92.87 feet;

THENCE N 00°51'37" W, a distance of 17.07 feet to the POINT OF BEGINNING, and containing 0.100 acres of land, more or less.

Bearings based on Plat of Stewart Peninsula, Southshore Phase 1 as recorded in Cabinet K, Page 339 M.R.D.C.T..

PARCEL 4

BEING A 0.044 ACRE TRACT OF LAND SITUATED IN THE J.C. CANTON SURVEY, ABSTRACT NO. 313, CITY OF THE COLONY, DENTON COUNTY, TEXAS AND BEING A PORTION OF NORTH COLONY BLVD. (A 120 FOOT RIGHT-OF-WAY) AS DEDICATED TO THE CITY OF THE COLONY BY FINAL PLAT RECORDED IN CABINET D, PAGE 282 OF THE MAP RECORDS OF DENTON COUNTY, TEXAS (M.R.D.C.T.). SAID 0.044 ACRE TRACT BEING MORE PARTICULARLY DESCRIBED BY METES AND BOUNDS AS FOLLOWS:

COMMENCING at the northeast corner of the Stewart Peninsula Southshore Phase 1, an addition to the City of The Colony as shown on Plat recorded in Cabinet K, Page 339 M.R.D.C.T.;

THENCE N 89°08'23" E, a distance of 98.11 feet;

THENCE N 00°51'37" W, a distance of 17.37 feet to the POINT OF BEGINNING;

THENCE along the back of a concrete curb of North Colony Blvd. (a 120 foot R.O.W.), along a curve to the right having a radius of 823.52 feet, a delta angle of 03°09'10", a long chord that bears S 83°59'53" W a distance of 45.31 feet, an arc distance of 45.32 feet;

THENCE continuing along the back of curb, along a curve to the right having a radius of 20.00 feet, a delta angle of 95°03'50", a long chord that bears N 51°45'27" W a distance of 29.51 feet, an arc distance of 33.18 feet;

THENCE N 01°05'46" W, along the back of curb of Ethridge Drive (a 70 foot R.O.W.), a distance of 9.21 feet;

THENCE N 83°19'57" E, departing the back of curb, a distance of 65.31 feet;

THENCE S 06°40'03" E, a distance of 30.53 feet to the POINT OF BEGINNING, and containing 0.044 acres of land, more or less.

Bearings based on Plat of Stewart Peninsula, Southshore Phase 1 as recorded in Cabinet K, Page 339 M.R.D.C.T.

PARCEL 5

BEING A 0.007 ACRE TRACT OF LAND SITUATED IN THE J.C. CANTON SURVEY, ABSTRACT NO. 313, THE CITY OF THE COLONY, DENTON COUNTY, TEXAS, AND BEING A PORTION OF NORTH COLONY BLVD. (A VARIABLE WIDTH RIGHT-OF-WAY) DEDICATED TO THE CITY OF THE COLONY RECORDED IN CABINET D, PAGE 282, MAP RECORDS DENTON COUNTY, TEXAS, (M.R.D.C.T.), AND HERON COVE LANE AS DEDICATED TO THE CITY OF THE COLONY BY FINAL PLAT AS RECORDED IN CABINET K, PAGE 339 OF THE M.R.D.C.T., SAID 0.007 ACRE TRACT BEING MORE PARTICULARLY DESCRIBED BY METES AND BOUNDS AS FOLLOWS:

COMMENCING at the northeast corner of said Stewart Peninsula Southshore Phase 1 Addition;

THENCE S 01°24'14" E, along the easterly line of said addition, a distance of 40.23 feet to the POINT OF BEGINNING;

THENCE along the concrete back of curb of a median at the intersection of said North Colony Blvd. with Heron Cove Lane (a variable width R.O.W.), along a curve to the right having a radius of 5.30 feet, a delta angle of 185°05'10", a long chord that bears S 88°51'39" E a distance of 10.59 feet, an arc distance of 17.12 feet;

THENCE S 03°40'55" W, continuing along the back of curb, a distance of 24.77 feet;

THENCE continuing along the back of curb, along a curve to the right having a radius of 4.20 feet, a delta angle of 174°54'50", a long chord that bears N 88°51'39" W a distance of 8.39 feet, an arc distance of 12.82 feet;

THENCE N 01°24'14" W, continuing along the back of curb, a distance of 24.77 feet to the POINT OF BEGINNING, and containing 0.007 acres of land, more or less.

