

COVENANTS, CONDITIONS & RESTRICTIONS

November 30, 1984

**DECLARATION OF COVENANTS, CONDITIONS AND
RESTRICTIONS FOR THE LAKES OF COPPELL
Dallas County, Texas**

When Recorded Return To:

**Triland Development, Inc.
5400 LBJ Freeway
Suite 1000
One Lincoln Centre
Dallas, Texas 75240**

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XVI. APPENDIX

Exhibit "A" - Legal Description of the Property

DECLARATION OF COVENANTS, CONDITIONS AND
RESTRICTIONS FOR THE LAKES OF COPPELL

THIS DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS FOR THE LAKES OF COPPELL is made this 30th day of November, 1984, by TRILAND INVESTMENT GROUP, a Texas general partnership.

W I T N E S S E T H:

WHEREAS, Triland Investment Group ("Declarant") is the fee simple title owner of the real property described on Exhibit "A" attached hereto and made a part hereof for all purposes; and

WHEREAS, Declarant desires to subject its fee simple interest in the real property described on Exhibit "A" to this Declaration and to the covenants, conditions, restrictions, easements, liens and charges herein set forth; and

WHEREAS, Declarant has deemed it desirable for the efficient management of the Property and the preservation of the value, desirability and attractiveness of the Property to create a non-profit corporation to which should be delegated and assigned the powers of managing, maintaining and administering the Common Area and administering and enforcing these covenants, conditions and restrictions and collecting and disbursing funds pursuant to the assessments and charges herein created and to perform such other acts as shall generally benefit the Property; and

WHEREAS, the Lakes of Coppel Owners Association, Inc., a non-profit corporation, has been or will be incorporated under the laws of the State of Texas for the purpose of exercising the powers and functions aforesaid; and

WHEREAS, Declarant will hereafter hold and convey title to the Property or any part thereof subject to the covenants, conditions, restrictions, easements, liens and charges herein set forth.

NOW, THEREFORE, Declarant hereby covenants, agrees and declares that the Property shall be owned, held, transferred, leased, sold, conveyed

and occupied subject to the covenants, conditions, restrictions, easements, liens and charges herein set forth.

ARTICLE I DEFINITIONS

Section 1.01. "Apartment Complex" shall mean and refer to a real estate apartment complex project composed of one or more structures, which structure contains two (2) or more Apartment Units at least one (1) of which is to be rented to the public by the Owner, which project is erected on a lot, tract or parcel of real estate within the Property and for which a certificate of occupancy has been issued by the appropriate governmental authorities. For purposes of this Declaration duplex residential structures, as such term may be defined from time to time in the relevant zoning ordinances of the City of Coppell, Texas, shall each be deemed to be an Apartment Complex and each single family residential unit within the duplex shall be deemed to be an Apartment Unit.

Section 1.02. "Apartment Unit" shall mean and refer to a single residential rental apartment in an Apartment Complex located within the Property.

Section 1.03. "Architectural Review Committee" or "Committee" shall mean and refer to that committee composed of three (3) members appointed in the manner set forth in Article X of this Declaration which committee is appointed to provide for architectural control and design within the Property and to have and exercise such other powers and/or duties as are more specifically set forth in this Declaration.

Section 1.04. "Articles of Incorporation" shall mean and refer to the Articles of Incorporation of the Association as the same may from time to time be duly amended.

Section 1.05. "Assessments" shall mean and refer to the assessments described in Section 4.01 of Article IV of this Declaration.

Section 1.06. "Association" shall mean and refer to the Lakes of Coppell Owners Association, Inc., its successors and assigns, to which Association shall be delegated and assigned the powers of managing, maintaining and administering Common Area identified in this Declaration and disbursing funds, collecting assessments and charges and performing such other acts as shall generally benefit the Property now and hereafter covered by this Declaration.

Section 1.07. "Bylaws" shall mean and refer to the Bylaws of the Association as the same may from time to time be duly amended.

Section 1.08. "Certificate of Occupancy" shall mean and refer to any required certification issued by relevant governmental authorities as a prerequisite to the occupancy of all or any portion of any Estate.

Section 1.09. "Common Area" shall mean and refer to all real property and the improvements thereon, including, without limitation, any private storm drains, private streets, private utilities, private parks, open space, trails and floodways owned in fee, owned as an easement or leased or maintained from time to time by the Association for the common use, enjoyment and benefit of the Members, and all easements granted to the Association for the common use, enjoyment and benefit of the Members which Common Area is specifically described in any Supplemental Declaration. Any real property or interest in real property which Declarant shall convey to the Association to be designated Common Area shall be accepted in writing by the Association and shall be conveyed free of all liens and encumbrances except current ad valorem taxes (which taxes shall be prorated as of the date of conveyance), and the covenants, conditions, restrictions, easements, liens and charges of this Declaration.

As of the date of this Declaration there is no real property or easements designated as Common Area, however, certain real property or easements may be designated as such by Declarant or the Association at a later date.

Section 1.10. "Common Facilities" shall mean and refer to all existing and subsequently provided improvements upon or within the Common Area, except those as may be expressly excluded herein. Also, in some instances, Common Facilities may consist of improvements for the use and benefit of the Owners of Estates within the Property, as well as other Owners in the subdivision, constructed on portions of one or more Estates or on Lots or acreage owned by Declarant (or Declarant and others) which has not been brought within the scheme of the Declaration. By way of illustration, Common Facilities may include, but not necessarily be limited to, the following: exercise course, jogging trails, bridge crossings, street lights, foundations, statuary, sidewalks, esplanades, common driveways, landscaping, underground irrigation systems, landscaping and screening walls located around the perimeter of the Property and other similar and appurtenant improvements. References herein to "Common Facilities (any Common Facility) in the Property" shall mean and refer to Common Facilities as defined respectively in the Declaration and all Supplemental Declarations.

Section 1.11. "Condominium Building" shall mean and refer to a residential real estate condominium project composed of one or more structures erected on a lot, tract or parcel of real estate out of or a part of the Property containing two (2) or more Condominium Units, which condominium project has been specifically created and designated as a condominium in accordance with the Texas Condominium Act, Tex. Prop. Code Ann. Section 81.001 et. seq. (Vernon 1984), as now and hereafter amended or supplemented.

Section 1.12. "Condominium Unit" shall mean and refer to one (1) individual unit located within a Condominium Building, together with an undivided interest in and to the common elements associated with such unit. The term "Condominium Unit" shall have the same meaning as the term "apartment" as used in the Texas Condominium Act, Tex. Prop. Code Ann. Section 81.001 et. seq. (Vernon 1984), which permits the creation of condominium regimes, as same may be amended or supplemented in any successor statute.

Section 1.13. "Declarant" shall mean and refer to Triland Investment Group, a Texas general partnership, and the successors and assigns (if any) of Triland Investment Group with respect to the voluntary disposition of all or substantially all of the assets of Triland Investment Group or the voluntary disposition of all or substantially all of the right, title and interest of Triland Investment Group in and to the Property, where such voluntary disposition of right, title and interest expressly provides for the transfer and assignment of the rights of Triland Investment Group as Declarant. No person or entity purchasing the Property or any part thereof from Triland Investment Group in the ordinary course of business shall be considered as Declarant.

Section 1.14. "Declaration" shall mean and refer to this instrument and, collectively, to the covenants, conditions, restrictions, reservations, easements, liens and charges imposed by or expressed in this instrument.

Section 1.15. "Design Guidelines" shall mean and refer to standards, restrictions or specifications published from time to time by the Declarant or the Architectural Review Committee and governing the construction, placement, location, alteration, maintenance or design of any improvements to the Property. Design Guidelines are more specifically described in Article X, Section 10.07 hereinbelow.

Section 1.16. "Eligible Lenders" shall mean and refer to the holder, insurer or guarantor of a first lien on an Estate who has requested notice of matters affecting the interest of such lender, insurer or guarantor. Requests for notice must be sent in writing to the Association, must specify the name and address of the lender, insurer or guarantor and must clearly identify the Estate in which the lender holds an interest which entitles it to receive notice as provided herein.

Section 1.17. "Estate" shall mean and collectively refer to a Condominium Unit, Apartment Complex, Lot, Tract and any other interest in real property contained within the Property, the ownership of which, by the terms of this Declaration, causes the Owner thereof to be a Member of the Association. The term "Estate" shall not include any portion of the Property owned, leased or maintained by the City of Coppell, Texas or any tract used as public park or public open space.

Section 1.18. "Lake System" shall mean and refer to the system of lakes and streams within the Property specifically excluding, however, any lake or stream located within the loop formed by the right of way of Waterside Circle and any lake or stream dedicated to public use. The Lake System shall be dedicated and conveyed to the Association as Common Area and maintained by the Association. The term "Lake System" shall not be construed to include any part of Denton Creek, whose flow generally follows the eastern boundary of the Property.

Section 1.19. "Lot" shall mean and refer to any lot, plot, parcel or tract of real estate shown on any recorded subdivision map or plat as amended from time to time, to the extent such lot, plot, parcel or tract is a part of the Property, which is designated as a lot therein and which is or will be improved with one (1) single family attached or detached residential dwelling in conformity with the building restrictions contained herein; provided, however, the term "Lot" shall not include (i) any portion of the Common Area or any real property owned by or leased to the Association for the common use and

enjoyment of the Members, (ii) any Condominium Unit in a Condominium Building or (iii) any lot, tract or parcel of real estate out of or a part of the Property which is or will be improved with an Apartment Complex. Lot shall also mean and refer to any separate platted lot which is improved or is to be improved with a single family residential townhome structure which is joined to another dwelling unit on one or more sides by party wall or abutting wall.

Section 1.20. "Member" or "Owner" shall mean and refer to each and every person or entity who is, alone or together with another person or entity, a record title owner of a fee or undivided fee interest in any Lot, Condominium Unit, Apartment Complex, Tract or any lot, tract or parcel of real estate out of or part of the Property; provided, however, the term "Member" or "Owner" shall not include any person or entity holding a bona fide lien or security interest in a Lot, Condominium Unit, Apartment Complex, Tract or any lot, tract or parcel of real estate out of or a part of the Property as security for the performance of an obligation.

Section 1.21. "Property" shall mean and refer to all existing real property described on Exhibit "A" attached hereto and made a part hereof for all purposes, including any and all improvements thereon, and any additions of real property made subject to this Declaration through any Supplemental Declaration prepared and filed of record pursuant to the provisions of Article II of this Declaration or any declaration of any association which has merged or consolidated with this Association pursuant to the provisions of Article II hereof.

Section 1.22. "Residential Use" shall mean and refer to single family attached and detached housing, apartments, residential condominiums and duplex housing uses but shall not include prefabricated housing, mobile homes, hotels, motels, boarding houses or lodges.

Section 1.23. "Supplemental Declaration" shall mean and refer to any Supplemental Declaration of Covenants, Conditions and Restrictions for the Lakes of Coppell annexing additional property and extending the plan of this Declaration to such additional property, prepared and filed of record pursuant to the provisions of Article II of this hereof.

Section 1.24. "Tract" shall mean and refer to unsubdivided, improved or unimproved land within the Property, developed or to be developed for Residential Use. The term "Tract" shall not include land upon which is located a Condominium Building or an Apartment Complex or which is encompassed within a Lot.

ARTICLE II PROPERTY

Section 2.01. Property Subject to Declaration. The real property covered by this Declaration shall be the Property. The Property and any right, title or interest therein shall be owned, held, transferred, leased, sold, conveyed and/or occupied by Declarant and any subsequent owner, lessee or occupant of all or any part thereof, subject to this Declaration and the covenants, conditions, restrictions, easements, liens and charges herein set forth.

Section 2.02. Annexation to Property Subject to Declaration by Declarant. All or any part of any real property near and/or adjacent to the Property (the "Additional Property"), whether or not such real property is contiguous to the Property, may be annexed to and become subject to this Declaration and subject to the jurisdiction of the Association without the approval, assent or vote of the Members of the Association provided that a Supplemental Declaration covering the real property sought to be annexed, shall be executed and recorded in the office of the County Clerk of Dallas County, Texas, by Declarant; provided, however, no Supplemental Declaration shall be so executed and recorded pursuant to this Section 2.02 more than ten (10) years subsequent to the date of execution of this Declaration without the approval of the Members of the Association pursuant to Section 2.03 below. The execution and recordation by Declarant of any such Supplemental Declaration shall constitute and effectuate the annexation of the real property described therein, making any such real property subject to this Declaration and subject to the functions, powers and jurisdiction of the Association, and thereafter said annexed real property shall be a part of the Property and all the Owners in said annexed real property shall automatically be Members of the Association. Although Declarant shall have the ability to annex all or any portion of the Additional Property to this Declaration as provided above, Declarant shall not be obligated to annex all or any portion of such real property and such real property shall not become subject to this Declaration unless and until a Supplementary Declaration shall have been executed and recorded by Declarant as provided herein. Moreover, Declarant reserves the right to subject the Additional Property or any part thereof to the plan of one or more separate declarations of covenants, conditions and restrictions 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.

- Section 2.03. Annexation to Property Subject to Declaration by Persons or Entities Other Than Declarant. Upon approval in writing of the Association, pursuant to a two-thirds (2/3) majority vote of the Members, regardless of class, any person or entity which owns and desires to add portions of the Additional Property (defined in Section 2.02, above) whether or not such Additional Property is contiguous to the Property, to the plan of this Declaration and subject such Additional Property to the functions, powers and jurisdiction of the Association, may execute and record in the office of the County Clerk of Dallas County, Texas, a Supplementary Declaration.

Section 2.04. Supplementary Declarations. The annexations authorized by this Declaration shall be accomplished by executing and filing of record in the office of the County Clerk of Dallas County, Texas, a Supplementary Declaration of Covenants, Conditions and Restrictions for the Lakes of Coppell, or similar instrument, with respect to the additional real property which shall extend the scheme of this Declaration to such real property. Any such Supplementary 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 annexed real property and as are not substantially inconsistent with the plan of this Declaration. In no event, however, shall any such Supplementary 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 Property previously subject to this Declaration. Further the rate of assessment for and method of determining the assessed valuation of the annexed property shall not result in an assessment substantially less than that affecting the Property, unless such annexed property and the Owners thereof do not enjoy substantially all of the benefits of the central security system or other common amenities because of limitations in such services resulting from franchise or municipal boundaries. 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.

Section 2.05. Mergers or Consolidations. The Declarant or the Association, with the written approval or assent of at least two-thirds (2/3) of the Members, regardless of class, 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 Property, together with the covenants, conditions, restrictions, easements, liens and charges established upon any other real property as one plan.

ARTICLE III MEMBERSHIP AND VOTING RIGHTS IN THE ASSOCIATION

Section 3.01. Membership. Each and every Owner shall automatically be a Member of the Association without the necessity of any further action on his part, subject to the terms of this Declaration, the Articles of Incorporation and the Bylaws of the Association and the Association rules. 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 any portion of the Property. Ownership of any portion of the Property shall be the sole qualification for being a Member; provided, however a Member's voting rights, as herein described, or privileges in the Common Area, or both may be regulated or suspended as provided in this Declaration, the Bylaws of the Association and/or the Association rules. Persons or entities shall be Members by reason of ownership of land used for public or private schools, governmental or quasi-governmental purposes, churches or other religious purposes and such land shall be owned subject to all of the terms and provisions of this Declaration except that: (i) ownership of land devoted to purposes described in this sentence shall not create any votes in the Members owning such land, and (ii) such non-voting Members shall not be required to pay any assessments other than special individual assessments as described and authorized in this Declaration. No person or entity shall be a Member by reason of ownership of any park, public land, road, easement, right-of-way or mineral interest. In addition, any person or entity that holds an interest in

and to all or any part of the Property merely as security for the performance of an obligation shall not be a Member.

Section 3.02. 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 all or any part of the Property 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 all or any part of the Property. Any attempt to make a prohibited severance, transfer, pledge, mortgage or alienation shall be void and of no further force or effect, and will not be reflected upon the books and records of the Association. Any transfer of the fee title to a lot, tract or parcel of real estate out of or a part of the Property shall automatically operate to transfer the membership to the new Owner thereof. In the event an Owner should fail or refuse to transfer the membership in the Association registered in such Owner's name to the transferee of such Owner's interest in all or any part of the Property, the Association shall have the right to record the transfer upon the books and records of the Association.

Section 3.03. Classes of Voting Membership and Voting Rights. The Association shall have two (2) classes of voting membership:

CLASS A MEMBERSHIP. Class A Members shall be all Owners with the exception of the Declarant. Subject to the provisions of Section 3.05, Class A Members shall be entitled to:

(a) One (1) vote for each Lot (whether or not such Lot has been improved with a residential structure) in which such Member holds the interest required for membership in the Association; and

(b) One (1) vote for each and every 20,000 square feet of real estate owned by such Member out of and a part of the Property, not subdivided by such Owner into Lots. No Class A Member shall be entitled to a vote pursuant to this Section 3.03(b) in the event such Owner owns less than 20,000 square feet of real estate out of and a part of the Property unless such tract or parcel of land containing less than 20,000 square feet of land has been platted as a Lot. A fractional number of votes shall be rounded off to the nearest whole number. For purposes of this Section 3.03(b) only, any lot, tract or parcel of real estate out of and a part of the Property upon which is constructed a Condominium Building or an Apartment Complex shall not be considered for purposes of calculating the number of square feet of real estate owned by a Class A Member. In the event that the Owner of an Apartment Complex or the developer of a Condominium Building is developing such improvements in phases and during the course of such development such Owner or developer has completed certain phases of the Apartment Complex or Condominium Buildings while

retaining adjoining Tracts for future development the votes allocated between the Tracts, Apartment Complexes and/or Condominium Buildings shall be determined by the Board of Directors in its reasonable discretion. Votes allocated to Apartment Complexes and Condominium Buildings shall be determined in accordance with Sections 3.03(d) and 3.03(c), respectively. The Board of Directors shall, in its reasonable discretion, determine how much of the unimproved Property within a phased development owned by an Owner shall be deemed to be a Tract the ownership of which entitles the Owner to those votes set forth in this Section 3.03(b); and

(c) One (1) vote for each and every Condominium Unit owned by such Class A member in a Condominium Building for which a certificate of occupancy has been issued by the appropriate governmental authorities. Where an association or other organization has been established with respect to a Condominium Building, the board of directors or other governing body so empowered under the organizational documents of such association or organization shall not be entitled to cast all of the votes exercisable hereunder with respect to such Condominium Building on each and every matter in question on which a vote is authorized or permitted under this Declaration or the Articles of Incorporation or Bylaws of the Association. Such association or organization may not be entitled to cast the votes exercisable hereunder in one block on behalf of such Condominium Building or condominium regime. Each individual Owner of a Condominium Unit shall be entitled to cast the vote allocated to such Owner's Condominium Unit; and

(d) One-fourth (1/4) vote for each and every Apartment Unit owned by such Class A member within an Apartment Complex for which a Certificate of Occupancy has been issued by the appropriate governmental authorities.

CLASS B MEMBERSHIP. The Class B Member shall be the Declarant. The Class B Member shall be entitled to one (1) vote for each and every 1,000 square feet of real estate owned by it within the Property; provided, however, real estate owned by Declarant and designated as Common Area shall not be included in determining the votes to which Declarant is entitled. The Class B Membership shall cease and be converted to Class A Membership on the happening of either of the following events, whichever occurs earlier:

(a) When the total number of votes outstanding in the Class A Membership is ten (10) times greater

than the total number of votes outstanding in the Class B Membership; or

(b) On the date of the sale by Declarant of seventy-five percent (75%) of the Property as such Property may be supplemented or expanded by annexation, merger or consolidation in accordance with Article II. Upon the termination of the Class B Membership, the Declarant shall thereafter be a Class A Member.

Notwithstanding the foregoing, with respect to Estates owned by the Declarant and developed or being developed as an Apartment Complex, Condominium Building or Lot, the Declarant shall be deemed to be a Class A Member for purposes of calculating votes attributable to the Estates being developed as aforesaid.

Section 3.04. Suspension of Voting Rights. The voting rights of any Member set forth in this Declaration may be suspended by the Board of Directors of the Association for any period during which any Assessment remains past due, unless the Member is in good faith contesting the validity or amount of the Assessment.

Section 3.05. Multiple Owner Votes. Votes hereunder may not be cast on a fractional basis between multiple Owners of (a) a Lot, (b) a lot, tract or parcel of real estate out of or a part of the Property containing 20,000 square feet or more, (c) a Condominium Unit in a Condominium Building or (d) an Apartment Unit within an Apartment Complex. Further, where there are multiple Owners of an Estate it is not intended by Section 3.03 that each of said Owners shall be entitled to cast the votes allocated to such Estate. As an example, where three (3) persons own a Lot or Condominium Unit they shall jointly be entitled to vote the one (1) vote allocated to such Estate and shall not each be entitled to cast a full vote. When more than one person or entity owns the interest or interests in and to any of the items described in (a) through (d) of this Section, as required for Membership in the Association, each and every person or entity shall be a Class A Member, and the vote for any of the items described in (a) through (d) of this Section shall be exercised as they, among themselves, collectively determine. If such Owners are unable to agree among themselves as to how their vote or votes shall be cast, they shall forfeit the vote or votes on the matter in question. If more than one (1) person or entity purports to exercise the voting rights with respect to any of the items described in (a) through (d) of this Section on any matter in question, none of such votes shall be counted in tabulating the vote on such matter and such votes shall be deemed void. The Association shall not be required to recognize the vote or written assent of any such multiple Owners except the vote or written assent of the Owner designated in writing executed by all of such multiple Owners and delivered to the Association.

Section 3.06. Quorum, Notice and Voting Requirements.

(a) Subject to the provisions of Paragraph (c) of this Section, any action authorized by Sections 4.06 or 4.07 of Article IV of this Declaration shall require the assent of the

majority of the vote of each Class of Members entitled to vote, which Members are voting in person or by proxy at a meeting duly called for that purpose, written notice of which meeting shall be given to all Members not less than ten (10) days nor more than sixty (60) days in advance and shall set forth the purpose of such meeting.

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

At the first meeting called, the presence at the meeting of Members, or of proxies, entitled to cast fifty percent (50%) of all of the votes of each Class of Members of the Association shall constitute a quorum. If the required quorum is not present at the first meeting, one additional meeting may be called subject to the notice requirement hereinabove set forth, and the required quorum at such second meeting shall be one-half (1/2) of the required quorum at the preceding meeting; provided, however, that no such second meeting shall be held more than sixty (60) days following the first meeting.