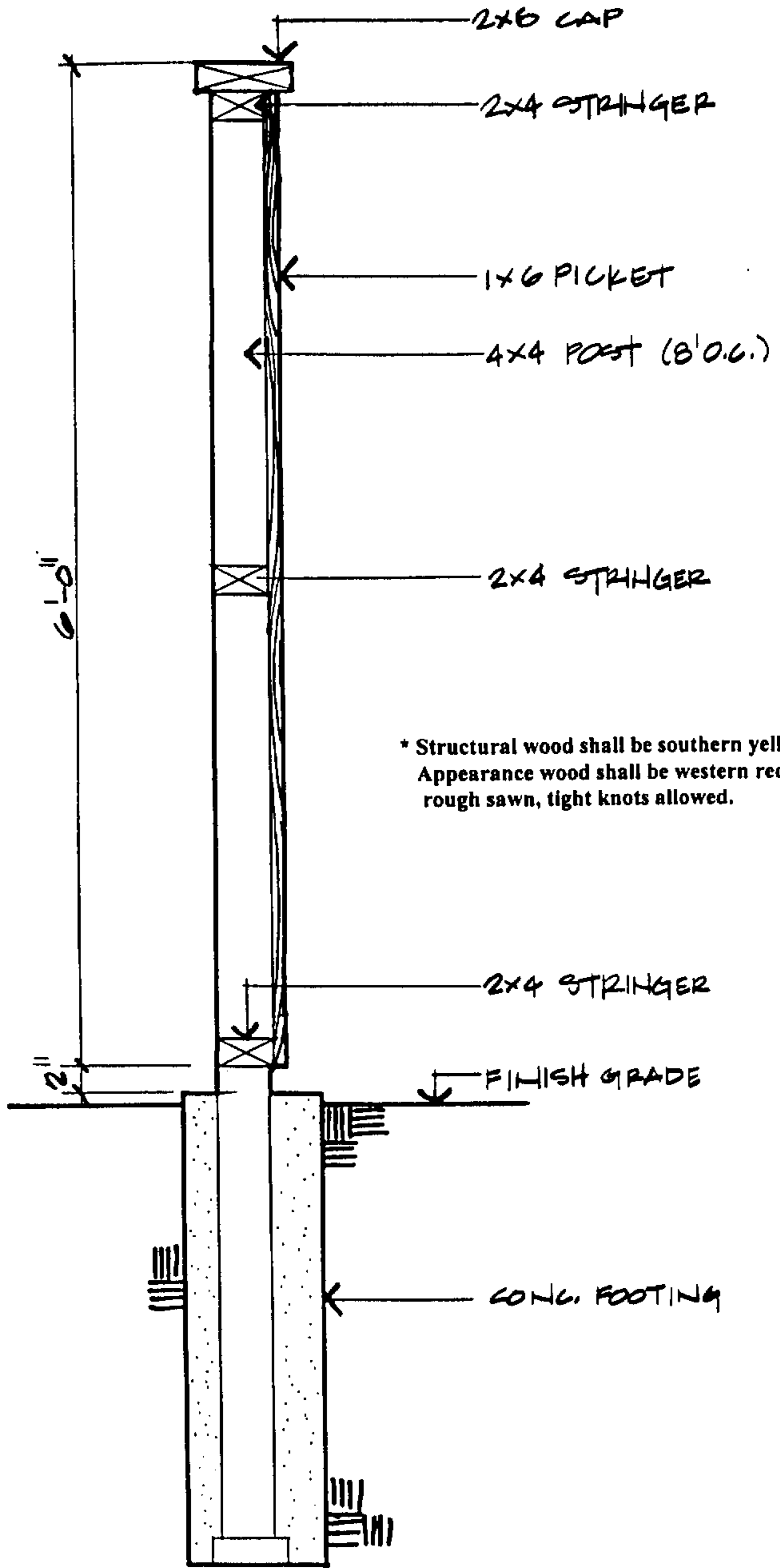
Bearing based on Plat of Stewart Peninsula Southshore Phase 1 as recorded in Cabinet K, Page 339 M.R.D.C.T..

EXHIBIT "C"

NONE

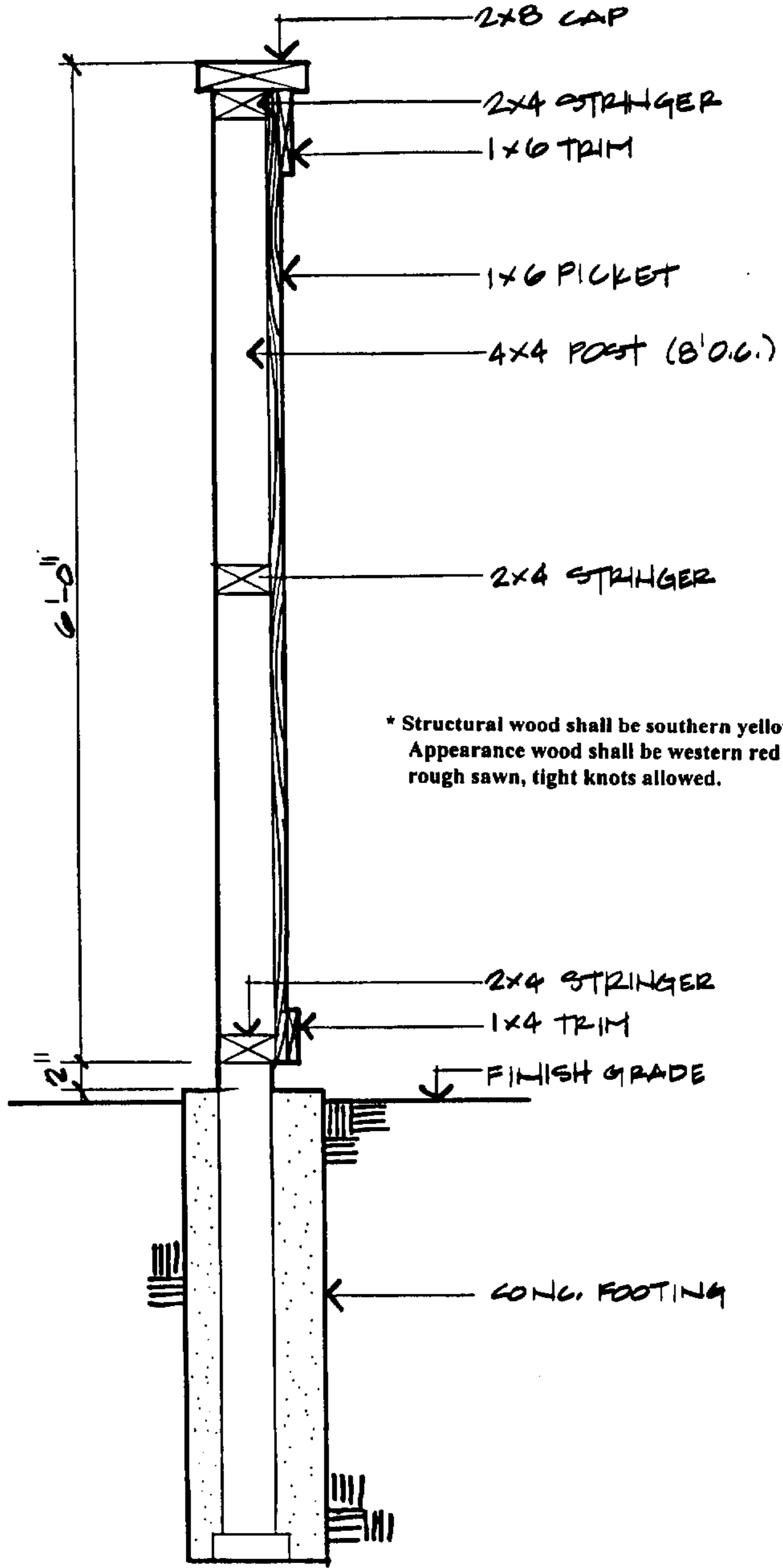
EXHIBIT "D"