(c) As an alternative to the procedure set forth above, any action referred to in Paragraph (a) of this Section may be taken with the assent given in writing and signed by the Members who hold at least sixty percent (60%) of the outstanding votes of each Class of Members of the Association; so long as all Members are given prior written notice of the action to be taken in accordance with this Section 3.06(c).

(d) Except as specifically set forth in this Declaration, notice, voting and quorum requirements for all actions to be taken by the Association shall be consistent with its Articles of Incorporation and Bylaws, as same may be amended from time to time. Except as set forth in Section 3.06(b) quorum requirements are governed by the Bylaws.

Section 3.07. Additional Voting Requirements. Notwithstanding anything to the contrary contained in this Declaration, consent of the Members to which at least sixty seven percent (67%) of the votes in each Class of Members in the Association are allocated and the approval of Eligible Lenders holding mortgages on Estates which have at least fifty-one percent (51%) of the votes of Estates subject to Eligible Lender mortgages shall be required to add or amend any material provisions of this Declaration or the Articles of Incorporation or Bylaws of the Association which establish, provide for, govern or regulate any of the following:

- (a) Voting rights;
- (b) Assessments, assessment liens or subordination of such liens;

- (c) Reserves for maintenance, repair and replacement of the Common Area;
- (d) Insurance or fidelity bonds;
- (e) Rights to use of the Common Area;
- (f) Expansion or contraction of the Property or the addition, annexation or withdrawal of property to or from the Property;
- (g) Boundaries of any Estate;
- (h) The interests in the Common Area;
- (i) Convertibility of Estates into Common Area or of Common Areas into Estates;
- (j) Imposition of any right of first refusal or similar restriction on the right of an Estate Owner to sell, transfer, or otherwise convey his or her Estate but in no event shall any such right or restriction be imposed by the Association;
- (k) Any provisions which are for the express benefit of mortgage holders or Eligible Lenders;
- (l) Responsibility for maintenance and repair; and
- (m) the leasing of Estates.

Any Eligible Lender who receives a written request to approve additions or amendments or a written request for some other response and who does not deliver or post to the Association a negative response within thirty (30) days of such request shall be deemed to have approved such request.

Eligible Lenders shall only be entitled to vote those votes as are allocated to the Estate covered by their lien.

Further, and notwithstanding anything implied to the contrary in this Section 3.07, Eligible Lenders shall only be entitled to vote on matters which would have the effect of altering or amending material provisions of this Declaration which relate to those matters set forth in Section 3.07 (a)-(m).

As an example, if this Declaration requires a majority vote of the Members to increase the rate of annual assessment then such rate may be increased by a majority vote of the Members without the vote of Eligible Lenders. On the other hand, if the issue presented for a vote is one intended to reduce the amount of votes required to increase the rate of annual assessment by amending those provisions of this Declaration, then such issue must be approved by 67 percent of the votes of each Class of the Members of the Association and 51 percent of the Eligible Lenders. Eligible Lenders shall, in any event, be considered as one (1) class of voters with all of their votes to be taken together to determine whether a fifty-one percent (51%) majority of such persons or entities has approved such amendment.

ARTICLE IV ASSESSMENTS

Section 4.01. Covenants for Assessments. The Declarant, for each lot, tract or parcel of real estate owned by it out of or a part of the Property, hereby covenants and agrees to pay, and each Owner of any lot, tract or parcel of real estate out of or a part of the Property by acceptance of a deed or other conveyance document creating in such Owner the interest required to be deemed an Owner, whether or not it shall be so expressed in any such deed or other conveyance document, shall be deemed to covenant and agree (and such covenant and agreement shall be deemed to constitute a portion of the consideration and purchase money for the acquisition of such lot, tract or parcel of real estate out of or a part of the Property) to pay to the Association (or to any entity or collection agency designated by the Association): (1) annual assessments or charges (as specified in Section 4.03 of this Article IV), such assessments to be fixed, established and collected from time to time as herein provided; (2) special assessments for capital improvements and other purposes (as specified in Section 4.04 of this Article IV), such assessments to be fixed, established and collected from time to time as herein provided; and (3) individual special assessments levied against individual Owners to reimburse the Association for extra costs for maintenance and repairs caused by the willful or negligent acts or omissions of an individual Owner and not caused by ordinary wear and tear (as specified in Section 4.05 of this Article IV), such assessments to be fixed, established and collected from time to time as herein provided. The assessments ("Assessments") described in (1), (2) and (3) of this Section 4.01 of Article IV, together with interest thereon, attorneys' fees, court costs and other costs of collection thereof, as herein provided, shall be a charge on the land and shall be a continuing lien upon each Estate against which each such Assessment is made. Each such Assessment, together with interest thereon, attorneys' fees, court costs and other costs of collection thereof, as herein provided, shall also be the personal obligation of the Owner of such Estate against which such Assessment is made at the time when the Assessment fell due. No Owner may exempt himself from liability for such Assessment or waive or otherwise escape liability for the Assessments for non-use of the Common Area or abandonment of his Estate. The personal obligation to pay any such Assessment, together with interest thereon, attorneys' fees, court costs and other costs of collection thereof, as herein provided, shall pass to the successors in title of such Owner whether or not expressly assumed in writing by such successors; provided that such personal obligation to pay Assessments and other costs and charges shall not pass to mortgagees of such Owner who succeed to the title of such Owner.

Section 4.02. Purpose of Assessments. The Assessments levied by the Association shall be used, in part, for the purpose of: (1) promoting the recreation, comfort, health, safety and welfare of the Members and/or the residents of the Property, (2) managing the Common Area, and (3) enhancing the quality of life in the Property and the value of the Property; and in particular for the improvement and maintenance of the properties, services and facilities devoted to the purpose and related to the use and enjoyment of the Property including, but not limited to, the maintenance of areas within public rights-of-way, the payment of taxes on the Common Area and insurance in connection with the Common Area and the repair, replacement and addition

thereto; for paying the cost of labor, equipment (including the expense of leasing any equipment); for payment of the cost of providing or making available to the Members various tiers of cable television services and for providing or making available to the Members various security and fire protection services; for carrying out the powers and duties of the Board of Directors of the Association as set forth in Article V of this Declaration; for carrying out the purposes of the Association as stated in its Articles of Incorporation; and for carrying out the powers and duties of the Architectural Review Committee and the Board of Directors.

The Assessments herein provided for shall also be used to maintain, preserve and promote the beautification and utility of the Lake System within the Property, including, without limiting the generality of the foregoing, the regulation of silt, plant growth, and other debris accumulation in the Lake System, and the control of the breeding and proliferation of mosquitoes and other pests in or around the Lake System, and including the maintenance of the concrete and wood walls and the stone paving lining the banks of the lakes.

Section 4.03. Annual Assessments.

(a) Except as set forth in Section 4.03(b) below and except as set forth in the second paragraph of this Section 4.03(a), each Member shall pay to the Association an annual assessment not to exceed eighteen cents (\$.18) per one hundred dollars (\$100.00) of value of the Estate so owned by such Owner, as assessed by the Dallas County Appraisal District (or if such Estate is not assessed by the Dallas County Appraisal District then by the taxing or appraisal authority that establishes tax values for the municipal tax roll of the municipality or governmental district in which the Estate is situated), for ad valorem tax purposes for the then current calendar year.

Notwithstanding the preceding sentence of this Section 4.03(a), the following provisions of this Section 4.03(a) shall govern and control the determination of the assessed valuation of an Estate which is being improved with an Apartment Complex. In the event that an Apartment Complex is under construction or has been completed, but its market value (as increased by such improvements) has not yet been reappraised and recognized on the ad valorem tax rolls by the relevant municipal appraising authority, the Board of Directors may adjust the assessed valuation of such Estate to reflect its estimated market value based upon improvements completed as of January 1 of the year in which the annual assessments shall be levied. Further, at the time that a Certificate of Occupancy is issued for all or a portion of an Apartment Complex, the Board of Directors may make an additional adjustment to the assessed valuation of the Apartment Complex to reflect the estimated assessed valuation of the Apartment Complex at substantial completion. The annual assessments levied with respect to an Apartment Complex may be adjusted effective as of January 1 in any year that the assessed valuation for the Apartment Complex is adjusted in accordance with the preceding and may be adjusted effective as of the first day of

the month of issuance of a Certificate of Occupancy for all or any portion of an Apartment Complex. Such adjustment to the annual assessment will be made as a result of the adjustments in assessed valuation determined by the Board of Directors, in its reasonable judgment, in accordance with the preceding provisions of this Section 4.03(a). The determination of the Board of Directors as to the assessed valuation of the Apartment Complex as substantially complete, shall be the basis for the determination of annual assessments until such time as the Dallas County Appraisal District (or if such Apartment Complex is not assessed by the Dallas County Appraisal District, then by the taxing or appraisal authority that establishes tax values for the municipal tax roll of the municipality or governmental district in which the Estate is situated) has reappraised the Apartment Complex as substantially complete and such reappraisal is incorporated into the tax rolls and records of the relevant municipality. Thereafter, annual assessments shall be determined in accordance with the provisions of the first sentence of Section 4.03(a). Any valuations for assessment purposes made by the Board of Directors in accordance with the foregoing shall be made in a reasonable and good faith manner and shall yield consistent valuations among different Owners and different Estates. In the event that any such valuation for assessment of an Estate made by the Board of Directors subsequently proves to be higher than the valuation for assessment of such Estate made by the relevant municipal appraising authority, the Owner of such Estate shall be entitled to a credit against subsequent assessments in an amount equal to the excess assessments paid by the Owner of such Estate as a result of such higher valuation.

(b) The provisions of this Section 4.03(b) apply to all Estates improved with or zoned or restricted to use for Residential Use other than Estates improved with or zoned or restricted to use as an Apartment Complex. Notwithstanding anything to the contrary contained in Section 4.03(a) above, each Owner of an Estate improved with residential improvements, other than an Apartment Complex, which Estate has not been reassessed by the Dallas County Appraisal District (or such substitute or successor assessing authority, as aforesaid) subsequent to the issuance of a Certificate of Occupancy shall pay annual assessments determined in accordance with this Section 4.03(b). Prior to the issuance of the Certificate of Occupancy, each Member owning an Estate covered by this Section 4.03(b) shall pay to the Association an annual assessment not to exceed eighteen cents (\$.18) per one hundred dollars (\$100.00) of value of the Estate so owned by such Owner, as assessed by the Dallas County Appraisal District (or such substitute or successor assessing authority, as aforesaid) for ad valorem tax purposes for the preceding calendar year. Upon the issuance of a Certificate of Occupancy for an Estate covered by this Section 4.03(b) the annual assessment for any such Estate shall be equal to one hundred twenty dollars (\$120.00) per annum for the period of time specified in the following sentence. The assessments for Estates covered by this Section 4.03(b) shall be equal to one hundred twenty dollars (\$120.00) per annum from and

after the date of issuance of the Certificate of Occupancy for the residential improvements on such Estate until December 31 of the year in which said Estate has been reassessed by the Dallas County Appraisal District (or such substitute or successor assessing authority, as aforesaid) based upon the value of the Estate with the improvements thereon certified for occupancy. For calendar years thereafter, the annual assessment for the Estate covered by this Section 4.03(b) shall be determined in accordance with the provisions of the first sentence of Section 4.03(a).

(c) The Board of Directors may, after consideration of current maintenance, operational and other costs and the future needs of the Association, fix the actual annual assessments for any year at a lesser amount. The Association may not accumulate a surplus at the end of any fiscal year which is more than thirty percent (30%) of the maximum permissible annual assessment for the subsequent fiscal year to be levied against the Members of the Association. The Board of Directors shall, should any such surplus exist at the end of any fiscal year, reduce the annual assessment to be levied against the Members of the Association for the subsequent fiscal year by an amount equal to such surplus. Declarant shall not be required to pay assessments with respect to portions of the Property owned by Declarant and designated as Common Area.

(d) The amount and time of the payment of the annual assessment shall be determined by the Board of Directors pursuant to the Articles of Incorporation and Bylaws of the Association. The Board may provide that annual assessments shall be paid monthly, quarterly, semi-annually or annually on a calendar year basis. Not later than thirty (30) days prior to the beginning of each fiscal year of the Association, the Board shall estimate the total common expenses to be incurred by the Association for the forthcoming fiscal year. The Board shall then determine, in a manner consistent with the terms and provisions of this Declaration, the amount of the annual assessment to be paid by each Member. Written notice of the annual assessment to be paid by each Member shall be sent to every Member but only to one joint owner. Each Member shall thereafter pay to the Association his annual assessment in installments as established by the Board.

Section 4.04. Special Assessments. In addition to the annual assessments authorized by Section 4.03 of this Article IV, the Association may levy in any calendar year a special assessment for the purpose of defraying, in whole or in part, the cost of any construction or reconstruction, unexpected repair or replacement of a capital improvement upon the Common Area, including the necessary fixtures and personal property related thereto, or for maintenance of portions of the Common Area and improvements therein or for carrying out other purposes of the Association as stated in the Articles of Incorporation of the Association; provided, that, any such special assessment levied by the Association shall have the approval of the Members of the Association as provided in Section 4.07, below.

Section 4.05. Special Individual Assessments. Upon the affirmative majority vote of the Board of Directors of the Association as provided herein, the Association may levy special assessments against individual Owners for: (i) reimbursement to the Association for repairs to the Common Area or improvements thereto occasioned by the willful or negligent acts of such Owner(s) and not the result of ordinary wear and tear; or (ii) for payment of fines, penalties, or other charges imposed against an individual or separate Owner relative to such Owner's failure to comply with the provisions of this Declaration, the Bylaws of the Association or any rules or regulations promulgated hereunder.

Section 4.06. Vote Required for Increase in Rate of Annual Assessment. The increase in the rate of the annual assessment as authorized by Section 4.03 of this Article IV must be approved as follows:

(a) From and after January 1 of the year immediately following the conveyance of the first Estate to an Owner, the maximum annual assessment may be increased each year not more than ten percent (10%) (such maximum percentage increase may be cumulative from year-to-year) above the maximum assessment for the previous year without a vote of the membership.

(b) From and after January 1 of the year immediately following the conveyance of the first Estate to an Owner, the maximum annual assessment may be increased above ten percent (10%) by the vote or written consent of at least fifty-one percent (51%) of each class of Members, inclusive of the class of Eligible Lenders.

(c) The Board of Directors shall fix the annual assessment at an amount not in excess of the maximum unless otherwise approved in accordance with the preceding.

Section 4.07. Vote Required for Special Assessment. Any special assessment levied by the Association in accordance with Section 4.04 of this Article IV, must be approved by the Members in accordance with Section 3.06 hereof.

Section 4.08. Date of Commencement of Annual Assessments and Due Date of Assessments. The annual assessments provided for in this Declaration shall commence as to the Property on October 1, 1985, and such assessment or any installment thereof (if payable in installments), shall be considered delinquent if not paid by October 30, 1985. 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 assessment provided for in Section 4.03 of this Article IV as the remaining number of months in that year bears to twelve (12). The annual assessments for any year after 1985 shall become due and payable on January 1 of such year and such assessment or any installment thereof (if payable in installments) shall be considered delinquent if not paid within thirty (30) days after such assessment or any installment thereof is stated to be due and payable.

Section 4.09. Division of Special Assessments. Special Assessments shall be fixed at an amount for each Estate equal to the product of the total Special Assessment times a fraction, the numerator of which is the assessed valuation of such Estate (as determined in accordance with Section 4.03 of this Article IV) and the denominator of which is the total of all such assessed valuations for Estates within the Property.

Section 4.10. No Offsets. All Assessments shall be payable in the amount specified by the Association and no offsets against such amount shall be permitted for any reason.

Section 4.11. Reserves. The annual assessments shall include reasonable amounts, as determined by the Board of Directors, collected as reserves for the future periodic maintenance, repair and/or replacement of all or a portion of the Common Area. All amounts collected as reserves, whether pursuant to this Section or otherwise, shall be deposited by the Association in a separate bank account to be held in trust for the purposes for which they were collected and are to be segregated from and not commingled with any other funds of the Association. Assessments collected as reserves shall not be considered to be advance payments of regular Assessments.

Section 4.12. Nonpayment of Assessments.

(a) Delinquency. Any Assessment provided for in this Declaration, that is not paid in full when due shall be delinquent on the date after the date due ("delinquency date") as specified in the notice of such Assessment. The Association shall have the right to reject partial payment of an Assessment and demand full payment thereof. If any Assessment or part thereof is not paid within ten (10) days after the delinquency date, the unpaid amount of such Assessment shall bear interest after the delinquency date until paid at a rate equal to the lesser of eighteen percent (18%) per annum or the maximum lawful rate.

(b) Lien. The unpaid amount of any Assessment not paid by the delinquency date shall, together with the interest thereon as provided in Section 4.12(a) of this Article IV and the cost of collection thereof, including reasonable attorneys' fees, as herein provided, thereupon become a continuing lien and charge on the Estate of the non-paying Owner covered by such Assessment, which shall bind such Estate in the hands of the Owner, and his heirs, executors, administrators, devisees, personal representatives, successors and assigns. The aforesaid lien shall be superior to all other liens and charges against the said real property, except only for tax liens and the lien of any bona fide mortgage or deed of trust now or hereafter placed upon said real property subject to an Assessment and which mortgage or deed of trust is recorded prior to recordation of written notice of past due Assessments. In the event of the foreclosure of a lien superior to the lien for Assessments (which superior lien is described in the preceding sentence) and the sale of the property subject to an Assessment as a result thereof, the Assessment lien is discharged with respect to all Assessments accrued prior to the sale. However, such a sale shall not relieve the purchaser of such

real property from liability for any Assessment thereafter becoming due nor from the lien of any such subsequent Assessment. The Association shall have the power to subordinate the lien securing the payment of any Assessment to any other lien. As hereinbefore stated, the personal obligation of the Owner, at the time of such Assessment, to pay such Assessment shall remain the personal obligation of such Owner and may pass to such Owner's successors in title whether or not expressly assumed by them in writing, as set forth in Section 4.01 hereinabove. The lien for the unpaid Assessments shall be unaffected by any sale or assignment of an Estate and shall continue in full force and effect.

To evidence the aforesaid lien, the Association shall prepare a written notice of lien setting forth the amount of the unpaid indebtedness, the name of the Owner of the real property covered by such lien and a description of the Estate covered by such lien. Such notice shall be executed by an officer of the Association and shall be recorded in the office of the County Clerk of Dallas County, Texas.

(c) Remedies. The lien securing the payment of the Assessments shall attach to the Estate belonging to such non-paying Owner with the priority set forth in this Section. Subsequent to the recording of a notice of the lien as provided in this Section, the Association may institute an action at law against the Owner or Owners personally obligated to pay the Assessment and/or for the foreclosure of the aforesaid lien by judicial foreclosure. In any foreclosure proceeding the Owner shall be required to pay the costs, expenses and reasonable attorneys' fees incurred by the Association. In the event an action at law is instituted against the Owner or the Owners personally obligated to pay the Assessment, there shall be added to the amount of any such Assessment the interest provided in this Section, the costs of preparing and filing the complaint in such action and the reasonable attorneys' fees incurred in connection with such action; and in the event a judgment is obtained, such judgment shall include interest on the Assessment as provided in this Section and a reasonable attorneys' fee to be fixed by the court, together with the costs of the action. Each Member vests in the Association or their assigns the right and power to bring all actions at law or lien foreclosure against such Member or other Members for the collection of such delinquent Assessments. Upon the written request of any mortgagee holding a prior lien on any part of the Property, the Association shall report to said mortgagee any Assessments remaining unpaid for longer than sixty (60) days after the delinquency date of such Assessment.

Section 4.13. Exempt Property. The following property subject to the Declaration shall be exempt from the assessments, charges and liens created in this Declaration:

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

including, but not limited to any and all property owned by any school district or the City of Coppell, Texas;

(b) All Common Area; and

(c) All portions of the Property owned by non-profit organizations and restricted for use as private schools or churches; provided, however, the exemption of such organizations and the portions of the Property owned by same is subject to review and approval by the Board of Directors of the Association, such exemption being contingent upon approval by the Board of Directors.

Portions of the Property which are exempt from the assessments, charges and liens created by this Declaration pursuant to Section 4.13(a) or (c) shall in any event be subject to all other provisions of this Declaration including, but not limited to, the Protective Covenants of Article IX, architectural review requirements of Article X and the liability for special individual assessments as set forth herein. Owners of portions of the Property which are exempt pursuant to Section 4.13(a) and (c) shall be Members of the Association but shall have no voting rights.

Section 4.14. Estoppel Information from Board of Directors with Respect to Assessments. The Board of Directors of the Association shall upon demand at any time furnish to any Owner liable for an Assessment, a certificate in writing signed by an officer of the Association, setting forth whether said Assessment has been paid. 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.

Section 4.15. Commercial Area Assessments. The Association shall be authorized to levy and collect assessments from the owner(s) of all or any portion of the real property (the "Commercial Property") described on Exhibit "B" attached hereto and made a part hereof for all purposes. Such assessments shall be determined, levied, collected and paid according to the terms and provisions of that certain Declaration of Covenants, Conditions and Restrictions for the Commercial Area of the Lakes of Coppell filed _____, 19__ in Volume _____, Page _____ in the office of the County Clerk of Dallas County, Texas (the "Commercial Declaration"). The Association shall have such powers, duties, obligations and liabilities relative to the Commercial Property as are set forth in the Commercial Declaration.