Fence Construction Criteria

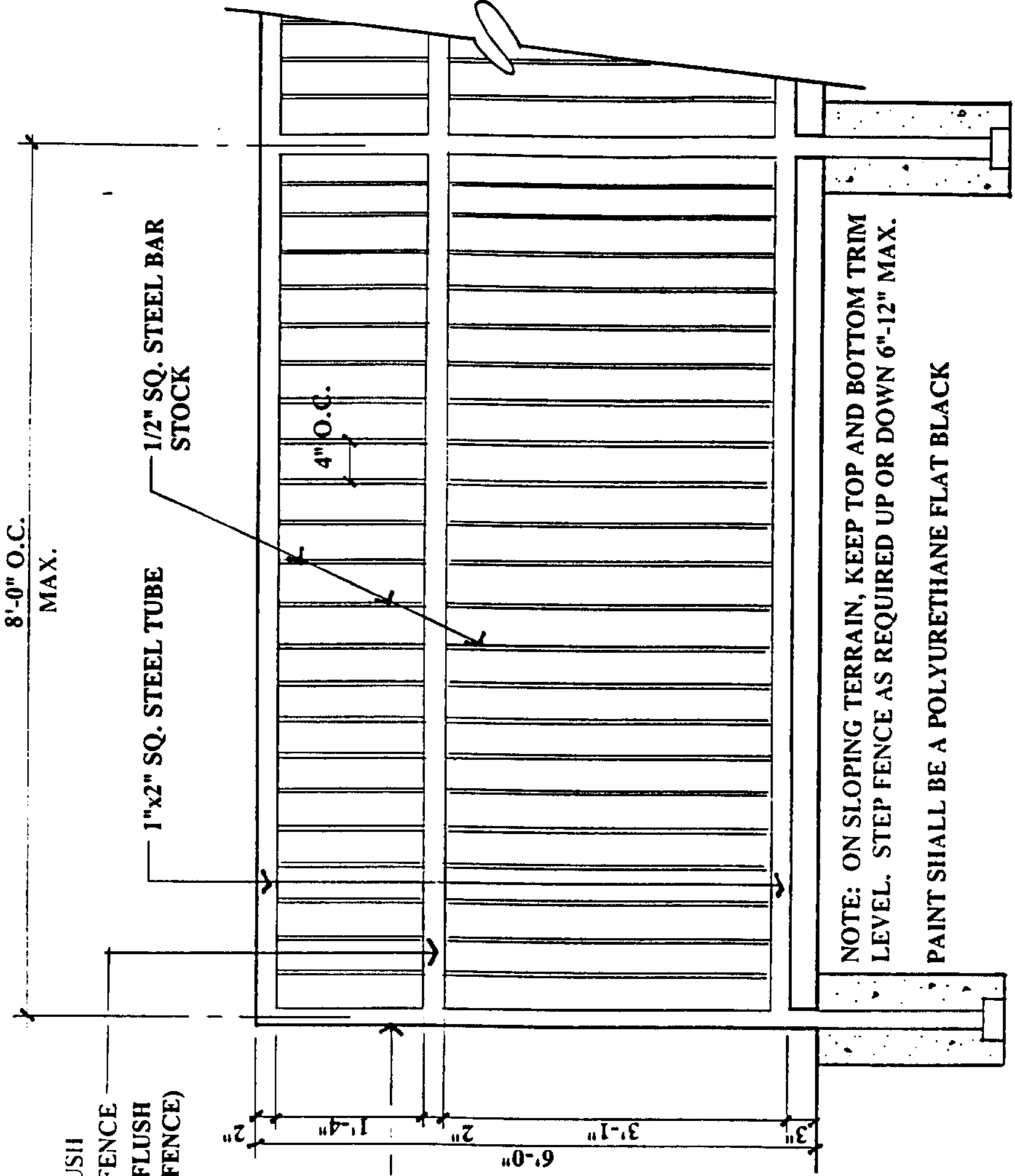


* Structural wood shall be southern yellow pine.
Appearance wood shall be western red cedar
rough sawn, tight knots allowed.





* Structural wood shall be southern yellow pine.
 Appearance wood shall be western red cedar
 rough sawn, tight knots allowed.



NOTE: ON SLOPING TERRAIN, KEEP TOP AND BOTTOM TRIM LEVEL. STEP FENCE AS REQUIRED UP OR DOWN 6"-12" MAX.