ARTICLE V GENERAL POWERS AND DUTIES OF THE BOARD OF DIRECTORS OF THE ASSOCIATION

Section 5.01. Powers and Duties. The affairs of the Association shall be conducted by the Board of Directors (herein so-called) of the Association. The Board of Directors of the Association shall be selected in accordance with the Articles of Incorporation and the Bylaws of the Association. In addition to the powers and duties enumerated in the Articles of Incorporation and the Bylaws of the Association, or elsewhere provided for herein, and without

limiting the generality thereof, the Board of Directors, for the mutual benefit of the Members of the Association, shall have the following powers and/or duties:

(a) If, as and when the Board of Directors of the Association, in its sole discretion, deems necessary it may take such action to enforce the terms and provisions of this Declaration and the Articles of Incorporation and the Bylaws of the Association by appropriate means and carry out the obligations of the Association hereunder, including without limitation, the expenditure of funds of the Association, the employment of legal counsel and accounting services, the commencement of legal causes of action, the promulgation and enforcement of the Association rules (herein so-called) which may include the establishment of a system of fines and/or penalties enforceable as special individual assessments as provided in Section 4.05 of Article IV to this Declaration, and to enjoin and/or seek legal damages from any Owner for violation of such provisions or rules;

(b) To acquire, maintain and otherwise manage all of the Common Area and all facilities, improvements and landscaping thereon, and all personal property acquired or owned by the Association;

(c) To execute all declarations of ownership for tax assessment purposes and to pay any and all real and personal property taxes and other charges or assessments assessed against the Common Area, unless the same are separately assessed to all or any of the Owners;

(d) To obtain, for the benefit of the Common Area, all water, gas and electric services, refuse collections, landscape maintenance services and other services, which in the opinion of the Board of Directors shall be necessary or proper;

(e) To make such dedications and grant such easements, licenses, franchises or other rights, which in its opinion are necessary for street, right-of-way, utility, sewer, drainage and other similar facilities or video services, cable television services, security services, communication services and other similar services over the Common Area to serve the Property or any part thereof;

(f) To contract for and maintain such policy or policies of insurance as may be required by this Declaration or as the Board of Directors of the Association deems necessary or desirable in furthering the purposes of and protecting the interest of the Association and its Members;

(g) To borrow funds to pay costs of operation secured by assignment or pledge of its rights against delinquent Owners to the extent deemed advisable by the Board of Directors of the Association;

(h) To enter into contracts for legal and accounting services, maintain one or more bank accounts, and generally, to have the powers necessary or incidental to the operation and management of the Association and the Common Area;

(i) To enter into contracts for the provision of security services to the Property;

(j) If, as and when the Board of Directors of the Association, in its sole discretion, deems necessary it may take action to protect or defend the Common Area or other property of the Association from loss or damage by suit or otherwise;

(k) To sue and defend in any court of law on behalf of the Association or one (1) or more Members thereof;

(l) To establish and maintain a working capital and/or contingency fund in an amount to be determined by the Board of Directors of the Association;

(m) To make reasonable rules and regulations for the operation and use of the Common Area and to amend same from time to time; provided, however, 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 or regulation applicable to less than all of the Property, by the Members in that portion of the Property affected thereby;

(n) To make available to each Owner and any individual or entity holding a mortgage or deed of trust on any Estate within sixty (60) days after the end of each fiscal year, an audited annual report and such annual report shall contain a balance sheet, income statement, statement of sources and use of funds, auditor's opinion and notes;

(o) To adjust the amount, collect and use any insurance proceeds to repair damage or replace lost property owned by the Association, and if the proceeds are insufficient to repair damage or replace lost property owned by the Association, to assess the Members in proportionate amounts to cover the deficiency as set forth in Section 4.04;

(p) To provide services for the benefit of Members, including but not limited to, security, entertainment, recreation, education and television cable; and

(q) To delegate its powers and duties to committees, officers or employees as provided in the Bylaws of the Association, employ a manager or other persons and contract with independent contractors or managing agents who have professional experience to perform all or any part of the duties and responsibilities of the Association, provided that any contract with a person or entity appointed as a manager or managing agent shall be terminable without cause on not more than thirty (30) days written notice by

the Association and shall have a term of not more than one (1) year with successive one (1) year renewal periods upon the mutual agreement of the parties.

Section 5.02. Contracts Terminable. Prior to the date that the Class B Membership converts to Class A Membership, the Board of Directors shall enter into no contracts or agreements which are not terminable by such Board upon no more than ninety (90) days prior written notice.

ARTICLE VI PROPERTY RIGHTS IN THE COMMON AREA

Section 6.01. Members' Easements of Enjoyment. Subject to the provisions of Section 6.03 of this Article, Section 12.09 of Article XII and Section 8.05 of Article VIII, every Member and every tenant of every Member, who resides on an Estate, and each individual who resides with either of them, respectively, on such Estate shall have a right and easement of use and enjoyment in and to the Common Area and such easement shall be appurtenant to and shall pass with the title of every Estate, PROVIDED, HOWEVER, such easement shall not give such person the right to make alterations, additions or improvements to the Common Area.

Section 6.02. Title to the Common Area. The Declarant shall dedicate and convey (at such time as any Common Area shall be created by the Declarant), without consideration, the fee simple title to those portions of the Common Area owned by the Declarant to the Association, free and clear of liens and encumbrances other than those created in this Declaration and such Common Area shall be accepted by the Association, in writing.

Section 6.03. Extent of Members' Easements. 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 Area.

(b) Liens of mortgages placed against the Common Area with respect to monies borrowed by the Association for the purpose of improving the Common Area and facilities;

(c) The right of the Association to enter into and execute contracts with third parties (including the Declarant, or an affiliate of the Declarant, so long as such contracts do not provide for compensation to the Declarant, or its affiliate, which exceeds compensation which would be paid to an independent third party for such services) for the purpose of providing maintenance or such other materials or services consistent with the purposes of the Association;

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

(e) The right of the Association, as may be provided in its ByLaws, to suspend the voting rights of any Member for any period during which any Assessment against an Estate owned by such Member remains past due, and for any period not to exceed sixty (60) days for an infraction of its rules and regulations, unless the Member in good faith contests such Assessment or rules and regulations.

ARTICLE VII INSURANCE; REPAIR AND RESTORATION

Section 7.01. Insurance. The Association's Board of Directors or its duly authorized agent shall have the authority to and shall obtain insurance for all insurable improvements on the Common Area. This insurance shall cover loss or damage by fire or other hazards, including extended coverage, vandalism, and malicious mischief and shall be in an amount sufficient to cover the full replacement cost of any repair or reconstruction in the event of damage or destruction from any such hazard.

The Board of Directors of the Association shall obtain a public liability policy applicable to the Common Area covering the Association and its Members for all damage or injury caused by the negligence of the Association or any of its members or agents, and, if reasonably available, directors' and officers' liability insurance. The public liability policy shall have a combined single limit of at least One Million (\$1,000,000.00) Dollars.

Premiums for all insurance shall be common expenses of the Association. The policies may contain a reasonable deductible, and the amount thereof shall be added to the face amount of the policy in determining whether the insurance at least equals the full replacement cost.

All such insurance coverage obtained by the Board of Directors of the Association shall be written in the name of the Association, as trustee, for the respective benefitted parties, as further identified in subparagraph (b), below. Such insurance shall be governed by the provisions hereinafter set forth:

(a) All policies shall be written with a company licensed to do business in Texas and holding a rating of XI or better in the Financial Category as established by A.M. Best Company, Inc., if available, or, if not available, the most nearly equivalent rating.

(b) All policies shall be for the benefit of the Owners and their mortgagees, as their interests may appear.

(c) Exclusive authority to adjust losses under policies obtained by the Association shall be vested in the Association's Board of Directors; provided, however, no mortgagee having an interest in such losses may be prohibited from participating in the settlement negotiations, if any, related thereto.

(d) In no event shall the insurance coverage obtained and maintained by the Association's Board of Directors hereunder be brought into contribution with insurance purchased by individual Owners, occupants, or their mortgagees, and the insurance carried by the Association shall be primary.

(e) All casualty insurance policies shall have an inflation guard endorsement, if reasonably available, and an agreed amount endorsement with an annual review by one or more qualified persons, at least one of whom must be in the real estate industry and familiar with construction in the Dallas County, Texas, area.

(f) The Association's Board of Directors shall be required to make every reasonable effort to secure insurance policies that will provide for the following:

(i) a waiver of subrogation by the insurer as to any claims against the Association's Board of Directors, its manager, the Owners and their respective tenants, servants, agents, and guests;

(ii) a waiver by the insurer of its rights to repair and reconstruct instead of paying cash;

(iii) that no policy may be cancelled, invalidated, or suspended on account of any one or more individual Owners;

(iv) that no policy may be cancelled, invalidated, or suspended on account of any defect or the conduct of any director, officer, or employee of the Association or its duly authorized manager without prior demand in writing delivered to the Association to cure the defect or to cease the conduct and the allowance of a reasonable time thereafter within which a cure may be effected by the Association, its manager, any Owner or mortgagee;

(v) that any "other insurance" clause in any policy exclude individual Owners' policies from consideration; and

(vi) that no policy may be cancelled or substantially modified without at least ten (10) days' prior written notice to the Association.

In addition to the other insurance required by this Section, the Board of Directors of the Association shall obtain workmen's compensation insurance, if and to the extent necessary, to satisfy the requirements of applicable laws, and a fidelity bond or bonds on directors, officers, employees, and other persons handling or responsible for the Association's funds. The amount of fidelity coverage shall be at least the sum of three (3) months assessments plus reserves on hand. Bonds shall contain a waiver of all defenses based upon the exclusion of persons serving without compensation and may not be

cancelled or substantially modified without at least ten (10) days' prior written notice to the Association. The Association shall also obtain construction code endorsements, steam boiler coverage, and flood insurance, if and to the extent necessary to satisfy the requirements of FNMA, FHLMC, FHA or VA.

Section 7.02. Insurance Proceeds. Proceeds of insurance shall be disbursed by the insurance carrier to the Association or contractors designated by the Association as the Board of Directors may direct. The Association shall use the net insurance proceeds to repair and replace any damage or destruction of property, real or personal, covered by such insurance. Any balance from the proceeds of insurance paid to the Association, as required in this Article, remaining after satisfactory completion of repair and replacement, shall be retained by the Association as part of a general reserve fund for repair and replacement of subject property.

Section 7.03. Insufficient Proceeds. If the insurance proceeds are insufficient to repair or replace any loss or damage to the Common Area or the improvements thereon or appurtenant thereto, the Association may levy a special assessment as provided for in Article IV of this Declaration to cover the deficiency. If the insurance proceeds are insufficient to repair or replace any loss or damage for which an Owner is bound hereunder, such Owner shall, as his undivided responsibility, pay any excess costs of repair or replacement.

Section 7.04. Mortgagee Protection. There may be attached to all policies of insurance against loss or damage by fire and other hazards, a mortgagee's or lender's loss payable clause; provided, however, that amounts payable under such clause to the mortgagee shall be paid to the Association to hold for the payment of all costs of repair or replacement. The Association shall be responsible to hold said monies or to collect additional monies if the proceeds are insufficient to pay for the cost of all repairs or replacements and shall ensure that all mechanics', material and similar liens which may result from said repairs or replacements, are satisfied.

Section 7.05. Destruction of Improvements on Individual Estates. In the event of destruction (total or partial) to the improvements on any individual Estates due to fire or any other cause, each Estate Owner covenants and agrees to commence all necessary repairs, reconstruction or complete removal of the damaged improvements within four (4) months of the date that the damage occurs and to diligently continue such repair, reconstruction or removal until completed within a reasonable time from the commencement of such work. Repairs, reconstruction or complete removal of damaged improvements may be commenced more than four (4) months after the date of occurrence of damage if the delays in commencements are caused by factors beyond the reasonable control of the Owner of the damaged improvements. The Board of Directors of the Association shall not be obligated to enforce the covenants set forth in this Section 7.05.

ARTICLE VIII USE OF COMMON AREA

The Common Area may be occupied and used as follows:

Section 8.01. Restricted Actions by Owners. No Owner shall permit anything to be done on or in the Common Area which would violate any applicable public law or zoning ordinance or which will result in the cancellation of or increase of any insurance carried by the Association, or which would be in violation of any law. No waste shall be committed in the Common Area.

Section 8.02. Damage to the Common Area. Each Owner shall be liable to the Association for any damage to the Common Area caused by the negligence or willful misconduct of the Owner or his family, pets or invitees.

Section 8.03. Rules of the Board. All Owners, tenants and occupants shall abide by any rules and regulations adopted by the Board or the Architectural Review Committee. The Board shall have the power to enforce compliance with said rules and regulations by all appropriate legal and equitable remedies, and an Owner determined by judicial action to have violated said rules and regulations shall be liable to the Association for all damages and costs, including reasonable attorneys' fees. The By-Laws of the Association may also provide for disciplinary procedures which may, at the option of the Board, be implemented to enforce such rules and regulations and to impose penalties for failure to comply with such rules and regulations.

Section 8.04. Suspension of Right to Use Common Area and/or Right to Vote. The Board of Directors of the Association may suspend the right of any Owner, its tenants, guests or licensees to use the Common Area and/or may suspend the right of any Owner to vote during any period of time that such Owner is in default of its obligations pursuant to this Declaration, the By-laws or the rules and regulations promulgated by the Board or the Architectural Review Committee, including, but not limited to its obligations to pay assessments or to comply with the architectural control provisions and protective covenants contained herein.

Section 8.05. Lake System Common Area. That portion of the Common Area which constitutes the Lake System may be used by the Owner(s) of Lots abutting the Lake System for the construction of piers and boat docks, which shall be designed, constructed and maintained in accordance with Design Guidelines promulgated by the Architectural Review Committee. The piers and docks so constructed shall be appurtenant to and run with the Lot on which it is constructed and shall be for the exclusive use and benefit of the Lot Owner(s) on whose Lot said dock or pier is constructed.

ARTICLE IX USE OF PROPERTY AND ESTATES - PROTECTIVE COVENANTS

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

Section 9.01. Residential Purposes. Each Estate (including land and improvements) shall be used and occupied for single-family residential purposes, Apartment Complex purposes or Condominium Building only, except as hereafter provided. No Owner or other occupant shall use or occupy his Estate, or permit the same or any part thereof to be used or occupied, for any purpose other than the residential purposes referenced in this Section 9.01, except as hereafter provided. As used herein the term "residential purposes" shall be deemed to specifically prohibit all other uses, without limitation, except for the use of any Estate for the development and maintenance thereon of Condominium Buildings, Apartment Complexes or free-standing single-family residences; provided that certain portions of the Property may be used as public or private schools or churches as determined by the Declarant or the Association by so providing in a Supplementary Declaration recorded with respect to such specific area. A Supplementary Declaration recorded for a residential area may designate such area to be either a single-family residential area or a multi-family residential area, and may further designate such residential use for that area to be attached or detached single-family residences or any combination thereof in the case of a single-family residential area, or one or more apartment complexes or condominium buildings or townhouses or any combination thereof in the case of multi-family residential area. The Supplementary Declaration may designate an area as a planned unit development combining both single-family and multi-family residences where permitted by applicable zoning.

Section 9.02. Other Use Limitations.

(a) Certificate of Compliance. No Estate or any other portion of the Property shall be deemed to be improved or altered in compliance with this Article IX or Article X hereof until the Architectural Review Committee shall have issued a Certificate of Compliance with these covenants and restrictions to the Owner of such Estate or such other portion of the Property. Such Certificate shall be issued only after completion (as defined by the American Institute of Architects) of the subject residential improvements and shall be issued or denied within five (5) business days after the Committee has received a written request for such certification from the Estate Owner. Receipt of such written request for certification shall be confirmed in writing by the Committee and certification shall be deemed given if not denied in writing within said five (5) business day period.

(b) Removal of Dirt. The digging of dirt or the removal of any dirt from any Estate is prohibited, except as necessary in conjunction with landscaping, drainage or construction of improvements thereon.

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

(d) Offensive Activities. No noxious or offensive activity shall be conducted on any Estate nor shall anything be done thereon which is or may become an annoyance or nuisance to the other Estate Owners. The Architectural Review Committee, in its reasonable discretion, shall determine what constitutes a noxious or offensive activity. No animals, livestock or poultry of any kind shall be raised, bred or kept on any Estate, except that dogs, cats or other household pets may be kept, provided that they are not kept, bred or maintained for commercial purposes and further provided that they do not become an annoyance or nuisance to other Estate Owners.

(e) Commercial Use. No manufacturing, trade, business, commerce, industry, profession, or other occupation whatsoever will be conducted or carried on upon any Estate or any part thereof, or in any building or other structure erected thereon, save and except sales or leasing offices and apartment leasing and management offices, with the prior written approval of the Architectural Review Committee and compliance with City of Coppell Zoning Ordinances.

(f) Clotheslines. No clotheslines may be maintained on any Estate unless completely screened from public view.

(g) Antennas. No antenna, tower or receiving dish shall be erected on any Estate for any purpose, nor shall any antenna or tower be affixed to the outside of any dwelling on any Estate; except as may be allowed by the Architectural Review Committee, in its sole discretion, and provided that such antenna, tower or receiving dish is completely screened from public view.

(h) 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 Architectural Review Committee in writing. Each and every Estate Owner shall observe and comply with any and all regulations or requirements promulgated by the City of Coppell, Texas, and/or the Association, in connection with the storage and removal of trash and garbage. All Estates shall at all times be kept in a healthful, sanitary and attractive condition. No Estate 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 Estate shall be used for open storage of any materials whatsoever, except that new building materials used in the construction of improvements erected on any Estate may be placed upon such Estate 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 Estate, or stored in a suitable

enclosure on the Estate. No garbage, trash, debris, or other waste matter of any kind shall be burned on any Estate.

(i) Temporary Structures and Vehicles. No temporary structure of any kind shall be erected or placed upon any Estate. 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 Estate, either temporarily or permanently and no residence house, garage or other structure appurtenant thereto, shall be moved upon any Estate 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 Property as in its sole discretion may be necessary or convenient during the period of and in connection with the sale of Estates, construction and selling of residential structures and constructing other improvements on the Property. Such facilities may include, but not necessarily be limited to, a temporary office building, storage area, signs, portable toilet facilities and sales office. Declarant, Owners and builders shall also have the temporary right to use a residence situated on an Estate as a temporary office or model home during the period of and in connection with construction and sales or leasing operations on the Property, but in no event shall a builder or Owner 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 Property. Except as hereafter provided, any truck, bus, boat, boat trailer, trailer, mobile home, campmobile, camper, recreational vehicles or any vehicle other than conventional automobile shall, if brought within the Property, be stored, placed or parked within the garage of the appropriate Estate Owner and concealed from view by other Estate Owners, unless the Architectural Review Committee, in its sole discretion, directs otherwise. The Owner may designate areas (subject to approval by the Committee) within Estates improved with Apartment Complexes or Condominium Buildings where boats, boat trailers, recreational vehicles, campmobiles or campers may be parked or placed within the public view.

(j) Signs. No sign or signs shall be displayed to the public view on any Estate except that:

(i) Declarant may erect and maintain a sign or signs deemed reasonable and necessary for the construction, development, operation, promotion, leasing and sale of the Estates;

(ii) Any builder, during the applicable initial construction and sales period, may utilize one professional sign [of not more than five (5) square feet in size] per Estate for advertising and sales promotion;

(iii) thereafter, a dignified "for sale" sign [of not more than five (5) square feet in size], acceptable to the Architectural Review Committee, may be utilized by the Estate Owner of the respective Estate for the sale of the Estate;

(iv) other signs identifying Apartment Complexes or Condominium Buildings shall be permitted if approved as to size, composition, design, illumination and location by the Architectural Review Committee. Signs conforming to Design Guidelines promulgated by the Committee shall be approved; and

(v) Notwithstanding anything herein contained to the contrary, any and all signs, if allowed, shall comply with all sign standards of the City of Coppell, Texas, as such standards may be applicable to the Property.

(k) Swimming Pools. No above ground swimming pools shall be permitted except upon the prior written approval of the Architectural Review Committee.

(l) External Sculpture and Like Accessories. All exterior sculpture, fountains, flags and like accessories on the Estates are subject to approval of the Architectural Review Committee.

(m) Removal of Water. No water shall be drawn from the Lake System by any person, firm or corporation for any purpose.

(n) Boats. No gasoline powered boats are allowed on the Lake System, but electrically powered boats up to three (3) horsepower are permitted. No boats or other water borne vehicles are allowed on the Lake System except those owned or operated by Association Members or their invitees.

(o) Swimming. No swimming in the Lake System is allowed.

Section 9.03. Landscaping, Walls and Fences.

(a) Landscaping Plan. A landscaping plan approved by the Architectural Review Committee will be required with respect to the improvements on any Estate. The details of the plan will be dependent upon the density of the residential project, with higher density multi-family projects requiring a more detailed and extensive plan, and lower density single-family projects requiring only a plan for thoroughfare street edge treatment, entry areas and front yards.

(b) Maintenance of Landscaping and Sprinkler System. Each Condominium Building and Apartment Complex shall have and contain an underground water sprinkler system for the purpose of providing sufficient water to all landscaped areas. Weather

permitting, areas appurtenant to building shall be fully landscaped within ninety (90) days from the date the building is occupied. The Owners of Estates shall be responsible for the landscaping and maintenance of their Estates and the landscaped areas located between their Estates and adjacent streets unless maintenance responsibility and an easement for such is conveyed to the Master Association or other association and accepted by it.

(c) Fences.

(i) No fence, wall or hedge shall be erected, placed or altered on any Estate without the approval of the Architectural Review Committee. 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 Architectural Review Committee, so as not to be generally visible by the public unless otherwise approved by the Committee in writing.

(ii) The Architectural Review Committee shall promulgate specific Design Guidelines governing the composition and location of screening walls, fences and hedges to be located upon Estates within the Property. Screening walls shall be incorporated into and be harmonious with the overall landscaping plan developed for the Properties.

(iii) No fence, wall, hedge or shrub planting which obstructs sight lines at elevations between 2 and 6 feet above the roadways shall be placed or permitted to remain in any corner Estate within the triangular area formed by the street property lines and a line connecting them at points 25 feet from the intersection of the street lines, or in the case of a rounded property corner from the intersection of the street lines extended. The same sight line limitations shall apply on any Estate within 10 feet from the intersection of a street property line with the edge of a driveway or alley pavement. No tree shall be permitted to remain within such distances of such intersections unless the foliage line is maintained at a sufficient height to prevent obstruction of such sight lines.

(iv) No chain link, wire or other open fencing will be allowed unless expressly approved in writing by the Architectural Review Committee.

Section 9.04. Streets, Sidewalks and Exterior Lighting.

(a) Composition of Streets. All streets and alleys shall be concrete paving or other materials approved by the Architectural Review Committee in writing.

(b) Alignment and Size of Streets. Alignment and size of streets and alleys should conform to the standards and objectives expressed in Design Guidelines, must be approved by the Architectural Review Committee and comply with all relevant regulations and ordinances of the City of Coppell, Texas.

(c) Sidewalks. Each public street shall have a sidewalk on each side, the size and location and materials of which should conform to the Design Guidelines, must be approved by the Architectural Review Committee and comply with the City of Coppell, Texas standards.

(d) Exterior Lighting. A street lighting plan showing street light locations, spacing, standard types and light type and sizes must be submitted for approval by the Architectural Review Committee. No exterior light shall be installed or maintained within the Property, which light is found to be objectionable by the Architectural Review Committee. Upon being given notice by the Committee that any exterior light is objectionable, the Owner of the Estate on which same is located will immediately remove said light or shield the same in such a way that it is no longer objectionable.

Section 9.05. Construction Standards. All residential structures shall meet the following requirements (except as may be modified by the Architectural Review Committee):

(a) Foundations. The foundation system shall be designed by a registered professional engineer based on recommendations given in a soils report prepared by a soils engineering firm. The soils investigation and analysis, and the design of the foundation system, shall be made by registered professional engineers and submitted to Architectural Review Committee for approval.

(b) Roofs. Roofs shall conform to the Design Guidelines. The use of various roofing materials within the Property shall be permitted; however, no roofing material shall be used without first obtaining the Architectural Review Committee's approval of same. The Architectural Review Committee will only approve roofing materials which are of high grade and quality and which are consistent with the exterior design, color and appearance of other improvements within the Property.

(c) Exterior Building Materials. Exterior building materials and colors should conform to the Design Guidelines and must be approved by the Architectural Review Committee. In addition the exterior of improvements shall conform to the following:

(i) Residential improvements shall not be adorned with stylistic ornamentation or details that are out of character with the community image.

(ii) Exterior wall surface materials shall be limited to two approved materials, excluding trim, unless otherwise approved in writing by the Architectural Review Committee.

(iii) Brick exterior walls must be of hard fired face brick.

(iv) Stucco exterior walls shall be the traditional three (3) coat process unless another process is specifically approved by the Architectural Review Committee.

(v) Wood shingle siding shall be No. 1 Perfection Red Cedar shingles.

(vi) Wood shake siding shall be No. 1 Handsplit Red Cedar shakes.

(vii) Balconies shall be designed to have no more than fifty percent (50%) open railing; unless otherwise approved in writing by the Architectural Review Committee.

(viii) Chimneys shall be clad in materials compatible with the residential improvements of which the chimneys are a part.

(d) Mailboxes. A plan showing the location and design of all mailboxes and clustered mailbox systems must be approved by the Architectural Review Committee. Housing for mailboxes shall be architecturally integrated with the individual residential project and shall be of similar construction, materials, design and form to said residential project.

(e) Screening of Service Equipment. A plan showing the location and screening of all exterior utility meters, transformers and other exterior mechanical equipment must be approved by the Architectural Review Committee. No roof mounted mechanical equipment shall be permitted unless properly screened and approved by the Architectural Review Committee.

(f) Utilities.

(i) Improvements situated on an Estate shall be connected to the water and sewer lines as soon as practicable after same are available at the Estate line. No privy, cesspool or septic tank shall be placed or maintained upon or in any Estate. 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 Architectural Review Committee.

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

(iii) 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 Architectural Review Committee for approval prior to installation.

(g) Lake Set Back. No structure of any kind shall be placed or permitted to remain within twenty (20) feet of the bank of a lake within the Lake System.

(h) Paint. All painted improvements and other painted structures on each Estate shall be repainted by the Owner thereof at his sole cost and expense as often as is reasonably necessary to insure the attractiveness and aesthetic quality of such Estate or improvement. The approval of the Architectural Review Committee otherwise required for improvements under Article X, 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.

(i) Construction Period. Once commenced, construction shall be diligently pursued to the end that it may not be left in a partially completed condition any longer than reasonably necessary.

Section 9.06. Community Antenna Television (CATV) and Security Systems.

(a) CATV System. The Declarant and/or the Association shall have the option, but not the obligation, to incorporate into any and all dwelling units a basic CATV System described and installed according to guidelines established by the Declarant and enforced by the Architectural Review Committee.

(b) Fire and Burglar Alarms. There shall be incorporated into any and all dwelling units a security and/or fire protection system designed and installed according to guidelines established by the Declarant and enforced by the Architectural Review Committee. This system shall be capable of adding an alarm communications interface capable of transmitting fire and burglar alarm signals. In conjunction with this alarm system, all exterior openings shall be prewired.

ALL OWNERS, TENANTS, GUESTS AND INVITEES OF ANY ESTATE OR ESTATE OWNER, AS APPLICABLE, ACKNOWLEDGE THAT THE DECLARANT, THE ASSOCIATION AND ITS BOARD OF DIRECTORS, AND THE ARCHITECTURAL REVIEW COMMITTEE DO NOT REPRESENT OR WARRANT THAT ANY FIRE PROTECTION SYSTEM OR BURGLAR ALARM SYSTEM DESIGNED OR INSTALLED ACCORDING TO GUIDELINES ESTABLISHED BY THE DECLARANT

OR THE ARCHITECTURAL REVIEW COMMITTEE MAY NOT BE COMPROMISED OR CIRCUMVENTED, THAT THE FIRE PROTECTION AND BURGLAR ALARM SYSTEMS WILL PREVENT LOSS BY FIRE, SMOKE, BURGLARY, THEFT, HOLD-UP, OR OTHERWISE AND THAT THE AFORESAID FIRE PROTECTION AND BURGLAR ALARM SYSTEMS WILL IN ALL CASES PROVIDE THE DETECTION OR PROTECTION FOR WHICH THE SYSTEM IS INSTALLED OR INTENDED. EACH OWNER, TENANT, GUEST OR INVITEE OF AN ESTATE OR AN ESTATE OWNER, AS APPLICABLE, ACKNOWLEDGES AND UNDERSTANDS THAT THE DECLARANT, THE ASSOCIATION, BOARD OF DIRECTORS AND ARCHITECTURAL REVIEW COMMITTEE ARE NOT AN INSURER AND THAT EACH OWNER, TENANT, GUEST AND INVITEE ASSUMES ALL RISKS FOR LOSS OR DAMAGE TO PERSONS, ESTATES OR TO THE CONTENTS OF ESTATES AND FURTHER ACKNOWLEDGE THAT DECLARANT, THE ASSOCIATION, BOARD OF DIRECTORS AND ARCHITECTURAL REVIEW COMMITTEE HAVE MADE NO REPRESENTATIONS OR WARRANTIES NOR HAS ANY OWNER, TENANT, GUEST OR INVITEE RELIED UPON ANY REPRESENTATIONS OR WARRANTIES, EXPRESSED OR IMPLIED, INCLUDING ANY WARRANTY OF MERCHANTABILITY OR FITNESS FOR ANY PARTICULAR PURPOSE RELATIVE TO THE FIRE AND BURGLAR ALARM SYSTEMS DESCRIBED IN THIS SECTION 9.06(b).

(c) Metering. There shall be designated by the Owner or his representative, in conjunction with the technical representative of the Declarant, a specific single location within the dwelling unit as the point of concentration for outputs from utility meter devices serving the unit. The Owner shall have the responsibility to insure that wiring is extended from the location at which utility meters are set to this designated location.

Section 9.07. Failure to Maintain Estate. If, at any time, an Owner of any Estate shall fail to control weeds, grass and/or other unsightly growth, the Association shall have the authority and right to go onto said Estate for the purpose of mowing and cleaning said Estate and shall have the authority and right to assess and collect from the Owner of said Estate the expenses of mowing or cleaning said Estate on each respective occasion of such mowing or cleaning. If, at any time, weeds or other unsightly growth on the Estate exceed six inches (6") in height (nine inches (9") with respect to an undeveloped Tract), the Association shall have the right and authority to mow and clean the Estate, as aforesaid. The Assessments, together with such interest thereon and costs of collection thereof, shall be a charge on the land and shall be a continuing lien upon each Estate against which each such Assessment is made. Each such Assessment, together with such interest thereon and cost of collection thereof, shall also be the continuing personal obligation of the person who was the Owner of such Estate at the time when the Assessment occurred. Each and every Owner of any Estate, by the acceptance of a deed or other conveyance of such Estate shall thereby covenant and agree to pay such Assessments. The lien securing any such Assessment shall be subordinate and inferior to the lien of any mortgage and any renewals or extensions thereof existing prior to the Assessment date.

Section 9.08. Additional Construction Standards for Certain Apartment Complexes and Condominium Buildings. Notwithstanding anything to the contrary contained in this Article IX the following restrictions and standards shall apply to Apartment Complex and Condominium Building projects of a density of not less than twelve (12) units per acre as defined in the applicable zoning ordinances of the City of Coppell, Texas:

(a) Minimum Landscaping. A minimum of thirty percent (30%) of each such project shall be landscaped open space. Open space includes all portions of the Estate except areas covered by buildings, parking areas, drives and other vehicle access areas.

(b) Parking:

(i) subject to the provisions of subsections (ii) through (iv) immediately below, parking spaces shall be provided in a manner which satisfies the parking requirements of the City of Coppell, Texas, which parking requirements (as affected by any variances thereto) are in effect at the time of application for Architectural Review Committee approval of plans and specifications;

(ii) all of the foregoing parking requirements must be satisfied with off-street parking spaces;

(iii) no parking shall be allowed within front or side yard set back lines unless approved by the Architectural Review Committee;

(iv) each parking row shall be terminated by a landscaped island on either side, each island with a minimum of one (1) tree, except as otherwise approved by the Architectural Review Committee.

(c) Roofs on Parking Structures. The form, pitch, composition and design of all roofs and supporting structure on covered parking structures shall be compatible with that of the project to which such structures relate.

(d) Trash and Receptacles. Trash dumpsters shall be located in areas which are not highly visible and screened on at least three (3) sides by walls constructed of materials compatible with the appurtenant residential structures.

(e) MacArthur Boulevard Setback. Any building or other structure fronting on MacArthur Boulevard shall have a front setback of at least thirty-five feet (35'). The area between such front setback line and the MacArthur Boulevard right of way shall be landscaped in accordance with the Design Guidelines.

ARTICLE X
ARCHITECTURAL REVIEW COMMITTEE

Section 10.01. Architectural Review Committee. The Architectural Review Committee, herein sometimes called the "Committee", shall be composed of three (3) individuals designated, selected or appointed in accordance with the procedure set forth below. The Committee shall function as the representative of the Owners of the Estates for the purposes herein set forth as well as for all other purposes consistent with the creation and preservation of a first-class residential development.

All three (3) members of the Architectural Review Committee shall be appointed by Declarant until such time as all of the Property is owned by Owners other than Declarant or any successor Declarant at which time all three (3) members shall each be appointed by a majority in interest, but not in numbers, of the then Owners of the Property. All members of the Committee shall be appointed for one year terms and persons (or their heirs or assigns) initially entitled to elect a member whose term has expired or otherwise ended (by death, removal or resignation) shall be entitled to appoint a member to succeed the member whose term has expired or otherwise ended (by death, removal or resignation).

Each member of the Committee shall act reasonably and in good faith in performing such member's duties and obligations under this Article X.

Section 10.02. Basis of Approval. No subdivision plat or map shall be recorded against any portion of the Property and no building, structure, road, alley, drive, utilities, parking structure, parking lot, fence, wall, improvement, alterations to improvements or additions to improvements of any kind or nature shall be erected, placed or altered on any Estate or tract on the Property until, as applicable, all subdivision plats, all plans and specifications and a plot plan have been submitted to and approved in writing by the Committee, or a majority of its members, as to:

(a) quality of workmanship and materials and proper facing of main elevation with respect to nearby streets;

(b) conformity and harmony of the external design, color, type and appearance of exterior surfaces and landscaping;

(c) location with respect to topography and finished grade elevation and effect of location and use on neighboring Estates and improvements situated thereon; drainage arrangements; and

(d) the other standards set forth within this Declaration (and any amendments or supplements hereto) to accomplish the purposes and goals evidenced by this Declaration, including, but not limited to, the purposes and goals of the Design Guidelines of the Committee.

The Committee is authorized and empowered to consider and review any and all aspects of construction, construction of other improvements and location, quality and quantity of landscaping on the Estates, which may, in the

reasonable opinion of the Committee, adversely affect the living enjoyment of one or more Estate Owners or the general value of the Property. Also, the Committee is permitted to consider technological advances in design and materials and such comparable or alternative techniques, methods or materials may or may not be permitted, in accordance with the reasonable opinion of the Committee. The Committee shall have the authority to make final decisions in interpreting the general intent, effect and purpose of the restrictions and covenants described in Article IX hereof.

Any improvements constructed in accordance with plans and specifications approved by the Committee in accordance with its then applicable standards and requirements shall not be required to be changed because such standards are thereafter amended. The Committee shall review and act upon submitted plans and specifications in accordance with the applicable time periods specified in Sections 10.04 and 10.06.

Section 10.03. Definition of "improvement(s)". The term "improvement(s)" shall mean and include all buildings and roofed structures, parking areas, fences, walls, poles, driveways, ponds, swimming pools, signs, changes in any exterior color or shape, glazing or reglazing of exterior windows with mirrored or reflective glass, streets, drainage facilities, utilities, roads, alley paths, and any new construction or exterior improvement significantly altering the appearance of any of the foregoing. It is also includes public streets, utilities, garden shrubs, tree replacements and other landscaping, and subdivision plats or maps to be recorded against the Property or any portion thereof. The term includes both original improvements and all later changes and improvements.

Section 10.04. Preliminary Plan Submissions. The Architectural Review Committee is authorized and empowered to and shall consider, review and comment on proposed subdivision plats or maps, preliminary plans (for Estate, utility, street, road and alleyway development as well for construction of residences, Apartment Complexes and Condominium Buildings) submitted in duplicate on an informal basis to assist Owners, developers and prospective purchasers of all or portions of the Property in complying with applicable covenants and restrictions and to assist in the completion of feasibility studies undertaken by such persons or entities. If the preliminary plats, plans and specifications are approved by the Committee, one set thereof will be retained by the Committee, and one complete set of plats or plans as applicable, will be marked "Approved" and returned to the Estate Owner or his designated representative. If found not to be in compliance with the covenants, conditions and restrictions contained in this Declaration, one set of such preliminary plats, plans and specifications as applicable, shall be marked "Disapproved", and returned accompanied by a reasonable statement of items found not to comply with the covenants, conditions and restrictions contained herein. The Committee's approval or disapproval, as required herein, shall be in writing. If the Committee fails to approve or disapprove such plats or plans and specifications within sixty (60) days after the date of submission, approval of the matters submitted shall be presumed. Comments on and approvals of preliminary plats or plans and specifications as applicable, shall be binding upon the Architectural Review Committee provided that conforming final plans and specifications or plats, as applicable, are submitted within ninety (90) days of such preliminary comments or approvals.

Section 10.05. Plan Submissions. Final plats and plans and specifications, as applicable, shall be submitted in triplicate to the Committee prior to the construction of any improvements. Such plats and plans and specifications, as applicable, shall include, to the extent applicable to the proposed improvements as determined by the Architectural Review Committee, the following:

(a) A topographical plat showing contour grades [with one foot (1') contour intervals, unless otherwise specified by the Committee] and showing the location of all proposed improvements, structures, roads, alleyways, easements, utilities, patios, driveways, parking areas and structures, fences and walls. Existing and finished grades shall be shown at Property or Estate corners, as applicable, and at corners of proposed improvements. Property drainage provisions shall be included as well as cut and fill details if any appreciable change in the Estate contour is contemplated.

(b) Exterior elevations of all proposed buildings and structures.

(c) A description of exterior materials, colors, textures and shapes of all buildings and structures.

(d) A landscaping plan, including walkways, fences and walls, elevation changes, watering systems, vegetation, ground cover, street furniture and sculpture.

(e) Roads, alleyways, parking areas and driveway plans.

(f) Screening including size, location and method.

(g) Utility connections, including routing of electrical, gas, water, sanitary sewer and telephone cables.

(h) Exterior illumination, if any, including location, manufacturer's fixture number and support photometric test data.

(i) Any public street or utilities to be built with the completed engineering design for said improvements.

(j) Foundation borings and design bearing the certificate of a registered geotechnical engineer.

(k) Trash container storage locations and related screening.

(l) Proposed use of parcel of land.

(m) Dimensional floor plan of all enclosed spaces including one example of each residential unit type, each recreation or service building, and any garages or parking facilities.

(n) Fire protection system.

(o) Location and name of all proposed streets, alleys, walkways and easements.

(p) Structural design, bearing the certificate of a registered structural engineer.

(q) Such other matters as may be required by the then applicable zoning code of the City of Coppell, Texas, or such other municipal or governmental authority having jurisdiction over the Property.

(r) Signs, including size, shape, color, content, location, materials and illumination.

(s) Any other data or information requested or deemed reasonably necessary by the Architectural Review Committee.

The Committee may defer the date for submission of any of the matters described in Section 10.05 (a)-(s), including specifically, landscaping plans referenced at Section 10.05(d) by notice in writing to the person or entity requesting such deferral of the submission date.

Section 10.06. Approval Procedure. The Committee is authorized to request the submission of samples of proposed exterior construction materials and colors. At such time as the plats or plans and specifications, as applicable, are approved by the Committee, one set of plats or plans and specifications, as applicable, will be retained by the Committee and one complete set of plats or plans and specifications, as applicable, will be marked "Approved" and returned to the Owner or his designated representative. If found not to be in compliance with the covenants, conditions and restrictions contained in this Declaration, one set of such plat or plans and specifications, as applicable, shall be marked "Disapproved", accompanied by a reasonable statement of items found not to comply with the covenants, conditions and restrictions contained herein. The Committee's approval or disapproval, as required herein, shall be in writing. If the Committee fails to approve or disapprove such plat or plans and specifications, as applicable, within sixty (60) days after the date of submission, approval of the matters submitted shall be presumed. Any material modifications or changes to the approved plat or plans and specifications, as applicable, must again be submitted to the Committee for its inspection and approval. Material modifications or changes in plats or plans and specifications, as applicable, must be approved or disapproved in writing.

The Committee is authorized and empowered to consider and review any and all aspects of construction, construction of other improvements and location, quality and quantity of landscaping on the Estates, which may, in the reasonable opinion of the Committee, adversely affect the living enjoyment of one or more Estate Owners or the general value of the Property. Also, the Committee is permitted to consider technological advances in design and materials and such comparable or alternative techniques, methods or materials may or may not be permitted, in accordance with the reasonable opinion of the Committee.

All improvements approved by the Committee shall be diligently commenced after obtaining all necessary governmental approvals therefor and thereafter shall be pursued to completion.

Section 10.07. Design Guidelines. The Committee may, from time to time, publish and promulgate Design Guidelines and such Design Guidelines shall be explanatory and illustrative of the general intent of the development of the Property and are intended as a guide to assist the Architectural Review Committee in reviewing plats or plans and specifications. In any event, such Design Guidelines shall not be binding upon the Committee and shall not constitute, in every event, the basis for approval or disapproval of plats, plans, specifications and other materials submitted to the Committee for approval.

Section 10.08. Variances. Upon submission of a written request for same, the Committee may, from time to time, in its sole discretion, permit Owners to construct, erect, or install improvements which are in variance from the covenants and restrictions contained herein or architectural standards which are provided in this Declaration in Article IX or which may be promulgated in the future. In any case, however, such variances shall be in basic conformity with and shall blend effectively with the general architectural style and design of the community. Written requests for variances shall be deemed to be disapproved if the Committee has not expressly and in writing, approved such request within thirty (30) days of the submission of such request. No member of the Committee shall be liable to any Owner for any claims, causes of action, or damages arising out of the grant of any variance to an Owner. Each request for a variance submitted hereunder shall be reviewed separately and apart from other such requests and the grant of a variance to any Owner shall not constitute a waiver of the Committee's right to strictly enforce the covenants, restrictions and architectural standards provided hereunder, against any other Owner.

Section 10.09. Nonconforming and Unapproved Improvements. The Committee may require any Owner to restore such Owner's improvements to the condition existing prior to the construction thereof (including, without limitation, the demolition and removal of any unapproved improvement) if such improvements were commenced or constructed in violation of this Article IV. In addition, the Committee may, but has no obligation to do so, cause such restoration, demolition and removal and recover the amount of the cost thereof from the Owner of the Estate or portion of Property upon which such improvements were commenced or constructed.

Section 10.10. No Liability. Neither Declarant, the Committee, nor employees, officers, directors and agents of any of them, shall be liable in damages to anyone submitting plats or plans and specifications to any of them for approval, or to any Owner of property affected by these restrictions by reason of mistake in judgment, negligence, or nonfeasance arising out of or in connection with the approval or disapproval or failure to approve or disapprove any such plans or specifications. Every person who submits plans or specifications, and every Owner of any of said property agrees that he will not bring any action or suit against Declarant, the Committee, or officers, directors, employees and agents of any of them, to recover any such damages and hereby releases, remises, and quitclaims all claims, demands and causes of action arising out of or in connection with any judgment, negligence or

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

Section 10.11. Certificate of Compliance. Within five (5) business days after an Owner's written request for same and upon substantial completion (as such term is defined by the American Institute of Architects) of improvements, the plats or plans and specifications for which are subject to review by the Committee, the Committee shall inspect such improvements and if the improvements are constructed, erected, placed or altered in accordance with approved plats or plans and specifications the Committee shall issue a certificate evidencing compliance with the provisions hereof. If the project subject to review is a phased project, the Committee shall inspect each phase as phases are substantially completed (as such term is defined by the American Institute of Architects) and if such phase, including, but not limited to, parking facilities, landscaping and signage related to such phase, is found to be in substantial conformity with previously approved plats or plans, specifications and other submissions, a certificate evidencing such compliance will be issued by the Committee.

Section 10.12. Notice of Noncompliance or Noncompletion. Notwithstanding anything to the contrary contained herein, after the expiration of two (2) years from the date of substantial completion of construction of any improvement within the Property, said improvements shall, in favor of purchasers and encumbrancers in good faith and for value, be deemed to be in compliance with all provisions of Articles IX and X, unless actual notice of such noncompliance and noncompletion, executed by the Committee or its designated representatives, shall appear of record in the office of the County Clerk of Dallas County, Texas or unless legal proceedings shall be instituted to enforce compliance or completion. The term "substantial completion" shall be defined in the manner adopted by the American Institute of Architects from time to time. Subsequent improvements, alterations or repairs to an Estate shall not entitle the Committee to review for compliance any improvements substantially completed more than two (2) years prior to such more recent improvements, alterations or repairs which are subject to review.

Section 10.13. Appointment and Designation. The Committee may from time to time, by the vote or written consent of a majority of its members, delegate any of its rights or responsibilities hereunder to one or more duly licensed architects or other qualified persons or subcommittees which shall have full authority to act on behalf of said Committee in all matters delegated.