PAINT SHALL BE A POLYURETHANE FLAT BLACK

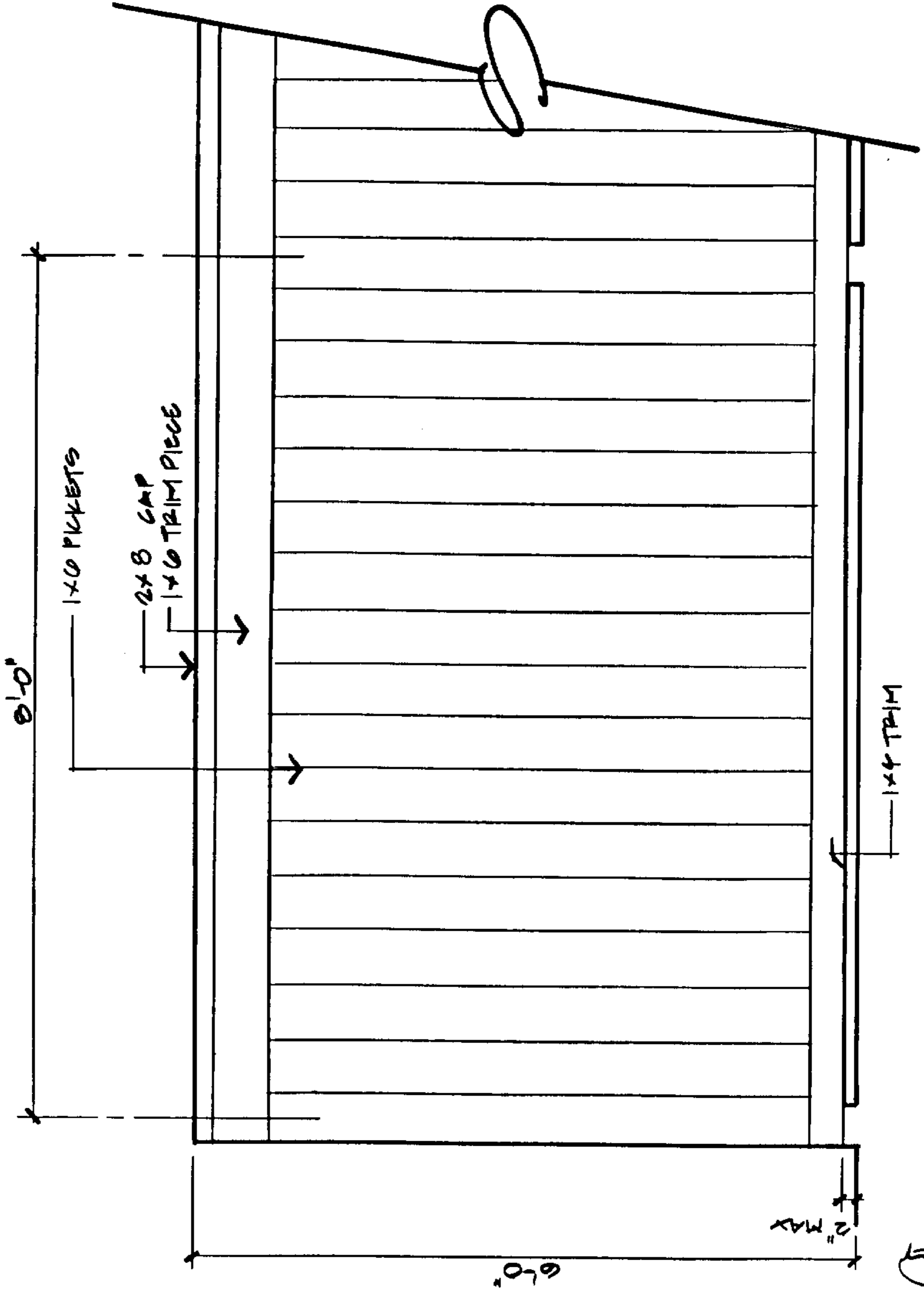
CONCRETE FOOTING AS REQUIRED

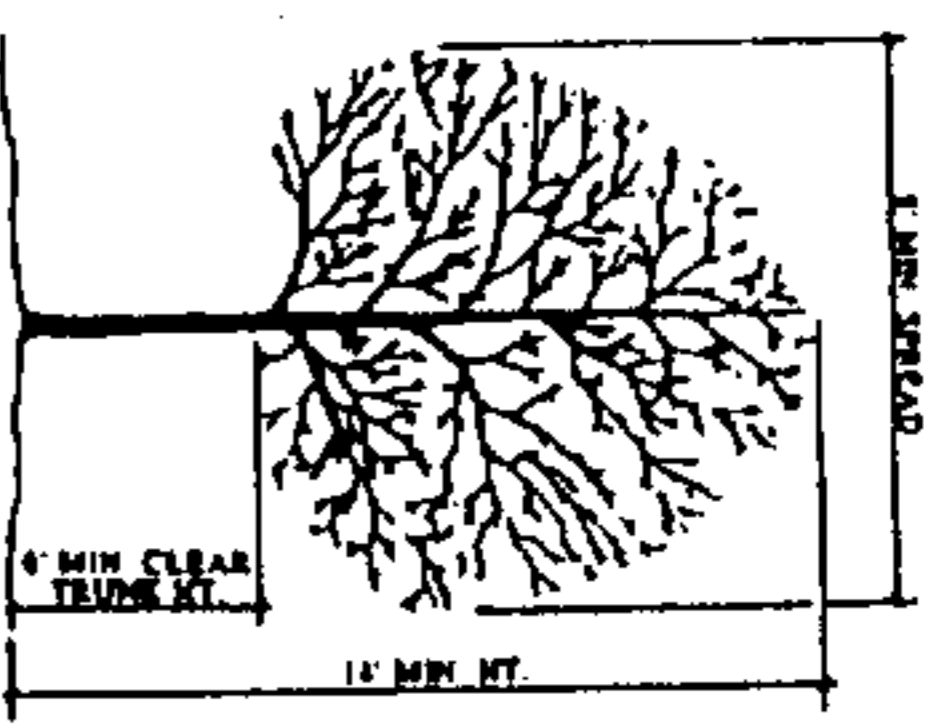
METAL HOMEOWNER OPTIONAL FENCE



STEWART PENINSULA
Development Partners

* Structural wood shall be southern yellow pine. Appearance wood shall be western red cedar rough sawn, tight knots allowed.