Section 10.14. Review Fee and Address. Any plans and specifications shall be submitted in duplicate, in writing, for approval together with a reasonable processing fee as set by the Committee. The review fee shall cover only the cost of employing non-affiliated consultants to review plats or plans and specifications as well as incidental expenses associated with the review process. The address of the Committee shall be the principal place of business of the Declarant from time to time designated in writing to the Owners. Such address shall be the place of the submittal of any plats or plans and specifications and the place where the current Design Guidelines and rules and regulations, if any, of the Committee shall be kept.

Section 10.15. Inspection. After telephonic notice to the Owner, any member or agent of the Committee may from time to time at any reasonable hour or hours enter and inspect any property subject to the jurisdiction of said Committee to confirm improvement or maintenance in compliance with the provisions hereof.

Section 10.16. Governmental Authorities. All Owners of any Estate or portion of the Property and their successors and assigns by their acceptance of their respective deeds, shall be bound by and subject to all applicable laws, rules or regulations. No improvements or addition or change or alteration thereof shall be constructed, erected, placed, altered or maintained on any of the Property, including the Common Area, which is in violation of any of the laws or ordinances of the City of Coppell, Texas or any other applicable governmental laws, rules or regulations. Notwithstanding anything to the contrary herein contained, neither the Declarant, nor the Committee and their respective officers, directors, agents and employees shall have any obligation to enforce or to report the violation of any such law, ordinance, rule or regulation.

Section 10.17. No Liability for Design Defects. Plats or plans and specifications are not approved for engineering or structural design or quality of materials, and by approving such plans and specifications neither the Committee, the members thereof, or the Declarant assumes liability or responsibility therefor, nor for any defect in any structure or improvement constructed from such plans and specifications.

ARTICLE XI RIGHTS OF ELIGIBLE LENDERS AND ELIGIBLE INSURERS OR GUARANTORS

Section 11.01. Notices to Eligible Lenders. All Eligible Lenders holding first mortgages on an Estate, or portion thereof, shall be given notice of the following events if they deliver to the Association a written request that they receive such notices, together with a complete and accurate description of the Estate securing their mortgage and an accurate address for such Eligible Lender:

(a) Any condemnation loss or any casualty loss which affects a material portion of the Property or any Estate on which there is a first mortgage held, insured or guaranteed by such Eligible Lender;

(b) Any delinquency in the payment of assessments or charges owed and any other default in the performance of an obligation set forth in this Declaration by an Owner of an Estate subject to a first mortgage held, insured or guaranteed by such Eligible Lender, which remains uncured for a period of 60 days;

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

(d) Any proposed action which would require the consent of a specified percentage of Eligible Lenders; and

(e) Any proposal to make a change in this Declaration.

Section 11.02. Other Provisions for Eligible Lenders.

(a) Notwithstanding anything to the contrary contained herein, the consent of the Members of the Association to which at least sixty-seven percent (67%) of the vote of each class of Members in the Association are allocated and the approval of Eligible Lenders holding mortgages on Estates subject to the Declaration which have at least fifty-one percent (51%) of the votes of such Estates subject to Eligible Lender mortgages shall be required to do any of the following:

(i) establish self-management of the Association when professional management had been required previously by an Eligible Lender;

(ii) restore or repair (after a hazard damage or partial condemnation) in a manner other than that as specified in the Declaration; and

(iii) take any action to terminate the legal status of the Association after a substantial destruction or condemnation occurs.

(b) If substantial destruction or condemnation has not occurred, the legal status of the Association shall not be terminated unless Eligible Lenders holding mortgages on Estates subject to the Declaration which have at least sixty-seven percent (67%) of the votes of such Estates subject to Eligible Lender mortgages consent.

Section 11.03. FHLMC Provision.

(a) Notwithstanding any other provision of this Declaration, unless at least two-thirds of the Eligible Lenders (based upon one vote for each mortgage held) and Owners (other than the Declarant) of Estates subject to the Declaration have given their prior written approval, the Association shall not be entitled to (i) by act or omission seek to abandon, partition, subdivide, encumber, sell or transfer the Common Area (the granting of easements for public utilities or for other public purposes consistent with this Declaration and the intended use of the Common Area shall not be deemed a transfer within the meaning of this clause); (ii) change the method of determining the obligations, assessments, dues or other charges which may be levied against an Owner of an Estate subject to the Declaration; (iii) by act or omission, waive or abandon the scheme in the Declaration pertaining to the architectural design or the exterior appearance of Estates subject to the Declaration, the exterior maintenance of such Estates or the maintenance of the Common

Area; (iv) fail to maintain fire and extended coverage on insurable improvements located on the Common Area on a current replacement cost basis; (v) use hazard insurance proceeds for losses to the Common Area for other than the repair; replacement or reconstruction of such Common Area.

(b) The first mortgagees may, jointly or singly, pay taxes or other charges which are in default which may or have become a charge against the Common Area and may pay overdue premiums on hazard insurance coverage upon the lapse of a policy for the Common Area and first mortgagees making such payments shall be owed immediate reimbursement for such payment from the Association.

ARTICLE XII EASEMENTS

Section 12.01. Easements. Easements, licenses, franchises or other similar permits for installation, maintenance, repair and removal of utilities, public rights-of-way, drainage facilities and floodway easements and video services, cable television services, security services, communication services, fire protection services and other similar services, over, under and across the Property are reserved by Declarant for itself, its successors and assigns, as specifically set forth on recorded plats of the Property, portions thereof or as set forth in other documents of record in the Deed Records of Dallas County, Texas. In addition, the Declarant hereby reserves to itself, its successors and assigns, easements for installation, maintenance and repair and removal of utilities and drainage facilities, security services, cable television and other communication services and other similar services, such easements to be located between the right-of-way lines of public or private rights-of-way within the Property and building set back lines from such rights-of-way, such easements in no event to exceed fifteen feet (15') in width as measured from such right-of-way line. In any event such fifteen foot (15') easements shall be contiguous to such rights-of-way. Full right of ingress and egress shall be had by Declarant at all times over the Property to the extent reasonably necessary for the installation, operation, maintenance, repair or removal of any utility or drainage facility or other services as aforesaid, contained within any of the aforesaid easements. Full right of ingress and egress shall also be had by Declarant at all times over the Property as may be reasonably required to remove any obstruction that may be placed in such easements without the approval of the Declarant or the owner of the relevant easement, where such unauthorized obstruction would constitute interference with the use of such easement or with the use, maintenance, operation or installation of such utility or other services. In no event shall the foregoing prohibit paving, fencing, walls or landscaping within such easements. Declarant shall have the right to assign and convey, in whole or in part, the easements reserved by it hereunder to one or more public utility companies, quasi-public service companies or relevant governmental authorities. All utilities installed within the aforesaid easements shall be installed underground. Full rights of ingress and egress shall be had by Declarant and its successors and assigns at all times over the Property for the installation, operation, maintenance, repair or removal of any utility or service together with the right to remove any

obstruction that may be placed in the aforesaid easements that would constitute interference with the use of the aforesaid easements, or with the use, maintenance, operation or installation of such utility or service.

Section 12.02. Ingress and Egress by the Association. Full rights of ingress and egress shall be had by the Association at all times over and upon each Estate for the maintenance and repair of each Estate in accordance with the provisions hereof, and for the carrying out by the Association of its functions, duties and obligations hereunder; provided, that any such entry by the Association upon any Estate shall be made only after reasonable notice to the relevant Estate Owner (except that no notice shall be required in the event of an emergency) and any entry shall be made with as little inconvenience to the Owner as practical, and any damage caused thereby shall be repaired by the Association at the expense of the Association.

Section 12.03. Easements for Encroachment. There shall be reciprocal appurtenant easements for encroachment as between each Estate and such portion or portions of the Common Area adjacent thereto or as between adjacent Estates 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 five (5) feet, as measured from any point on the common boundary between each Estate and the adjacent portion of the Common Area or as between adjacent Estates, 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, tenant, or the Association.

Section 12.04 Estate Owners Easements. The rights and duties of the Owners of Estates within the Property with respect to sanitary sewer, water, electricity, telephone and cable television lines and drainage facilities shall be governed by the following:

(a) Wherever sanitary sewer and/or water service connections or electricity, or telephone and cable television lines or drainage or security facilities are installed within the Property, which connection lines or facilities or any portion thereof, lie in or upon Estates owned by any party other than the Owner of an Estate served by said connections, lines or facilities, such Owners of Estates served shall have the right, and are hereby granted an easement to the full extent necessary therefore, to enter upon the Estates within the Property within or upon which said connections, lines or facilities, or any portion thereof, lie, to repair, replace and generally maintain said connections as and when the same may be necessary.

(b) Wherever sanitary sewer and/or water service connections or electricity, telephone or cable television lines or drainage or security facilities are installed within the Property, which connections serve more than one Estate, the Owner of each Estate served by said connections shall be entitled to the full use and enjoyment of such portions of said connections which service such Owner's Estate.

Section 12.05. Public Easement. There is hereby reserved to Declarant, its successors and assigns, an easement for public ingress and egress over any public pedestrian pathways. This easement shall not imply any right of public use of the Common Area or improvements thereon, owned by the Association.

Section 12.06. Audio and Video. In the event that audio and video communication services and utilities are made available to any of the Estates by means of an underground coaxial cable system, the company furnishing such services and facilities shall have a two foot (2') wide easement along and centered on the underground wire or cable when and as installed by said company from the utility easement nearest to the point of connection on the permanent improvement or structure, or to be constructed upon said Estate, and in a direct line from said nearest utility easement to said point of connection.

Section 12.07 Easement for Construction, Maintenance and Repair of Subdivision and Screening Walls. Declarant does hereby perpetually dedicate, establish, create and set aside a non-exclusive ten (10) foot wide easement over, across and upon the Property, such easement to be five (5) feet on either side of subdivision entrance and screening walls constructed by the Declarant or developers which have purchased Estates from the Declarant. Such easements are reserved for the exclusive benefit of Declarant and the Association, their respective successors and assigns, for the construction, maintenance and repair of subdivision entrance and screening walls. Estate owners shall not alter, paint, attach fences to or otherwise use such walls even though certain of such walls and/or the easement reserved herein may be located on such Owner's Estate. These walls and the easement reserved herein shall constitute a portion of the Common Area and Common Facilities.

Section 12.08 Easement for Maintenance and Repair of Lakes and Banks of Lakes. Declarant does hereby perpetually dedicate, establish, create and set aside a non-exclusive ten (10) foot wide easement over, across and upon the Property, such easement to extend ten (10) feet in width around the entire length of the Lake System. Such easements are reserved for the exclusive benefit of Declarant and the Association, their respective successors and assigns, for the maintenance and preservation of the Lake System and for the maintenance and repair of the concrete and wood walls and the stone paving lining the banks of the lakes. Estate Owners shall not alter, paint or otherwise use such walls and stone paving even though certain of such walls, stone paving and/or the easement reserved herein may be located on such Owner's Estate. These walls, stone paving and the easement reserved herein shall constitute a portion of the Common Area and Common Facilities.

Section 12.09 Lake System Easement. No Member of the Association shall restrict the use of the Lake System by any other Member, and each Member is hereby granted an easement and right to reasonably use the entire Lake System in common with each other Member, PROVIDED that such reasonable use of the Lake System shall extend only to the water surface thereof and such easement granted herein shall not extend to any land area abutting the Lake System. The easement granted to the Members in this Section 12.09 shall not be construed to prohibit the Owner of an Estate that abuts the Lake System from using the banks and the land area abutting the Lake System which is owned by such Estate Owner.

ARTICLE XIII CONDEMNATION

In the event of a taking by eminent domain of any part of the Common Area, the Association shall participate in the negotiations, agreements and settlements with the condemning authority or the court. The award or proceeds of settlement shall be payable to the Association for the use and benefit of the Owners.

ARTICLE XIV GENERAL PROVISIONS

Section 14.01. Duration. The Covenants, Conditions and Restrictions of 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 a term of thirty-five (35) years from the date that this Declaration is recorded in the office of the County Clerk of Dallas County, Texas, after which time said Covenants and Restrictions shall be automatically extended for successive periods of ten (10) years unless (and subject to the provisions of the Deed Restrictions, as hereinafter defined) an instrument is signed by the Members and Eligible Lenders entitled to cast sixty-seven percent (67%) of the votes of the Association in the aggregate, regardless of class, and has been recorded in the Deed Records, Dallas County, Texas, agreeing to abolish the same Covenants, Conditions and Restrictions in whole or a substantial portion thereof; provided, however, that no such agreements to abolish shall be effective unless made and recorded one (1) year in advance of the effective date of such abolishment.

Section 14.02. Amendments. Notwithstanding Section 14.01 of this Article and subject to the provisions of Section 3.07 hereof, where applicable, these Covenants and Restrictions may be amended and/or changed in part with the consent of at least fifty-one percent (51%) of the outstanding votes of the Members of each Class of Members of the Association; provided that the Declarant may execute and record amendments to this Declaration without such consent or approval if the amendment is for the purpose of correcting technical errors or for clarification only. Any and all amendments, if any, shall be recorded in the office of the County Clerk of Dallas County, Texas.

Section 14.03. Enforcement. Enforcement of these covenants and restrictions shall be by any proceeding at law or in equity against any person or persons violating or attempting to violate them, or to recover damages, or to enforce any lien created by these covenants; and failure by the Association or the Declarant to enforce any covenant or restriction herein contained shall in no event be deemed a waiver of the right to do so thereafter. The Declarant, the Architectural Review Committee, an Owner or the Association shall have the right, but not the obligation, to enforce these covenants and restrictions in accordance with the provisions set forth within this Declaration.

Section 14.04. Limitation of Restrictions on Declarant. Declarant is undertaking the work of developing land for residential purposes and incidental improvements upon the Property. The completion of that work and the sale or other disposal of such developed land is essential to the establishment and welfare of said Property as a residential community. In order that said work may be completed and said Property be established as a fully occupied residential community as rapidly as possible, nothing in this Declaration shall be understood or construed to:

(a) Prevent Declarant, its contractors, or subcontractors from doing to the Property whatever is reasonably necessary or advisable in connection with the completion of said work; or

(b) Prevent Declarant or its representatives from erecting, constructing and maintaining on any part or parts of the Property, such structures as may be reasonable and necessary for the conduct of its business of completing said work and establishing said Property as a residential community and disposing of the same in parcels by sale, lease, or otherwise; or

(c) Prevent Declarant from conducting on any part of the Property such business or completing said work; or

(d) Prevent Declarant from maintaining such sign or signs on any of the Property as may be necessary for the sale, lease or disposition thereof, provided, however, that the maintenance of any such sign shall not unreasonably interfere with the use by any Owner of his Estate.

The foregoing limitations on the application of the restrictions to Declarant shall terminate upon the sale of Declarant's entire interest in the Property.

Any action taken by Declarant pursuant to any provision of this Section will not unreasonably interfere with the Owner's rights and use of his Estate.

Section 14.05. Termination of and Responsibility of Declarant. If Declarant should convey all of its right, title and interest in and to the Property to any partnership, individual or individuals, corporation or corporations, then and in such event Declarant shall be relieved of the performance of any further duty or obligation hereunder, and such partnership, individual or individuals, corporation or corporations, shall be obligated to perform all such duties and obligations of the Declarant.

Section 14.06. Owners' Compliance. Each Owner, tenant or occupant of an Estate or unit in an Apartment Complex shall comply with the provisions of this Declaration, and shall comply with the decisions and resolutions of the Association or its duly authorized representative, and failure to comply with any such provisions, decisions, or resolutions, shall be grounds for an action to recover sums due, for damages and/or fines or for injunctive relief.

All agreements and determinations lawfully made by the Association in accordance with the voting procedures established herein shall be deemed to be binding on all Owners of Estates, their successors and assigns.

Section 14.07. Severability. Invalidation of any one of these covenants or restrictions by judgment or court order shall not affect any other provision which shall remain in full force and effect.

Section 14.08. Headings. The headings contained in this Declaration are for reference purposes only and shall not in any way affect the meaning or interpretation of this Declaration.

Section 14.09. Notices to Member or Eligible Lender. Except as hereafter set forth any notice required to be given to any Member or Eligible Lender under the provisions of this Declaration shall be deemed to have been properly delivered when deposited in the United States mail, postage prepaid, addressed to the last known address of the person who appears as Member or Eligible Lender on the records of the Association at the time of such mailing. In the event that there are multiple Members or multiple Eligible Lenders with respect to a single Estate the Association shall be obligated to send notice to only one (1) of the multiple Members and one (1) of the multiple Eligible Lenders. Notice to one shall be deemed to be notice to all. Multiple Members or Eligible Lenders may designate one (1) of their group as the person entitled to notice by so notifying the Association in writing of such person and the address thereof, but if no such person is designated the Association may notify any one (1) of such multiple Members and multiple Eligible Lenders. Notices of past due assessments, of the intention to institute any punitive provisions hereof, of any sanctions to be imposed hereunder or of any violations of this Declaration shall be sent to the affected person or entity by certified mail, return receipt requested and addressed as aforesaid.

Section 14.10. Disputes. Matters of dispute or disagreement between Owners with respect to interpretation or application of the provisions of this Declaration or the Association Bylaws, shall be determined by the Board of Directors, whose reasonable determination shall be final and binding upon all Owners.

Section 14.11. Compliance with FHLMC, FNMA, VA and FHA Regulations. The Declarant intends that the documents creating and governing the Association and/or this Declaration may be amended to comply (if not in compliance) with all requirements of the Federal Home Loan Mortgage Corporation ("FHLMC"), Federal National Mortgage Association ("FNMA"), Federal Housing Administration ("FHA") and Veterans Administration ("VA") pertaining to the purchase or guaranty by FHLMC, FNMA VA or FHA of conventional home loans. Declarant and all Owners therefore agree that, notwithstanding anything to the contrary contained herein, in the event this Declaration, any of the Bylaws and Articles of Incorporation of the Association and any other documents or instruments governing or creating same do not comply with the FHLMC, FNMA, VA or FHA requirements, the Declarant or the Board, shall have the power, in its discretion (on behalf of the Association and each and every Owner) to amend the terms of this Declaration, the Bylaws and Articles of Incorporation of the Association and any other documents or instruments governing or creating same and/or to enter into any agreement with FHLMC (or its designee), FNMA (or its designee) VA (or its designee), or FHA (or its designee) reasonably required by FNMA or FHLMC, VA or FHA, to allow the Property, the Association, the Declaration and/or any other related documents to comply with such requirements.

IN WITNESS WHEREOF, Triland Investment Group, a Texas general partnership venture, being the Declarant herein, has caused this instrument to be executed this 30th day of November, 1984.

TRILAND INVESTMENT GROUP,
a Texas general partnership,

By: STYLUS HOLDINGS, INC.,
a Texas corporation and one of
three general partners

By: *Nicholas R. DiGiuseppe*
Nicholas R. DiGiuseppe,
President

THE STATE OF TEXAS

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§
§

COUNTY OF DALLAS

This instrument was acknowledged before me on the 30th day of Nov., 1984 by NICHOLAS R. DIGIUSEPPE, President of STYLUS HOLDINGS, INC., a Texas corporation, on behalf of said corporation, acting as a general partner of Triland Investment Group, a Texas general partnership.

GIVEN UNDER MY HAND AND SEAL OF OFFICE, this 30th day of Nov., 1984.