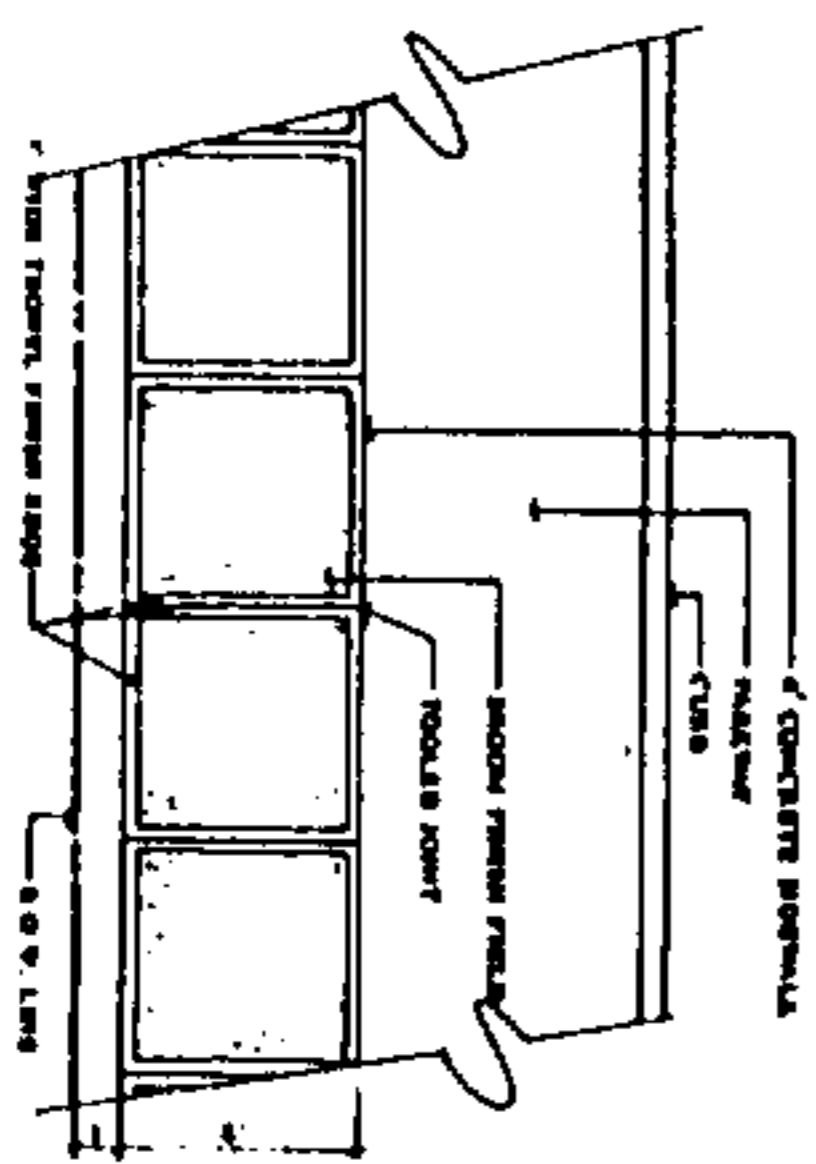
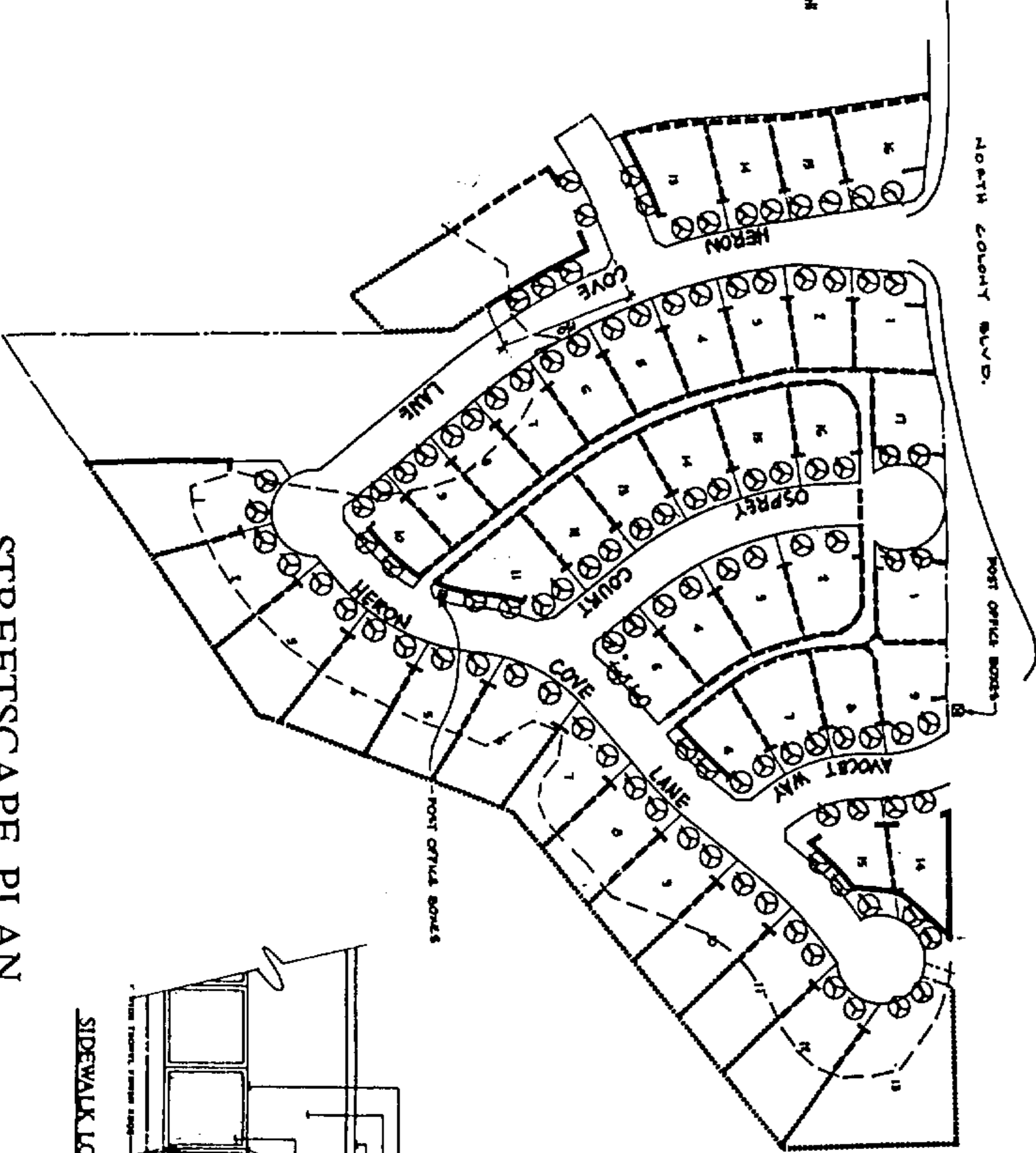
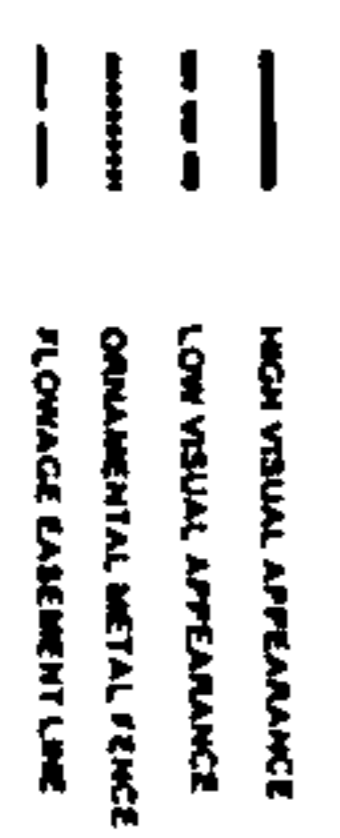


SHADE TREE

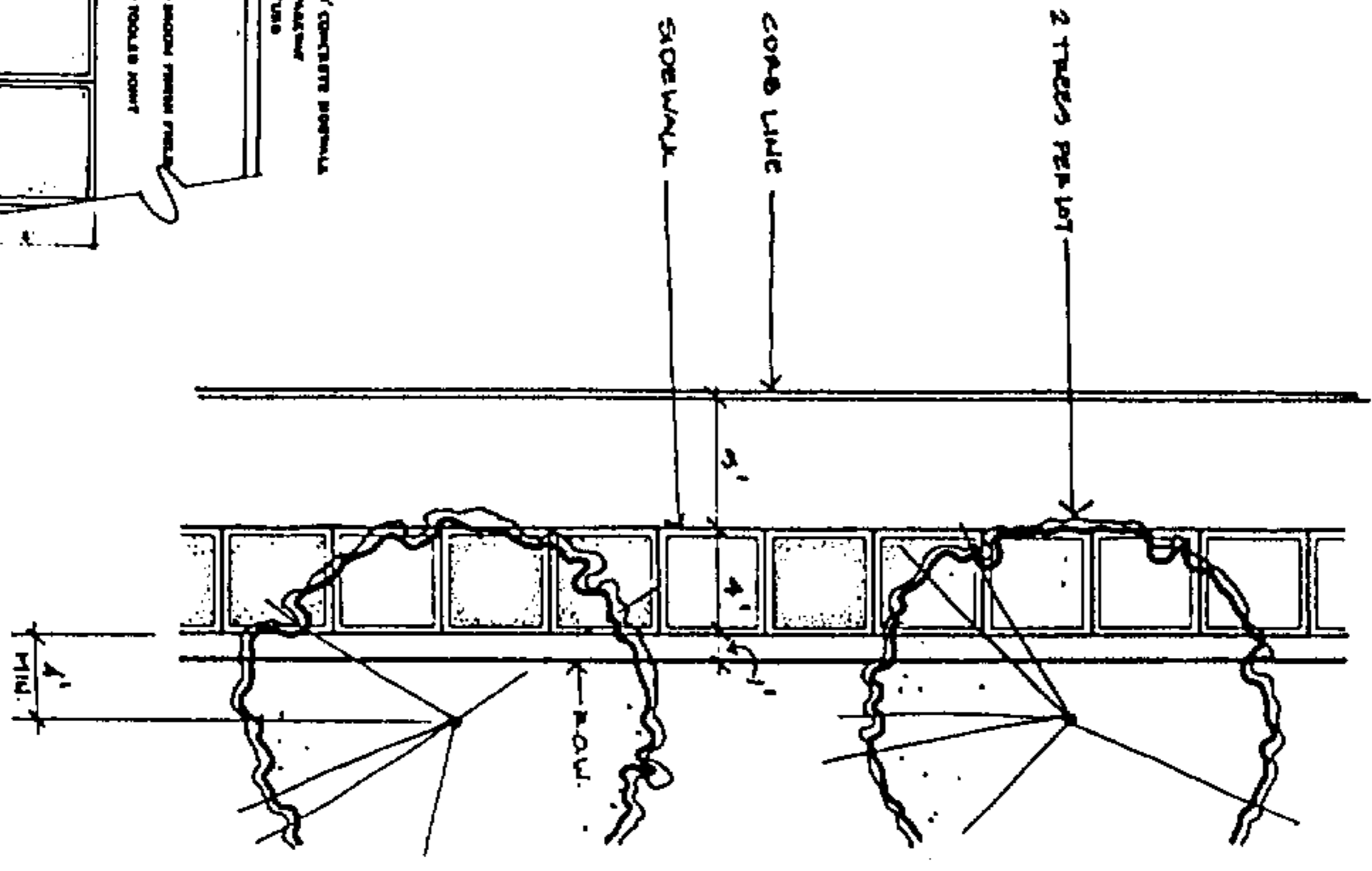
GENERAL NOTES

1. All shade trees shall have straight trunks and symmetrical, well balanced canopies. All trees shall be free of disease and parasites and shall be in good health.
2. All landscaping shall be installed using quality landscaping industry practices.
3. All trees shall be planted as per detail this sheet.
4. All trees shall be 4" caliper live oaks.
5. Trees shall be spaced equally across front of lot to create a boulevard of shade trees.
6. Light fixtures throughout the development will be the Franklin series area light by Slemmer as provided by Denton County Power Company. The fixtures shall be provided in a dark bronze finish.
7. All fences facing the street shall be High Visual Appearance Fences. All fences between lots shall be High Visual Appearance Fences or Low Visual Appearance Fences. All fences on lake front property which run parallel to the lake shore shall be ornamental metal fences.

LEGEND



SIDEWALK LOCATION PLAN



TREE PLANTING DETAIL
SCALE: 1" = 5'

Filed for Record in:
DENTON COUNTY, TX
HONORABLE TIM HODGES/COUNTY
CLERK

On Nov 16 1994
At 9:54am

Doc/Num : 94-R0085040
Doc/Type : RST
Recording: 101.00
Doc/Mgmt : 6.00
Receipt #: 3313
Deputy - SHELLEY