Ellen Koenig
Notary Public, State of Texas

My Commission Expires:

1-25-88

ELLEN KOENIG
(Printed or Typed Name of Notary)

northwest corner of said Breawood Development Tract, said point being in the east line of Samuel Boulevard (41.92 feet wide);

THENCE, N 00° 34' 48" E, along the east line of Samuel Boulevard a distance of 1656.44 feet to a said P.K. Nail set for corner at the intersections of said Samuel Boulevard east line with the south line of DeForest Road (30 feet wide);

THENCE, S 89° 44' 05" E, generally along an existing fence and the south line of DeForest Road a distance of 3800 feet to a 12-inch corner post for corner;

THENCE, S 00° 34' 48" W, a distance of 558.55 feet to a 1/2-inch iron rod set for corner;

THENCE, S 89° 44' 05" E, a distance of 47.29 feet to a 1/2-inch iron rod set for corner;

THENCE, generally along the meanders of the high bank line of Denton Creek as follows:

S 69° 07' 34" W, a distance of 244.27 feet to a 1/2-inch iron rod found for corner;

S 32° 42' 02" W, a distance of 194.64 feet to a 1/2-inch iron rod set for corner;

S 21° 33' 37" E, a distance of 237.04 feet to a 1/2-inch iron rod set for corner;

THENCE, leaving said high bank line of Denton Creek, S 43° 54' 55" W, a distance of 393.30 feet to a 1/2-inch iron rod set for corner in the north line of a tract of land conveyed to Elvin R. Warren by deed recorded in Volume 78214, Page 701, Deed Records of Dallas County, Texas;

THENCE, N 89° 22' 00" W, with the north line of said Warren Tract a distance of 184.71 feet to a 1/2-inch iron rod set for corner;

THENCE, S 39° 53' 28" E, a distance of 455.86 feet to a 1/2-inch iron rod set in the south line of said Warren Tract;

THENCE, S 89° 00' 10" E, along said south line of Warren Tract a distance of 295.94 feet to a 1/2-inch iron rod found for corner;

THENCE, N 03° 09' 02" W, a distance of 8.73 feet to a 1/2-inch iron rod found for corner;

THENCE, S 60° 47' 30" E, a distance of 175.36 feet to a 1/2-inch iron rod found for corner on the said high bank line of Denton Creek;

THENCE, generally along the meanders of the high bank line of Denton Creek as follows;

S 15° 47' 53" W, a distance of 70.00 feet to a 1/2-inch iron rod found for corner;

S 03° 23' 17" E, a distance of 189.03 feet to a 1/2-inch iron rod found for corner;

S 32° 33' 20" E, a distance of 112.40 feet to a 1/2-inch iron rod found for corner;

S 46° 45' 15" E, a distance of 180.22 feet to a 1/2-inch iron rod found for corner;

S 65° 51' 13" E, a distance of 194.84 feet to a 1/2-inch iron rod found for corner;

S 85° 28' 43" E, a distance of 132.06 feet to a 1/2-inch iron rod found for corner;

N 75° 49' 32" E, a distance of 208.54 feet to a 1/2-inch iron rod found for corner;

N 58° 04' 24" E, a distance of 80.00 feet to a 1/2-inch iron rod found for corner;

N 89° 07' 43" E, a distance of 209.72 feet to a 1/2-inch iron rod found for corner;

S 83° 14' 42" E, a distance of 130.00 feet to a 1/2-inch iron rod found for corner;

N 59° 23' 44" E, a distance of 173.16 feet to a 1/2-inch iron rod found for corner;

N 34° 29' 25" E, a distance of 167.15 feet to a 1/2-inch iron rod found for corner;

N 62° 21' 24" E, a distance of 89.00 feet to a 1/2-inch iron rod found for corner;

S 47° 58' 35" E, a distance of 80.00 feet to a 1/2-inch iron rod found for corner;

S 20° 50' 59" E, a distance of 218.00 feet to a 1/2-inch iron rod found for corner;

S 00° 46' 14" E, a distance of 137.00 feet to a 1/2-inch iron rod found for corner;

S 21° 09' 33" W, a distance of 155.56 feet to a 1/2-inch iron rod found for corner;

S 25° 59' 41" W, a distance of 104.98 feet to a 1/2-inch iron rod found for corner;

S 25° 15' 33" E, a distance of 118.47 feet to a 1/2-inch iron rod found for corner;

N 76° 05' 56" E, a distance of 215.00 feet to a 1/2-inch iron rod

EXHIBIT - "A"

BEING a tract of land located in the Patience Piles Survey, Abstract No. 1137, the B.B.B. & C.R.R. Survey, Abstract No. 199, the J. H. Mounts Survey, Abstract No. 903 and the Edward Cook Survey, Abstract No. 300, City of Coppell, Dallas County, Texas, being part of 24.5 acre tract described as the "Second Tract" in deed from Laura B. Allen to G. N. Cole as recorded in Volume 969, Page 98, Deed Records of Dallas County, Texas, being all of a 117 acre tract recorded in Volume 5579, Page 554, Deed Records of Dallas County, Texas, being all of a 32.38 acre tract recorded in Volume 5579, Page 555, Deed Records of Dallas County, Texas, being a part of a tract of land described as the "Third Tract" in deed recorded in Volume 969, Page 98, Deed Records of Dallas County, Texas, being a tract of land conveyed to T. L. Wheeler by George Bucek on June 12, 1954, being all of the Kimbel Addition Revised, an addition to the City of Coppell, recorded in Volume 81084, Page 2463, Deed Records of Dallas County, Texas, being Lots 23 through 29 of the Kimbel Addition, an addition to the City of Coppell, recorded in Volume 77213, Page 0999, Deed Records of Dallas County, Texas, and being more particularly described as follows:

COMMENCING, at a 1/2-inch iron rod found on the north line of Sandy Lake Road (60 feet wide) said rod being in the east line of a 5.0 acre tract conveyed by C.W. and Vera McDonald to A. R. McDonald by deed as recorded in Volume 3824, Page 292, Deed Records of Dallas County, Texas;

THENCE, N 89° 15' 30" W, along said north line of Sandy Lake Road a distance of 94.74 feet to a 1/2-inch iron rod found for the POINT OF BEGINNING;

THENCE, N 00° 56' 33" E, a distance of 664.52 feet to a 1/2-inch iron rod found on the north line of said McDonald Tract;

THENCE, N 88° 56' 27" W, a distance of 234.75 feet to a 1/2-inch iron rod found at the northwest corner of said McDonald Tract said point also being on the east line of Meadows Section Two Addition as recorded in Volume 82118, Page 2778, Deed Records of Dallas County, Texas;

THENCE, N 00° 25' 39" E, along said east line of Meadows Section Two and the east line of Breawood Development Corporation as recorded in Volume 81143, Page 2666, Deed Records of Dallas County, Texas, a distance of 1803.17 feet to a 1/2-inch iron rod found for corner;

THENCE, N 89° 57' 30" W, with the north line of said Breawood Development Corporation a distance of 1271.20 feet to a 1/2-inch iron rod found on the east line of Breawood Development Corporation as recorded in Volume 83017, Page 3249, Deed Records of Dallas County, Texas;

THENCE, N 00° 07' 39" E, along the east line of said Breawood Development Corporation, a distance of 1106.62 feet to a 1/2-inch iron rod found in the northeast corner of said Breawood Development Tract;

THENCE, N 89° 22' 00" W, with the north line of said Breawood Development Tract, a distance of 818.59 feet to a 1/2-inch iron rod found for the

found for corner;

S 69° 32' 37" E, a distance of 134.00 feet to a 1/2-inch iron rod found for corner;

S 31° 25' 50" E, a distance of 182.00 feet to a 1/2-inch iron rod found for corner;

S 16° 03' 23" W, a distance of 78.00 feet to a 1/2-inch iron rod found for corner;

S 32° 28' 01" W, a distance of 226.74 feet to a 1/2-inch iron rod found for corner;

S 01° 58' 02" W, a distance of 84.00 feet to a 1/2-inch iron rod found for corner;

S 15° 42' 31" W, a distance of 442.25 feet to a 1/2-inch iron rod found for corner;

S 55° 24' 02" W, a distance of 145.00 feet to a 1/2-inch iron rod found for corner;

S 24° 34' 39" W, a distance of 136.91 feet to a 1/2-inch iron rod found for corner;

S 38° 00' 32" E, a distance of 208.18 feet to a 1/2-inch iron rod found for corner;

S 15° 48' 27" E, a distance of 88.48 feet to a 1/2-inch iron rod found on the north line of a tract of land conveyed by deed from Walter Keas Construction Company to Starnes Plumbing Company as recorded in Volume 81159, Page 2124, of the Deed Records of Dallas County, Texas;

THENCE, leaving the high bank line of Denton Creek, N 88° 47' 17" W, with said north line of the Starnes Plumbing Company tract a distance of 347.88 feet to a 1/2-inch iron rod found for corner, said rod also being the northeast corner of the Kimbel Addition, an addition to the City of Coppell, Dallas County, Texas as recorded in Volume 77213, Page 0999 of the Deed Records of Dallas County, Texas;

THENCE, S 02° 17' 45" E, with the east line of said Kimbel Addition said line also being the west line of the Starnes Plumbing Company tract and the west line of the Walter Keas Construction Company tract as recorded in Volume 79194, Page 2075, Deed Records of Dallas County, Texas a distance of 934.10 feet to a 1/2-inch iron rod found for corner on the north line of Coppell Properties as recorded in Volume 79221, Page 1473, Deed Records of Dallas County, Texas;

THENCE, S 87° 39' 53" W, with the north line of said Coppell Properties a distance of 1044.86 feet to a 1/2-inch iron rod found in the east line of Kimbel Kourt (a 50 foot wide street);

THENCE, N 02° 20' 07" W, along the east line of said Kimbel Kourt a distance

of 395.52 feet to a 1/2-inch iron rod found for corner;

THENCE, S 87° 39' 53" W, a distance of 330.04 feet to a 1/2-inch iron rod found for corner in the east line of Allen Road (75 feet wide);

THENCE, N 02° 06' 18" W, with the east line of said Allen Road a distance of 151.88 feet to a 1/2-inch iron rod found for corner;

THENCE, N 02° 39' 17" W, continuing with said east line of Allen Road a distance of 472.11 feet to a 1/2-inch iron rod found for corner;

THENCE, N 88° 47' 14" W, a distance of 50.02 feet to a 1/2-inch iron rod found for corner;

THENCE, S 02° 39' 18" E, a distance of 546.95 feet to a 1/2-inch iron rod found for corner;

THENCE, N 88° 56' 27" W, a distance of 25.01 feet to a 1/2-inch iron rod found for corner, said point being the west line of said Allen Road (75 foot wide);

THENCE, S 02° 39' 18" E, with the said west line of Allen Road a distance of 1.25 feet to a 1/2-inch iron rod found for corner;

THENCE, S 02° 06' 34" E, along the said west line of Allen Road a distance of 329.26 feet to a 1/2-inch iron rod found for corner;

THENCE, S 02° 06' 18" E, with the west line of said Allen Road a distance of 326.72 feet to a 1/2-inch iron rod found at the intersections of the north line of Sandy Lake Road (60 feet wide) with the west line of said Allen Road;

THENCE, N 89° 15' 30" W, along the north line of said Sandy Lake Road a distance of 1495.97 feet to the PLACE OF BEGINNING;

CONTAINING, 17,910,825 square feet or 411.176 acres of land more or less.

Save and except a tract of land located in the B.B.B. & C.R.R. Survey, Abstract No. 199, in the City of Coppell, Dallas County, Texas and being more particularly described as follows::

BEGINNING, at an iron rod set for corner in the North line of Sandy Lake Road, said point being S 89° 15' 30" E, a distance of 630.00 feet from the Southeast corner of a tract conveyed by deed to A. R. McDonald by C. W. McDonald and Vera McDonald as recorded in Volume 3824, Page 292, Deed Records, Dallas County, Texas;

THENCE, N 02° 56' 53" W, departing said North line, for a distance of 193.41 feet, to an iron rod set for corner;

THENCE, N 10° 41' 06" W, for a distance of 36.90 feet to an iron rod set for corner;

THENCE, 64° 07' 02" E, for a distance of 27.81 feet to an iron rod set for corner;

THENCE, N 48° 04' 51" E, for a distance of 71.66 feet to an iron rod set for corner;

THENCE, 26° 33' 54" W, for a distance of 111.80 feet to an iron rod set for corner;

THENCE, 16° 59' 57" W, for a distance of 37.13 feet to an iron rod set for corner;

THENCE, N 65° 23' 06" E, for a distance of 306.47 feet to an iron rod set for corner;

THENCE, N 01° 23' 56" W, for a distance of 100.00 feet to an iron rod set for corner;

THENCE, N 87° 23' 02" E, for a distance of 590.00 feet to an iron rod set for corner;

THENCE, S 02° 39' 18" E, for a distance of 10.11 feet to an iron rod set for corner;

THENCE, N 88° 56' 27" W, for a distance of 25.01 feet to an iron rod set for corner;

THENCE, S 02° 39' 18" E, for a distance of 1.25 feet to an iron rod set for corner;

THENCE, S 02° 06' 34" E, for a distance of 329.26 feet to an iron rod set for corner;

THENCE, S 02° 06' 18" E, for a distance of 326.72 feet to a point in the North line of Sandy Lake Road, an iron rod set for corner;

THENCE, N 89° 15' 30" W, along the said North line, for a distance of 865.97 feet to the POINT OF BEGINNNING;

CONTAINING, 11.457 acres (499,067 sq. ft.) of land.

12/17/84

**FIRST AMENDMENT TO DECLARATION OF
COVENANTS, CONDITIONS AND RESTRICTIONS
FOR THE LAKES OF COPPELL**

Dallas County, Texas ^A

7094

21.00 DE
2 12/24/

THIS FIRST AMENDMENT TO DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS is dated and effective December 3, 1984 and executed by TRILAND INVESTMENT GROUP, a Texas general partnership ("Declarant").

W I T N E S S E T H :

WHEREAS, Declarant is the fee simple title owner of the real property (the "Property") described on Exhibit "A" attached hereto and made a part hereof for all purposes;

WHEREAS, Declarant has declared that the Property shall be subject to certain covenants, conditions, restrictions, easements, liens and charges in that certain Declaration of Covenants, Conditions and Restrictions for the Lakes of Coppell (the "Declaration") recorded in Volume 84244, Page 5412 of the Deed Records of Dallas County, Texas; and

WHEREAS, Declarant desires to amend the Declaration in certain respects.

NOW, THEREFORE, for and in consideration of the premises, the Declaration is hereby amended to include the following provisions as Article XIV of said Declaration:

**ARTICLE XIV
MAINTENANCE**

Section 14.01 Duty of Maintenance. Owners and occupants (including lessees) of any Estate shall jointly and severally have the duty and responsibility, at their sole cost and expense, to keep the Estate so owned or occupied, including buildings, improvements, grounds or drainage easements or other rights-of-way incident thereto, and vacant land, in a well-maintained, safe, clean and attractive condition at all times. Such maintenance includes, but is not limited to, the following:

- (a) Prompt removal of all litter, trash, refuse and waste;
- (b) Lawn mowing on a regular basis;
- (c) Tree and shrub pruning;
- (d) Watering landscaped areas;
- (e) Keeping exterior lighting and maintenance facilities in working order;
- (f) Keeping lawn and garden 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;

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

(k) If applicable, striping of parking areas and repainting of improvements.

Section 14.02 Enforcement. If, in the opinion of the Association, any such Owner or occupant has failed in any of the foregoing duties or responsibilities, then the Association may give such person written notice of such failure and such person must within ten (10) days after receiving such notice, perform the repairs and maintenance or make arrangements with the Association for making the repairs and maintenance required. Should any such person fail to fulfill this duty and responsibility within such period, then the Association, through its authorized agent or agents, shall have the right and power to enter onto the premises and perform such repair and maintenance without any liability for damages for wrongful entry, trespass or otherwise to any person. The Owners and occupants (including lessees) of any part of the Property on which such work is performed shall jointly and severally be liable for the cost of such work (such costs constituting a special individual assessment as specified in Section 4.05 hereof) and shall promptly reimburse the Association for such cost. If such Owner or occupant shall fail to reimburse the Association within thirty (30) days after receipt of a statement for such work from the Association, then said indebtedness shall be a debt of all said persons jointly and severally, and shall constitute a lien against that portion of the Property on which said work was performed. Such lien shall have the same attributes as the lien for assessments and special assessments set forth in this Declaration, and the Association shall have the identical powers and rights in all respects, including but not limited to the right of foreclosure.

The present Article XIV of the Declaration, which contains General Provisions, shall become Article XV, and the Sections of said Article shall be renumbered accordingly.


The Declaration, as amended by this First Amendment, shall hereafter continue in full force and effect in accordance with the terms thereof.

IN WITNESS WHEREOF, this First Amendment to Declaration of Covenants, Conditions and Restrictions has been duly executed as of the date first above written.

DECLARANT:

TRILAND INVESTMENT GROUP,
a Texas general partnership

By: **STYLUS HOLDINGS, INC.,**
a Texas corporation and one of
three general partners

By: 
Nicholas R. DiGiuseppe,
President

THE STATE OF TEXAS §
 §
COUNTY OF DALLAS §

This instrument was acknowledged before me on the 17th day of December, 1984 by NICHOLAS R. DIGIUSEPPE, President of STYLUS HOLDINGS, INC., a Texas corporation, on behalf of said corporation, acting as a general partner of Triland Investment Group, a Texas general partnership.

My Commission Expires:

1-25-88

Ellen Keenig
Notary Public, State of Texas

ELLEN KEENIG
(Printed or Typed Name of Notary)

EXHIBIT - "A"

BEING a tract of land located in the Patience Piles Survey, Abstract No. 1137, the B.B.B. & C.R.R. Survey, Abstract No. 199, the J. H. Mounts Survey, Abstract No. 903 and the Edward Cook Survey, Abstract No. 300, City of Coppell, Dallas County, Texas, being part of 24.5 acre tract described as the "Second Tract" in deed from Laura B. Allen to G. N. Cole as recorded in Volume 969, Page 98, Deed Records of Dallas County, Texas, being all of a 117 acre tract recorded in Volume 5579, Page 554, Deed Records of Dallas County, Texas, being all of a 32.38 acre tract recorded in Volume 5579, Page 555, Deed Records of Dallas County, Texas, being a part of a tract of land described as the "Third Tract" in deed recorded in Volume 969, Page 98, Deed Records of Dallas County, Texas, being a tract of land conveyed to T. L. Wheeler by George Bucek on June 12, 1954, being all of the Kimbel Addition Revised, an addition to the City of Coppell, recorded in Volume 81084, Page 2463, Deed Records of Dallas County, Texas, being Lots 23 through 29 of the Kimbel Addition, an addition to the City of Coppell, recorded in Volume 77213, Page 0999, Deed Records of Dallas County, Texas, and being more particularly described as follows:

COMMENCING, at a 1/2-inch iron rod found on the north line of Sandy Lake Road (60 feet wide) said rod being in the east line of a 5.0 acre tract conveyed by C.W. and Vera McDonald to A. R. McDonald by deed as recorded in Volume 3824, Page 292, Deed Records of Dallas County, Texas;

THENCE, N 89° 15' 30" W, along said north line of Sandy Lake Road a distance of 94.74 feet to a 1/2-inch iron rod found for the POINT OF BEGINNING;

THENCE, N 00° 56' 33" E, a distance of 664.52 feet to a 1/2-inch iron rod found on the north line of said McDonald Tract;

THENCE, N 88° 56' 27" W, a distance of 234.75 feet to a 1/2-inch iron rod found at the northwest corner of said McDonald Tract said point also being on the east line of Meadows Section Two Addition as recorded in Volume 82118, Page 2778, Deed Records of Dallas County, Texas;

THENCE, N 00° 25' 39" E, along said east line of Meadows Section Two and the east line of Breawood Development Corporation as recorded in Volume 81143, Page 2666, Deed Records of Dallas County, Texas, a distance of 1803.17 feet to a 1/2-inch iron rod found for corner;

THENCE, N 89° 57' 30" W, with the north line of said Breawood Development Corporation a distance of 1271.20 feet to a 1/2-inch iron rod found on the east line of Breawood Development Corporation as recorded in Volume 83017, Page 3249, Deed Records of Dallas County, Texas;

THENCE, N 00° 07' 39" E, along the east line of said Breawood Development Corporation, a distance of 1106.62 feet to a 1/2-inch iron rod found in the northeast corner of said Breawood Development Tract;

THENCE, N 89° 22' 00" W, with the north line of said Breawood Development Tract, a distance of 818.59 feet to a 1/2-inch iron rod found for the

northwest corner of said Breawood Development Tract, said point being in the east line of Samuel Boulevard (41.92 feet wide);

THENCE, N 00° 34' 48" E, along the east line of Samuel Boulevard a distance of 1656.44 feet to a said P.K. Nail set for corner at the intersections of said Samuel Boulevard east line with the south line of DeForest Road (30 feet wide);

THENCE, S 89° 44' 05" E, generally along an existing fence and the south line of DeForest Road a distance of 3800 feet to a 12-inch corner post for corner;

THENCE, S 00° 34' 48" W, a distance of 558.55 feet to a 1/2-inch iron rod set for corner;

THENCE, S 89° 44' 05" E, a distance of 47.29 feet to a 1/2-inch iron rod set for corner;

THENCE, generally along the meanders of the high bank line of Denton Creek as follows:

S 69° 07' 34" W, a distance of 244.27 feet to a 1/2-inch iron rod found for corner;

S 32° 42' 02" W, a distance of 194.64 feet to a 1/2-inch iron rod set for corner;

S 21° 33' 37" E, a distance of 237.04 feet to a 1/2-inch iron rod set for corner;

THENCE, leaving said high bank line of Denton Creek, S 43° 54' 55" W, a distance of 393.30 feet to a 1/2-inch iron rod set for corner in the north line of a tract of land conveyed to Elvin R. Warren by deed recorded in Volume 78214, Page 701, Deed Records of Dallas County, Texas;

THENCE, N 89° 22' 00" W, with the north line of said Warren Tract a distance of 184.71 feet to a 1/2-inch iron rod set for corner;

THENCE, S 39° 53' 28" E, a distance of 455.86 feet to a 1/2-inch iron rod set in the south line of said Warren Tract;

THENCE, S 89° 00' 10" E, along said south line of Warren Tract a distance of 295.94 feet to a 1/2-inch iron rod found for corner;

THENCE, N 03° 09' 02" W, a distance of 8.73 feet to a 1/2-inch iron rod found for corner;

THENCE, S 60° 47' 30" E, a distance of 175.36 feet to a 1/2-inch iron rod found for corner on the said high bank line of Denton Creek;

THENCE, generally along the meanders of the high bank line of Denton Creek as follows;

S 15° 47' 53" W, a distance of 70.00 feet to a 1/2-inch iron rod found for corner;

S 03° 23' 17" E, a distance of 189.03 feet to a 1/2-inch iron rod found for corner;

S 32° 33' 20" E, a distance of 112.40 feet to a 1/2-inch iron rod found for corner;

S 46° 45' 15" E, a distance of 180.22 feet to a 1/2-inch iron rod found for corner;

S 65° 51' 13" E, a distance of 194.84 feet to a 1/2-inch iron rod found for corner;

S 85° 28' 43" E, a distance of 132.06 feet to a 1/2-inch iron rod found for corner;

N 75° 49' 32" E, a distance of 208.54 feet to a 1/2-inch iron rod found for corner;

N 58° 04' 24" E, a distance of 80.00 feet to a 1/2-inch iron rod found for corner;

N 89° 07' 43" E, a distance of 209.72 feet to a 1/2-inch iron rod found for corner;

S 83° 14' 42" E, a distance of 130.00 feet to a 1/2-inch iron rod found for corner;

N 59° 23' 44" E, a distance of 173.16 feet to a 1/2-inch iron rod found for corner;

N 34° 29' 25" E, a distance of 167.15 feet to a 1/2-inch iron rod found for corner;

N 62° 21' 24" E, a distance of 89.00 feet to a 1/2-inch iron rod found for corner;

S 47° 58' 35" E, a distance of 80.00 feet to a 1/2-inch iron rod found for corner;

S 20° 50' 59" E, a distance of 218.00 feet to a 1/2-inch iron rod found for corner;

S 00° 46' 14" E, a distance of 137.00 feet to a 1/2-inch iron rod found for corner;

S 21° 09' 33" W, a distance of 155.56 feet to a 1/2-inch iron rod found for corner;

S 25° 59' 41" W, a distance of 104.98 feet to a 1/2-inch iron rod found for corner;

S 25° 15' 33" E, a distance of 118.47 feet to a 1/2-inch iron rod found for corner;

N 76° 05' 56" E, a distance of 215.00 feet to a 1/2-inch iron rod found for corner;

found for corner;

S 69° 32' 37" E, a distance of 134.00 feet to a 1/2-inch iron rod found for corner;

S 31° 25' 50" E, a distance of 182.00 feet to a 1/2-inch iron rod found for corner;

S 16° 03' 23" W, a distance of 78.00 feet to a 1/2-inch iron rod found for corner;

S 32° 28' 01" W, a distance of 226.74 feet to a 1/2-inch iron rod found for corner;

S 01° 58' 02" W, a distance of 84.00 feet to a 1/2-inch iron rod found for corner;

S 15° 42' 31" W, a distance of 442.25 feet to a 1/2-inch iron rod found for corner;

S 55° 24' 02" W, a distance of 145.00 feet to a 1/2-inch iron rod found for corner;

S 24° 34' 39" W, a distance of 136.91 feet to a 1/2-inch iron rod found for corner;

S 38° 00' 32" E, a distance of 208.18 feet to a 1/2-inch iron rod found for corner;

S 15° 48' 27" E, a distance of 88.48 feet to a 1/2-inch iron rod found on the north line of a tract of land conveyed by deed from Walter Keas Construction Company to Starnes Plumbing Company as recorded in Volume 81159, Page 2124, of the Deed Records of Dallas County, Texas;

THENCE, leaving the high bank line of Denton Creek, N 88° 47' 17" W, with said north line of the Starnes Plumbing Company tract a distance of 347.88 feet to a 1/2-inch iron rod found for corner, said rod also being the northeast corner of the Kimbel Addition, an addition to the City of Coppell, Dallas County, Texas as recorded in Volume 77213, Page 0999 of the Deed Records of Dallas County, Texas;

THENCE, S 02° 17' 45" E, with the east line of said Kimbel Addition said line also being the west line of the Starnes Plumbing Company tract and the west line of the Walter Keas Construction Company tract as recorded in Volume 79194, Page 2075, Deed Records of Dallas County, Texas a distance of 934.10 feet to a 1/2-inch iron rod found for corner on the north line of Coppell Properties as recorded in Volume 79221, Page 1473, Deed Records of Dallas County, Texas;

THENCE, S 87° 39' 53" W, with the north line of said Coppell Properties a distance of 1044.86 feet to a 1/2-inch iron rod found in the east line of Kimbel Kourt (a 50 foot wide street);

THENCE, N 02° 20' 07" W, along the east line of said Kimbel Kourt a distance

of 395.52 feet to a 1/2-inch iron rod found for corner;

THENCE, S 87° 39' 53" W, a distance of 330.04 feet to a 1/2-inch iron rod found for corner in the east line of Allen Road (75 feet wide);

THENCE, N 02° 06' 18" W, with the east line of said Allen Road a distance of 151.88 feet to a 1/2-inch iron rod found for corner;

THENCE, N 02° 39' 17" W, continuing with said east line of Allen Road a distance of 472.11 feet to a 1/2-inch iron rod found for corner;

THENCE, N 88° 47' 14" W, a distance of 50.02 feet to a 1/2-inch iron rod found for corner;

THENCE, S 02° 39' 18" E, a distance of 546.95 feet to a 1/2-inch iron rod found for corner;

THENCE, N 88° 56' 27" W, a distance of 25.01 feet to a 1/2-inch iron rod found for corner, said point being the west line of said Allen Road (75 foot wide);

THENCE, S 02° 39' 18" E, with the said west line of Allen Road a distance of 1.25 feet to a 1/2-inch iron rod found for corner;

THENCE, S 02° 06' 34" E, along the said west line of Allen Road a distance of 329.26 feet to a 1/2-inch iron rod found for corner;

THENCE, S 02° 06' 18" E, with the west line of said Allen Road a distance of 326.72 feet to a 1/2-inch iron rod found at the intersections of the north line of Sandy Lake Road (60 feet wide) with the west line of said Allen Road;

THENCE, N 89° 15' 30" W, along the north line of said Sandy Lake Road a distance of 1495.97 feet to the PLACE OF BEGINNING;

CONTAINING, 17,910,825 square feet or 411.176 acres of land more or less.

SAVE AND EXCEPT a tract of land situated in the B.B.B. & C.R.R. Survey Abstract No. 199 in the City of Coppell, Dallas County, Texas and being more particularly described as follows:

BEGINNING, at an iron rod set for corner in the North line of Sandy Lake Road, said point being S 89° 15' 30" E, a distance of 630.00 feet from the Southeast corner of a tract conveyed by deed to A. R. McDonald by C. W. McDonald and Vera McDonald as recorded in Volume 3824, Page 292, Deed Records, Dallas County, Texas;

THENCE, N 02° 56' 53" W, departing said North line, for a distance of 193.41 feet to an iron rod set for corner;

THENCE, N 10° 41' 06" W, for a distance of 36.90 feet to an iron rod set for corner;

THENCE, S 64° 07' 02" E, for a distance of 27.81 feet to an iron rod set for corner;

THENCE, N 48° 04' 51" E, for a distance of 71.66 feet to an iron rod set for corner;

THENCE, N 26° 33' 54" W, for a distance of 55.90 feet to an iron rod set for corner;

THENCE, N 26° 33' 54" W, for a distance of 55.90 feet to an iron rod set for corner;

THENCE, N 16° 59' 57" W, for a distance of 37.13 feet to an iron rod set for corner;

THENCE, N 65° 23' 06" E, for a distance of 306.47 feet to an iron rod set for corner;

THENCE, N 01° 23' 56" W, for a distance of 100.00 feet to an iron rod set for corner;

THENCE, N 87° 23' 02" E, for a distance of 540.00 feet to an iron rod set in the West line of the Proposed MacArthur Boulevard;

THENCE, S 02° 39' 17" E, along said West line for a distance of 97.62 feet to an iron rod set for corner;

THENCE, S 01° 23' 56" E, continuing with said West line for a distance of 566.39 feet to an iron rod set for corner in the North line of said Sandy Lake Road;

THENCE, N 89° 15' 30" W, along said North line for a distance of 834.73 feet to the POINT OF BEGINNING;

CONTAINING, 11.0355 acres (480,708 sq. ft.) of land.

0090 052788

84 DEC 21 PM 3:37

Return to: David Lawrence
SAFECO Land Title of Dallas
12900 Preston Rd., #208
Dallas, TX 75230

STATE OF TEXAS
I hereby certify that this instrument was filed on the
14th day of December 1984 in the volume and page of the named records
of Dallas County, Texas as stamped hereon by me.

DEC 26 1984

Carly Bush
COUNTY CLERK, Dallas County, Texas

Reference: Deed Book 84244
Page 5412
Deed Book 84250
Page 0490

SECOND AMENDMENT TO THE DECLARATION OF
COVENANTS, CONDITIONS AND RESTRICTIONS
FOR THE LAKES OF COPPELL

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

THIS SECOND AMENDMENT TO THE DECLARATION OF COVENANTS,
CONDITIONS AND RESTRICTIONS FOR THE LAKES OF COPPELL (this
"Amendment") is made this 4th day of February, 1992, by the
membership of the Lakes of Coppell Owners Association, Inc. (the
"Association").

W I T N E S S E T H

WHEREAS, the Declaration of Covenants, Conditions and
Restrictions for the Lakes of Coppell (the "Declaration") was
executed November 30, 1984, and is filed of record at Volume
84244, page 5412, et seq., of the Deed Records of Dallas County,
Texas, as amended by that certain First Amendment to Declaration
of Covenants, Conditions and Restrictions for the Lakes of
Coppell recorded in Volume 84250, Page 0490 et seq., of the Deed
Records of Dallas County, Texas; and

WHEREAS, Article XV, Section 15.02 of the Declaration
provides for amendment of the Declaration by the consent of at

27006 27006

least fifty-one percent (51%) of the outstanding votes of the Members of each Class of Members of the Association; and

WHEREAS, the amendments to the Declaration as set out hereinafter with specificity were adopted by an affirmative vote of the members of the Association representing not less than fifty-one percent (51%) of the Members of each Class of Members of the Association, at a duly called meeting held for such purpose on February 4, 1992, written notice of which was sent to all Members not less than ten (10) days nor more than fifty (50) days in advance of the meeting, setting forth the purposes of the meeting.

NOW THEREFORE, the Declaration is hereby amended as follows:

Article IX, Section 9.02(i) of the Declaration is hereby amended by substituting the following in place of the first and second sentences thereof:

(i) Temporary Structures and Vehicles. No temporary structure of any kind shall be erected or placed upon any Estate. 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 Estate, either temporarily or permanently, and no residence house, garage, or other structure appurtenant thereto shall be moved upon any Estate from another location. Notwithstanding anything contained herein to the contrary, however, a structure for the storage of lawn and garden tools and equipment may be placed upon an Estate with the prior written approval of the Architectural Review Committee pursuant to Article X hereof. The Architectural Review Committee shall have the authority to promulgate specific Design Guidelines governing the

ocation, composition, size and materials of any such storage structure to be placed upon Estates within the Property. Also, notwithstanding any of the foregoing to the contrary, 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 Property as in its sole discretion may be necessary or convenient during the period of and in connection with the sale of Estates, construction and selling of residential structures and constructing other improvements on the Property.

2.

Article X, Section 10.07 of the Declaration is hereby amended by deleting that section in its entirety and replacing it with the following new Section 10.07:

Section 10.07. Design Guidelines. The Architectural Review Committee may, from time to time, publish and promulgate written Design Guidelines. Owners will be furnished with copies of the Design Guidelines. Such Design Guidelines shall be binding on all Owners, subject to the right of the Architectural Review Committee to grant variances pursuant to Article X, Section 10.08 hereof.

IN WITNESS WHEREOF, the Association has caused this Amendment to be executed by its duly authorized officers this 27th day of February, 1992.

LAKES OF COPPELL OWNERS
ASSOCIATION, INC.

By: Charles Hill
Vice-President

By: Karen Kap
Secretary

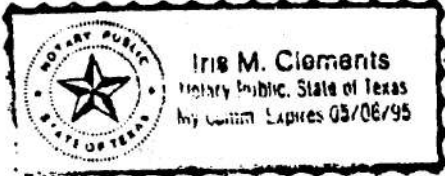
STATE OF TEXAS

COUNTY OF DALLAS

This instrument was acknowledged before me on this 27th
day of February, 1992, by Clark B. Will
Vice-President of the Lakes of Coppell Owners Association, Inc.,
on behalf of said nonprofit corporation.

Iris M. Clements

Notary Public in and for the
State of Texas



My Commission Expires:

5/06/95

STATE OF TEXAS

COUNTY OF DALLAS

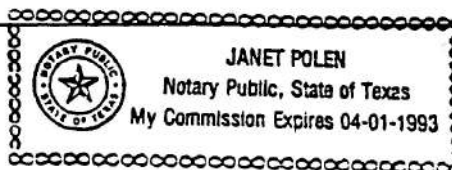
This instrument was acknowledged before me on this 28th
day of February, 1992, by Karen Boyd
Secretary of the Lakes of Coppell Owners Association, Inc., on
behalf of said nonprofit corporation.

Janet Polen

Notary Public in and for the
State of Texas

My Commission Expires:

0475A



12/17/84

**FIRST AMENDMENT TO DECLARATION OF
COVENANTS, CONDITIONS AND RESTRICTIONS
FOR THE LAKES OF COPPELL
Dallas County, Texas**

7094

0

21.00 DEED
7 12/26/84

THIS FIRST AMENDMENT TO DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS is dated and effective December 3, 1984 and executed by TRILAND INVESTMENT GROUP, a Texas general partnership ("Declarant").

W I T N E S S E T H :

WHEREAS, Declarant is the fee simple title owner of the real property (the "Property") described on Exhibit "A" attached hereto and made a part hereof for all purposes;

WHEREAS, Declarant has declared that the Property shall be subject to certain covenants, conditions, restrictions, easements, liens and charges in that certain Declaration of Covenants, Conditions and Restrictions for the Lakes of Coppel (the "Declaration") recorded in Volume 84244, Page 5412 of the Deed Records of Dallas County, Texas; and

WHEREAS, Declarant desires to amend the Declaration in certain respects.

NOW, THEREFORE, for and in consideration of the premises, the Declaration is hereby amended to include the following provisions as Article XIV of said Declaration:

**ARTICLE XIV
MAINTENANCE**

Section 14.01 Duty of Maintenance. Owners and occupants (including lessees) of any Estate shall jointly and severally have the duty and responsibility, at their sole cost and expense, to keep the Estate so owned or occupied, including buildings, improvements, grounds or drainage easements or other rights-of-way incident thereto, and vacant land, in a well-maintained, safe, clean and attractive condition at all times. Such maintenance includes, but is not limited to, the following:

- (a) Prompt removal of all litter, trash, refuse and waste;
- (b) Lawn mowing on a regular basis;
- (c) Tree and shrub pruning;
- (d) Watering landscaped areas;
- (e) Keeping exterior lighting and maintenance facilities in working order;
- (f) Keeping lawn and garden 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;

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

(k) If applicable, striping of parking areas and repainting of improvements.

Section 14.02 Enforcement. If, in the opinion of the Association, any such Owner or occupant has failed in any of the foregoing duties or responsibilities, then the Association may give such person written notice of such failure and such person must within ten (10) days after receiving such notice, perform the repairs and maintenance or make arrangements with the Association for making the repairs and maintenance required. Should any such person fail to fulfill this duty and responsibility within such period, then the Association, through its authorized agent or agents, shall have the right and power to enter onto the premises and perform such repair and maintenance without any liability for damages for wrongful entry, trespass or otherwise to any person. The Owners and occupants (including lessees) of any part of the Property on which such work is performed shall jointly and severally be liable for the cost of such work (such costs constituting a special individual assessment as specified in Section 4.05 hereof) and shall promptly reimburse the Association for such cost. If such Owner or occupant shall fail to reimburse the Association within thirty (30) days after receipt of a statement for such work from the Association, then said indebtedness shall be a debt of all said persons jointly and severally, and shall constitute a lien against that portion of the Property on which said work was performed. Such lien shall have the same attributes as the lien for assessments and special assessments set forth in this Declaration, and the Association shall have the identical powers and rights in all respects, including but not limited to the right of foreclosure.

The present Article XIV of the Declaration, which contains General Provisions, shall become Article XV, and the Sections of said Article shall be renumbered accordingly.


The Declaration, as amended by this First Amendment, shall hereafter continue in full force and effect in accordance with the terms thereof.

IN WITNESS WHEREOF, this First Amendment to Declaration of Covenants, Conditions and Restrictions has been duly executed as of the date first above written.

DECLARANT:

TRILAND INVESTMENT GROUP,
a Texas general partnership

By: **STYLUS HOLDINGS, INC.,**
a Texas corporation and one of
three general partners

By: 
Nicholas R. DiGiuseppe,
President

THE STATE OF TEXAS §
 §
COUNTY OF DALLAS §

This instrument was acknowledged before me on the 17th day of December, 1984 by NICHOLAS R. DIGIUSEPPE, President of STYLUS HOLDINGS, INC., a Texas corporation, on behalf of said corporation, acting as a general partner of Triland Investment Group, a Texas general partnership.

My Commission Expires:

1-25-88

Ellen Koenig
Notary Public, State of Texas

ELLEN KOENIG
(Printed or Typed Name of Notary)

EXHIBIT - "A"

BEING a tract of land located in the Patience Piles Survey, Abstract No. 1137, the B.B.B. & C.R.R. Survey, Abstract No. 199, the J. H. Mounts Survey, Abstract No. 903 and the Edward Cook Survey, Abstract No. 300, City of Coppell, Dallas County, Texas, being part of 24.5 acre tract described as the "Second Tract" in deed from Laura B. Allen to G. N. Cole as recorded in Volume 969, Page 98, Deed Records of Dallas County, Texas, being all of a 117 acre tract recorded in Volume 5579, Page 554, Deed Records of Dallas County, Texas, being all of a 32.38 acre tract recorded in Volume 5579, Page 555, Deed Records of Dallas County, Texas, being a part of a tract of land described as the "Third Tract" in deed recorded in Volume 969, Page 98, Deed Records of Dallas County, Texas, being a tract of land conveyed to T. L. Wheeler by George Bucek on June 12, 1954, being all of the Kimbel Addition Revised, an addition to the City of Coppell, recorded in Volume 81084, Page 2463, Deed Records of Dallas County, Texas, being Lots 23 through 29 of the Kimbel Addition, an addition to the City of Coppell, recorded in Volume 77213, Page 0999, Deed Records of Dallas County, Texas, and being more particularly described as follows:

COMMENCING, at a 1/2-inch iron rod found on the north line of Sandy Lake Road (60 feet wide) said rod being in the east line of a 5.0 acre tract conveyed by C.W. and Vera McDonald to A. R. McDonald by deed as recorded in Volume 3824, Page 292, Deed Records of Dallas County, Texas;

THENCE, N 89° 15' 30" W, along said north line of Sandy Lake Road a distance of 94.74 feet to a 1/2-inch iron rod found for the POINT OF BEGINNING;

THENCE, N 00° 56' 33" E, a distance of 664.52 feet to a 1/2-inch iron rod found on the north line of said McDonald Tract;

THENCE, N 88° 56' 27" W, a distance of 234.75 feet to a 1/2-inch iron rod found at the northwest corner of said McDonald Tract said point also being on the east line of Meadows Section Two Addition as recorded in Volume 82118, Page 2778, Deed Records of Dallas County, Texas;

THENCE, N 00° 25' 39" E, along said east line of Meadows Section Two and the east line of Breawood Development Corporation as recorded in Volume 81143, Page 2666, Deed Records of Dallas County, Texas, a distance of 1803.17 feet to a 1/2-inch iron rod found for corner;

THENCE, N 89° 57' 30" W, with the north line of said Breawood Development Corporation a distance of 1271.20 feet to a 1/2-inch iron rod found on the east line of Breawood Development Corporation as recorded in Volume 83017, Page 3249, Deed Records of Dallas County, Texas;

THENCE, N 00° 07' 39" E, along the east line of said Breawood Development Corporation, a distance of 1106.62 feet to a 1/2-inch iron rod found in the northeast corner of said Breawood Development Tract;

THENCE, N 89° 22' 00" W, with the north line of said Breawood Development Tract, a distance of 818.59 feet to a 1/2-inch iron rod found for the

northwest corner of said Breawood Development Tract, said point being in the east line of Samuel Boulevard (41.92 feet wide);

THENCE, N 00° 34' 48" E, along the east line of Samuel Boulevard a distance of 1656.44 feet to a said P.K. Nail set for corner at the intersections of said Samuel Boulevard east line with the south line of DeForest Road (30 feet wide);

THENCE, S 89° 44' 05" E, generally along an existing fence and the south line of DeForest Road a distance of 3800 feet to a 12-inch corner post for corner;

THENCE, S 00° 34' 48" W, a distance of 558.55 feet to a 1/2-inch iron rod set for corner;

THENCE, S 89° 44' 05" E, a distance of 47.29 feet to a 1/2-inch iron rod set for corner;

THENCE, generally along the meanders of the high bank line of Denton Creek as follows:

S 69° 07' 34" W, a distance of 244.27 feet to a 1/2-inch iron rod found for corner;

S 32° 42' 02" W, a distance of 194.64 feet to a 1/2-inch iron rod set for corner;

S 21° 33' 37" E, a distance of 237.04 feet to a 1/2-inch iron rod set for corner;

THENCE, leaving said high bank line of Denton Creek, S 43° 54' 55" W, a distance of 393.30 feet to a 1/2-inch iron rod set for corner in the north line of a tract of land conveyed to Elvin R. Warren by deed recorded in Volume 78214, Page 701, Deed Records of Dallas County, Texas;

THENCE, N 89° 22' 00" W, with the north line of said Warren Tract a distance of 184.71 feet to a 1/2-inch iron rod set for corner;

THENCE, S 39° 53' 28" E, a distance of 455.86 feet to a 1/2-inch iron rod set in the south line of said Warren Tract;

THENCE, S 89° 00' 10" E, along said south line of Warren Tract a distance of 295.94 feet to a 1/2-inch iron rod found for corner;

THENCE, N 03° 09' 02" W, a distance of 8.73 feet to a 1/2-inch iron rod found for corner;

THENCE, S 60° 47' 30" E, a distance of 175.36 feet to a 1/2-inch iron rod found for corner on the said high bank line of Denton Creek;

THENCE, generally along the meanders of the high bank line of Denton Creek as follows;

S 15° 47' 53" W, a distance of 70.00 feet to a 1/2-inch iron rod found for corner;

S 03° 23' 17" E, a distance of 189.03 feet to a 1/2-inch iron rod found for corner;

S 32° 33' 20" E, a distance of 112.40 feet to a 1/2-inch iron rod found for corner;

S 46° 45' 15" E, a distance of 180.22 feet to a 1/2-inch iron rod found for corner;

S 65° 51' 13" E, a distance of 194.84 feet to a 1/2-inch iron rod found for corner;

S 85° 28' 43" E, a distance of 132.06 feet to a 1/2-inch iron rod found for corner;

N 75° 49' 32" E, a distance of 208.54 feet to a 1/2-inch iron rod found for corner;

N 58° 04' 24" E, a distance of 80.00 feet to a 1/2-inch iron rod found for corner;

N 89° 07' 43" E, a distance of 209.72 feet to a 1/2-inch iron rod found for corner;

S 83° 14' 42" E, a distance of 130.00 feet to a 1/2-inch iron rod found for corner;

N 59° 23' 44" E, a distance of 173.16 feet to a 1/2-inch iron rod found for corner;

N 34° 29' 25" E, a distance of 167.15 feet to a 1/2-inch iron rod found for corner;

N 62° 21' 24" E, a distance of 89.00 feet to a 1/2-inch iron rod found for corner;

S 47° 58' 35" E, a distance of 80.00 feet to a 1/2-inch iron rod found for corner;

S 20° 50' 59" E, a distance of 218.00 feet to a 1/2-inch iron rod found for corner;

S 00° 46' 14" E, a distance of 137.00 feet to a 1/2-inch iron rod found for corner;

S 21° 09' 33" W, a distance of 155.56 feet to a 1/2-inch iron rod found for corner;

S 25° 59' 41" W, a distance of 104.98 feet to a 1/2-inch iron rod found for corner;

S 25° 15' 33" E, a distance of 118.47 feet to a 1/2-inch iron rod found for corner;

N 76° 05' 56" E, a distance of 215.00 feet to a 1/2-inch iron rod

found for corner;

S 69° 32' 37" E, a distance of 134.00 feet to a 1/2-inch iron rod found for corner;

S 31° 25' 50" E, a distance of 182.00 feet to a 1/2-inch iron rod found for corner;

S 16° 03' 23" W, a distance of 78.00 feet to a 1/2-inch iron rod found for corner;

S 32° 28' 01" W, a distance of 226.74 feet to a 1/2-inch iron rod found for corner;

S 01° 58' 02" W, a distance of 84.00 feet to a 1/2-inch iron rod found for corner;

S 15° 42' 31" W, a distance of 442.25 feet to a 1/2-inch iron rod found for corner;

S 55° 24' 02" W, a distance of 145.00 feet to a 1/2-inch iron rod found for corner;

S 24° 34' 39" W, a distance of 136.91 feet to a 1/2-inch iron rod found for corner;

S 38° 00' 32" E, a distance of 208.18 feet to a 1/2-inch iron rod found for corner;

S 15° 48' 27" E, a distance of 88.48 feet to a 1/2-inch iron rod found on the north line of a tract of land conveyed by deed from Walter Keas Construction Company to Starnes Plumbing Company as recorded in Volume 81159, Page 2124, of the Deed Records of Dallas County, Texas;

THENCE, leaving the high bank line of Denton Creek, N 88° 47' 17" W, with said north line of the Starnes Plumbing Company tract a distance of 347.88 feet to a 1/2-inch iron rod found for corner, said rod also being the northeast corner of the Kimbel Addition, an addition to the City of Coppell, Dallas County, Texas as recorded in Volume 77213, Page 0999 of the Deed Records of Dallas County, Texas;

THENCE, S 02° 17' 45" E, with the east line of said Kimbel Addition said line also being the west line of the Starnes Plumbing Company tract and the west line of the Walter Keas Construction Company tract as recorded in Volume 79194, Page 2075, Deed Records of Dallas County, Texas a distance of 934.10 feet to a 1/2-inch iron rod found for corner on the north line of Coppell Properties as recorded in Volume 79221, Page 1473, Deed Records of Dallas County, Texas;

THENCE, S 87° 39' 53" W, with the north line of said Coppell Properties a distance of 1044.86 feet to a 1/2-inch iron rod found in the east line of Kimbel Kourt (a 50 foot wide street);

THENCE, N 02° 20' 07" W, along the east line of said Kimbel Kourt a distance

of 395.52 feet to a 1/2-inch iron rod found for corner;

THENCE, S 87° 39' 53" W, a distance of 330.04 feet to a 1/2-inch iron rod found for corner in the east line of Allen Road (75 feet wide);

THENCE, N 02° 06' 18" W, with the east line of said Allen Road a distance of 151.88 feet to a 1/2-inch iron rod found for corner;

THENCE, N 02° 39' 17" W, continuing with said east line of Allen Road a distance of 472.11 feet to a 1/2-inch iron rod found for corner;

THENCE, N 88° 47' 14" W, a distance of 50.02 feet to a 1/2-inch iron rod found for corner;

THENCE, S 02° 39' 18" E, a distance of 546.95 feet to a 1/2-inch iron rod found for corner;

THENCE, N 88° 56' 27" W, a distance of 25.01 feet to a 1/2-inch iron rod found for corner, said point being the west line of said Allen Road (75 foot wide);

THENCE, S 02° 39' 18" E, with the said west line of Allen Road a distance of 1.25 feet to a 1/2-inch iron rod found for corner;

THENCE, S 02° 06' 34" E, along the said west line of Allen Road a distance of 329.26 feet to a 1/2-inch iron rod found for corner;

THENCE, S 02° 06' 18" E, with the west line of said Allen Road a distance of 326.72 feet to a 1/2-inch iron rod found at the intersections of the north line of Sandy Lake Road (60 feet wide) with the west line of said Allen Road;

THENCE, N 89° 15' 30" W, along the north line of said Sandy Lake Road a distance of 1495.97 feet to the PLACE OF BEGINNING;

CONTAINING, 17,910,825 square feet or 411.176 acres of land more or less.

WE AND EXCEPT a tract of land situated in the B.B.B. & C.R.R. Survey Abstract No. 199 in the City of Coppell, Dallas County, Texas and being more particularly described as follows:

BEGINNING, at an iron rod set for corner in the North line of Sandy Lake Road, said point being S 89° 15' 30" E, a distance of 630.00 feet from the Southeast corner of a tract conveyed by deed to A. R. McDonald by C. W. McDonald and Vera McDonald as recorded in Volume 3824, Page 292, Deed Records, Dallas County, Texas;

THENCE, N 02° 56' 53" W, departing said North line, for a distance of 193.41 feet to an iron rod set for corner;

THENCE, N 10° 41' 06" W, for a distance of 36.90 feet to an iron rod set for corner;

THENCE, S 64° 07' 02" E, for a distance of 27.81 feet to an iron rod set for corner;

THENCE, N 48° 04' 51" E, for a distance of 71.66 feet to an iron rod set for corner;

THENCE, N 26° 33' 54" W, for a distance of 55.90 feet to an iron rod set for corner;

THENCE, N 26° 33' 54" W, for a distance of 55.90 feet to an iron rod set for corner;

THENCE, N 16° 59' 57" W, for a distance of 37.13 feet to an iron rod set for corner;

THENCE, N 65° 23' 06" E, for a distance of 306.47 feet to an iron rod set for corner;

THENCE, N 01° 23' 56" W, for a distance of 100.00 feet to an iron rod set for corner;

THENCE, N 87° 23' 02" E, for a distance of 540.00 feet to an iron rod set in the West line of the Proposed MacArthur Boulevard;

THENCE, S 02° 39' 17" E, along said West line for a distance of 97.62 feet to an iron rod set for corner;

THENCE, S 01° 23' 56" E, continuing with said West line for a distance of 566.39 feet to an iron rod set for corner in the North line of said Sandy Lake Road;

THENCE, N 89° 15' 30" W, along said North line for a distance of 834.73 feet to the POINT OF BEGINNING;

CONTAINING, 11.0355 acres (480,708 sq. ft.) of land.

0090 09278

'84 DEC 21 PM 3:37

Return to: David Lawrence
SAFECO Land Title of Dallas
12900 Preston Rd., #208
Dallas, TX 75230

STATE OF TEXAS
I hereby certify that this instrument was filed on the
date and time stamped hereon by me and was duly
recorded in the volume and page of the named records
of Dallas County, Texas as stamped hereon by me.

DEC 26 1984

Earl Ballak
COUNTY CLERK, Dallas County, Texas

Reference: Deed Book 84244
Page 5412
Deed Book 84250
Page 0490

SECOND AMENDMENT TO THE DECLARATION OF
COVENANTS, CONDITIONS AND RESTRICTIONS
FOR THE LAKES OF COPPELL

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

THIS SECOND AMENDMENT TO THE DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS FOR THE LAKES OF COPPELL (this "Amendment") is made this 4th day of February, 1992, by the membership of the Lakes of Coppell Owners Association, Inc. (the "Association").

W I T N E S S E T H

WHEREAS, the Declaration of Covenants, Conditions and Restrictions for the Lakes of Coppell (the "Declaration") was executed November 30, 1984, and is filed of record at Volume 84244, page 5412, et seq., of the Deed Records of Dallas County, Texas, as amended by that certain First Amendment to Declaration of Covenants, Conditions and Restrictions for the Lakes of Coppell recorded in Volume 84250, Page 0490 et seq., of the Deed Records of Dallas County, Texas; and

WHEREAS, Article XV, Section 15.02 of the Declaration provides for amendment of the Declaration by the consent of at

least fifty-one percent (51%) of the outstanding votes of the Members of each Class of Members of the Association; and

WHEREAS, the amendments to the Declaration as set out hereinafter with specificity were adopted by an affirmative vote of the members of the Association representing not less than fifty-one percent (51%) of the Members of each Class of Members of the Association, at a duly called meeting held for such purpose on February 4, 1992, written notice of which was sent to all Members not less than ten (10) days nor more than fifty (50) days in advance of the meeting, setting forth the purposes of the meeting.

NOW THEREFORE, the Declaration is hereby amended as follows:

Article IX, Section 9.02(i) of the Declaration is hereby amended by substituting the following in place of the first and second sentences thereof:

(i) Temporary Structures and Vehicles. No temporary structure of any kind shall be erected or placed upon any Estate. 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 Estate, either temporarily or permanently, and no residence house, garage, or other structure appurtenant thereto shall be moved upon any Estate from another location. Notwithstanding anything contained herein to the contrary, however, a structure for the storage of lawn and garden tools and equipment may be placed upon an Estate with the prior written approval of the Architectural Review Committee pursuant to Article X hereof. The Architectural Review Committee shall have the authority to promulgate specific Design Guidelines governing the

ocation, composition, size and materials of any such storage structure to be placed upon Estates within the Property. Also, notwithstanding any of the foregoing to the contrary, 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 Property as in its sole discretion may be necessary or convenient during the period of and in connection with the sale of Estates, construction and selling of residential structures and constructing other improvements on the Property.

2.

Article X, Section 10.07 of the Declaration is hereby amended by deleting that section in its entirety and replacing it with the following new Section 10.07:

Section 10.07. Design Guidelines. The Architectural Review Committee may, from time to time, publish and promulgate written Design Guidelines. Owners will be furnished with copies of the Design Guidelines. Such Design Guidelines shall be binding on all Owners, subject to the right of the Architectural Review Committee to grant variances pursuant to Article X, Section 10.08 hereof.

IN WITNESS WHEREOF, the Association has caused this Amendment to be executed by its duly authorized officers this 27th day of February, 1992.

LAKES OF COPPELL OWNERS
ASSOCIATION, INC.

By: Charles Hill
Vice-President

By: Karen Kap
Secretary

STATE OF TEXAS

COUNTY OF DALLAS

This instrument was acknowledged before me on this 27th
day of February, 1992, by Clark B. Will
Vice-President of the Lakes of Coppell Owners Association, Inc.,
on behalf of said nonprofit corporation.

Iris M. Clements

Notary Public in and for the
State of Texas



My Commission Expires:

5/06/95

STATE OF TEXAS

COUNTY OF DALLAS

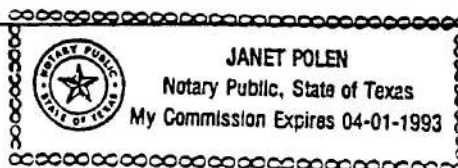
This instrument was acknowledged before me on this 28th
day of February, 1992, by Karen Boyd
Secretary of the Lakes of Coppell Owners Association, Inc., on
behalf of said nonprofit corporation.

Janet Polen

Notary Public in and for the
State of Texas

My Commission Expires:

0475A



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Reference: Volume 84244
Page 5412
Volume 84250
Page 0490
Volume 92044
Page 8047

THIRD AMENDMENT
TO
DECLARATION OF
COVENANTS, CONDITIONS AND RESTRICTIONS
FOR
THE LAKES OF COPPELL

DEED
TOTL 14.0
A001 1091 0000000 4337 3:05PM 5/27/93

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

THIS THIRD AMENDMENT TO THE DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS FOR THE LAKES OF COPPELL (this "Amendment") is made to be effective the 30th day of March, 1993, by the membership of the Lakes of Coppell Owners Association, Inc. (the "Association").

W I T N E S S E T H

WHEREAS, the Declaration of Covenants, Conditions and Restrictions for the Lakes of Coppell (the "Declaration") was executed November 30, 1984, and is filed of record at Volume 84244, page 5412, et seq. of the Deed Records of Dallas County, Texas, as amended by that certain First Amendment to Declaration of Covenants, Conditions and Restrictions for the Lakes of Coppell recorded in Volume 84250, Page 0490 et seq. of the Deed Records of Dallas County, Texas, and that certain Second

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Amendment to Declaration of Covenants, Conditions and Restrictions for the Lakes of Coppell recorded in Volume 92044, Page 8047 et seq. of the Deed Records of Dallas County, Texas; and

WHEREAS, Article XV, Section 15.02 of the Declaration provides for amendment of the Declaration by the consent of at least fifty-one percent (51%) of the outstanding votes of the Members of each Class of Members of the Association; and

WHEREAS, the amendments to the Declaration as set out hereinafter with specificity were adopted by an affirmative vote of the members of the Association representing not less than fifty-one percent (51%) of the Members of each Class of Members of the Association, at a duly called meeting held for such purpose on March 30, 1993, written notice of which was sent to all Members not less than ten (10) days nor more than fifty (50) days in advance of the meeting, setting forth the purposes of the meeting.

NOW THEREFORE, the Declaration is hereby amended as follows:

1. Article IX, Section 9.05 of the Declaration is amended by adding the following subsection (j):

(j) Building Facades: No Owner shall construct or modify a dwelling on a Lot (the "Subject Lot") if such construction or modification would, in the sole opinion of the Architectural Review Committee, render the facade of such dwelling substantially similar to the facade of any dwelling located on a Lot which is located within two (2) Lots on either side of the subject Lot.

2. Article IX, Section 9.06(b) is replaced in its entirety with the following:

(b) Fire and Burglar Alarms. Subject to Article X hereof, the Declarant and/or the Association may require Owners and/or builders to incorporate into any and all dwelling units a security protection system designed and installed according to applicable city, county, state and/or federal guidelines. Furthermore, the Association shall have the option, but not the obligation, to require individual Owners to incorporate into their dwelling units a fire protection system designed and installed according to applicable city, county, state and/or federal guidelines. It shall be the responsibility of each Owner to determine whether his Estate is served by a security and/or fire protection system and the working condition of any such system.

ALL OWNERS, TENANTS, GUESTS AND INVITEES OF ANY ESTATE OR ESTATE OWNER, AS APPLICABLE, ACKNOWLEDGE THAT THE DECLARANT, THE ASSOCIATION AND ITS BOARD OF DIRECTORS AND THE ARCHITECTURAL REVIEW COMMITTEE, DO NOT REPRESENT OR WARRANT THAT ANY FIRE PROTECTION SYSTEM OR BURGLAR ALARM SYSTEM PREVIOUSLY INSTALLED OR INSTALLED AFTER THE EFFECTIVE DATE OF THIS AMENDMENT MAY NOT BE COMPROMISED OR CIRCUMVENTED, THAT THE FIRE PROTECTION AND BURGLAR ALARM SYSTEMS WILL PROVIDE THE DETECTION OR PROTECTION FOR WHICH THE SYSTEMS ARE INSTALLED OR INTENDED. EACH OWNER, TENANT, GUEST OR INVITEE OF AN ESTATE OR AN ESTATE OWNER, AS APPLICABLE, ACKNOWLEDGES THAT DECLARANT, THE ASSOCIATION AND ITS BOARD OF DIRECTORS AND THE ARCHITECTURAL REVIEW COMMITTEE, HAVE MADE NO REPRESENTATIONS OR WARRANTIES, NOR HAS ANY OWNER, TENANT, GUEST OR INVITEE RELIED UPON ANY REPRESENTATIONS OR WARRANTIES, EXPRESSED OR IMPLIED, INCLUDING ANY WARRANTY OF MERCHANTABILITY OR FITNESS FOR ANY PARTICULAR PURPOSE RELATIVE TO THE FIRE AND BURGLAR ALARM SYSTEMS DESCRIBED IN THIS SECTION 9.06(b).

Notwithstanding the above, and notwithstanding anything to the contrary provided herein, nothing herein shall require the Association to monitor, service or maintain any fire protection or burglar alarm systems and/or transmissions serving any portion of the Property. Furthermore, after the effective date of this Amendment, the Association shall not monitor, service or maintain any fire protection or

burglar alarm system and/or transmissions serving any portion of the Property unless it has first provided written notice of the same to any Owner whose Estate will benefit from said monitoring, maintenance or servicing work which notice will specify the extent and duration of any such monitoring, maintenance or servicing work.

IN WITNESS WHEREOF, the Association has caused this Amendment to be executed by its duly authorized officers this 18th day of May, 1993.

LAKES OF COPPELL OWNERS ASSOCIATION, INC.

By: Clark B. Will

Title: PRESIDENT

By: Ronald L. Giddens
Secretary

STATE OF TEXAS

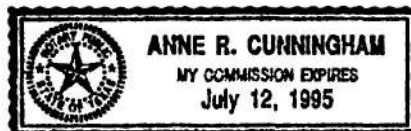
COUNTY OF DALLAS

This instrument was acknowledged before me on this 18th day of May, 1993, by CLARK B. WILL, the PRESIDENT of Lakes of Coppell Owners Association, Inc., on behalf of said nonprofit corporation.

Anne R. Cunningham

Notary Public in and for the
State of Texas

My Commission Expires: 7/12/95



STATE OF TEXAS

COUNTY OF DALLAS

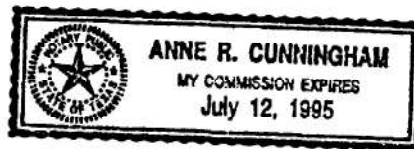
This instrument was acknowledged before me on this 18th day of May, 1993, by RAYMOND L. HILDEBRAND, Secretary of Lakes of Coppell Owners Association, Inc., on behalf of said nonprofit corporation .

Anne R. Cunningham
Notary Public in and for the
State of Texas

My Commission Expires:

7/12/95

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FOURTH AMENDMENT

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TO

DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS
FOR THE LAKES OF COPPELL

STATE OF TEXAS

§

KNOW ALL MEN BY THESE PRESENTS:

§

COUNTY OF DALLAS

§

This Fourth Amendment to Declaration of Covenants, Conditions and Restrictions for the Lakes of Coppell (this "Amendment") is made to be effective the 1st day of January, 1994, by the Membership of the Lakes of Coppell Owners Association, Inc. (the "Association").

W I T N E S S E T H:

WHEREAS, the Declaration of Covenants, Conditions and Restrictions for the Lakes of Coppell (the "Declaration") was executed on November 30, 1984, and is filed of record at Volume 84244, Page 5412 et seq. of the Deed Records of Dallas County, Texas, as amended by that certain First Amendment to Declaration of Covenants, Conditions and Restrictions for the Lakes of Coppell recorded in Volume 84250, Page 0490 et seq. of the Deed Records of Dallas County, Texas, that certain Second Amendment to Declaration of Covenants, Conditions and Restrictions for the Lakes of Coppell recorded in Volume 92044, Page 8047 et seq. of the Deed Records of Dallas County, Texas, and by that certain Third Amendment to the Declaration of Covenants, Conditions and Restrictions for the Lakes of Coppell recorded in Volume 93103, Page 4795 et seq. of the Deed Records of Dallas County, Texas; and

WHEREAS, Article III, Section 3.07 of the Declaration states that provisions of the Declaration which establish, provide for, govern or regulate assessments may be amended by the consent of at least sixty-seven percent (67%) of the votes of each class of membership in the Association and the approval of Eligible Lenders holding mortgages on Estates which have at least fifty-one percent (51%) of the votes of Estates subject to Eligible Lender mortgages; and

WHEREAS, the amendment to the Declaration as set out hereinafter with specificity was adopted by the express written consent of sixty-seven percent (67%) of each class of members in the Association; and

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WHEREAS, according to the records of the Association, as of the date of the recording of this Amendment, there are no Eligible Mortgage Holders holding mortgages on Estates subject to the Declaration.

NOW, THEREFORE, the Declaration is hereby amended as follows:

1. Article IV, Section 4.03(b) of the Declaration is amended by deleting that section in its entirety and substituting the following therefor:

(b) The provisions of this Section 4.03(b) apply to all Estates improved with or zoned or restricted to use for Residential Use other than Estates improved with or zoned or restricted to use as an Apartment Complex. Notwithstanding anything to the contrary contained in Section 4.03(a) above, each Owner of an Estate improved with residential improvements, other than an Apartment Complex, shall pay annual assessments determined in accordance with this Section 4.03(b). Prior to the sale of an Estate to a Member other than a builder, each Member owning an Estate covered by this Section 4.03(b) shall pay to the Association an annual assessment not to exceed twenty-six cents (\$.26) per one hundred dollars (\$100.00) of value of the Estate so owned by such Owner, as assessed by the Dallas County Appraisal District (or such substitute or successor assessing authority, as aforesaid) for ad valorem tax purposes as shown on the certified tax rolls for the preceding calendar year. Upon the sale of an Estate covered by this Section 4.03(b) to a Member other than a builder, such Member shall pay to the Association an additional assessment equal to twenty-six cents (\$.26) per one hundred dollars (\$100.00) of the assessed value of the Estate so owned by such Owner, prorated as of the date of sale to December 31 of such year, as assessed by the Dallas County Appraisal District (or such substitute or successor assessing authority, as aforesaid) for ad valorem tax purposes based upon the most recent certified ad valorem tax rolls available. In the event that an Estate's market value with improvements has not been reappraised and recognized on the certified ad valorem tax rolls by the relevant appraising authority, the assessed valuation of such Estate shall be equal to the gross sales price of the Estate. For calendar years after the sale of an Estate to a Member other than a builder, the annual

assessment for the Estate covered by this Section 4.03(b) shall be determined in accordance with the provisions of the first sentence of Section 4.03(a).

IN WITNESS WHEREOF, the Association has caused^{ed} this Amendment to be executed by its duly authorized officers this 2nd day of February, 1994.

LAKES OF COPPELL OWNERS
ASSOCIATION, INC.

By: Charles Will

Its: President

By: Raymond L. Hillman

Its: Secretary

STATE OF TEXAS §
 Tarrant §
COUNTY OF ~~DALLAS~~ §

BEFORE ME, the undersigned atuhority, on this day personally appeared CHARK B. WILL, President of Lakes of Coppell Owners Association, Inc., known to me to be the person and officer whose name is subscribed to the foregoing instrument, and acknowledged to me that the same was the act of the said Lakes of Coppell Owners Association, Inc., and that he executed the same as the act of such corporation, for the purposes and consideration expressed, and in the capacities therein stated.

GIVEN UNDER MY HAND AND SEAL OF OFFICE this 2ND day of February, 1994.

Quita C. Lipton
Notary Public in and for
the State of Texas

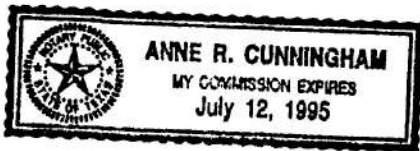
My Commission Expires: 5/27/94

5/27/94

STATE OF TEXAS §
 §
COUNTY OF DALLAS §

BEFORE ME, the undersigned atuhority, on this 0 day personally appeared RAYMOND L. HILDEBRAND Secretary of Lakes of Coppell Owners Association, Inc., known to me to be the person and officer whose name is subscribed to the foregoing instrument, and acknowledged to me that the same was the act of the said Lakes of Coppell Owners Association, Inc., and that he executed the same as the act of such corporation, for the purposes and consideration expressed, and in the capacities therein stated.

GIVEN UNDER MY HAND AND SEAL OF OFFICE this 24th day of February, 1994.



Anne R. Cunningham
Notary Public in and for
the State of Texas

My Commission Expires: 7/12/95

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