

**DECLARATION OF COVENANTS,
CONDITIONS AND RESTRICTIONS
FOR STONEHAVEN PLACE SOUTH**

THIS DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS (the "Declaration"), is executed by Hillwood/Plano 500, Ltd., a Texas limited partnership ("Declarant").

R E C I T A L S:

- A. Declarant is the fee owner of all of the Stonehaven Place South Property.
- B. Declarant intends for the Stonehaven Place South Property to be developed as single-family residential subdivisions.
- C. Declarant desires to now establish covenants, conditions and restrictions upon the Stonehaven Place South Property and each and every Lot contained therein, in order to establish a general plan for the development of the Stonehaven Place South Property.
- D. Declarant desires to establish Common Areas and easements on, over and across portions of Stonehaven Place South Property for the mutual benefit of all future Owners of Lots within the Stonehaven Place South Property.
- E. Declarant has created or will create Stonehaven Place South Homeowners Association, Inc. as a non-profit homeowners association (i) to preserve, operate and maintain the Common Areas, (ii) to administer and enforce these covenants, conditions and restrictions, (iii) to collect and disburse funds pursuant to the assessments and charges created in this Declaration, (iv) to maintain in a good and neat condition, and replace as necessary, such landscaping improvements ("Landscaping Improvements") as Declarant may install along the boundaries of the Stonehaven Place South Property in connection with the future development of such property, (v) to the extent permitted by applicable law, to have the power to provide architectural control and compliance with the covenants, conditions and restriction of this Declaration, and (vi) to perform such other acts as shall generally benefit all of the Property hereinafter described.
- F. Declarant further desires to provide the opportunity for the eventual annexation of additional property to be covered by this Declaration.

NOW, THEREFORE, Declarant hereby covenants, agrees and declares that (a) the Property shall be held, sold, transferred and conveyed subject to the easements, covenants, conditions and restrictions set forth in this Declaration; and (b) these covenants, conditions, restriction and easements shall run with the land in the Property and shall be binding on all parties having or acquiring any right, title or interest in the Property or any part thereof, and shall inure to the benefit of each Owner of all or a part of the Property.

ARTICLE I

DEFINITIONS

Capitalized terms used in this Declaration and not defined elsewhere herein shall have the meanings assigned to them in this Article I.

Section 1.1 "Articles" shall mean and refer to the Articles of Incorporation of the Association as the same may from time to time be duly amended.

Section 1.2 “Assessments” shall mean Regular Assessments and Special Assessments as defined below:

- (a) “Regular Assessment” shall mean and refer to the amount assessed to and to be paid by each Owner to the Association for that Owner’s portion of the Common Expenses.
- (b) “Special Assessment” shall have the meaning assigned to it in Section 3.3 below.

Section 1.3 “Association” shall mean and refer to STONEHAVEN PLACE SOUTH HOMEOWNERS ASSOCIATION, INC., a Texas non-profit corporation, its successors and assigns.

Section 1.4 “Board” shall mean and refer to the Board of Directors of the Association.

Section 1.5 “Bylaws” shall mean and refer to the Bylaws of the Association as the same may from time to time be duly amended.

Section 1.6 “City” shall mean the City of Plano, Texas.

Section 1.7 “Committee” shall mean and refer to the architectural control committee for the Property, which Committee shall consist of at least one but not more than three members at all times, all of whom shall be appointed as provided in Section 5.6 herein.

Section 1.8 “Common Areas” shall mean and refer to (i) the Landscaping Improvements, (ii) the unpaved portions of any right-of-way or median along a street or road adjacent to all or a portion of the Property, and (iii) any other real property and any other easements, licenses, leaseholds, rights, rights-of-way and other interests in real property, and the improvements thereon, within the property which have not been separately platted as a Lot on which a Residence will be constructed or dedicated to the City or another governmental authority; provided, however, additional property may be annexed into the Common Areas by Declarant as provided in Section 7.13.

Section 1.9 “Common Expenses” shall mean and refer to any and all expenses incurred or to be incurred by the Association in connection with the ownership, construction, maintenance, preservation and operation of the Common Areas, including the Association’s administrative costs incurred in connection therewith, and any other expenses incurred by the Association in the furtherance of its purposes or as prescribed by the Articles and Bylaws.

Section 1.10 “Stonehaven Place South Property” shall mean and refer to that certain tract of land situated in Collin County, Texas described in the attached Exhibit “A”.

Section 1.11 “FHA” shall mean and refer to the Federal Housing Authority.

Section 1.12 “Final Plat” shall mean and refer to the final plats of the Property approved by the City and filed by Declarant in the Real Property Records of Collin County, Texas.

Section 1.13 “Lot” shall mean and refer to each lot platted on the Property.

Section 1.14 “Masonry” shall mean and refer to brick, brick veneer, stone veneer or other masonry material approved by the Committee.

Section 1.15 “Member” shall mean and refer to each person and entity who is a member of the association as provided for in Section 2.2 hereof.

Section 1.16 “Owner” shall mean and refer to the record owner, whether one or more persons or entities, of the fee simple title to a Lot who has acquired title to the Lot to use the Residence constructed thereon as a home.

Section 1.17 “Property” shall initially mean and refer to the Stonehaven Place South Property and, subsequent to the annexation thereof as provided in Section 7.13 of this Declaration, each annexed portion of the additional properties.

Section 1.18 “Residence” shall mean and refer to any detached single-family residence constructed upon a Lot.

Section 1.19 “VA” shall mean and refer to the Veterans Administration.

ARTICLE II

ASSOCIATION

Section 2.1 The Association. The Association, acting through its Board, shall have the power to enforce the covenants, conditions and restrictions and all other terms contained in this Declaration, subject to the provisions of the Articles and bylaws, and shall have all of the powers set forth in the Articles and Bylaws. Declarant, the Association and the Board shall never be under any obligation to enforce the covenants, conditions, restrictions and other terms of this Declaration, and any failure to so enforce shall never give rise to any liability whatsoever on the part of the Declarant, the Declarant’s successors and assigns, the Association or the Board.

Section 2.2 Membership. Every Owner shall be a member of the Association. Each Owner’s membership in the Association shall be appurtenant to and may not be separated from ownership of the Owner’s Lot. Any person or entity holding an interest in any portion of the Property merely as security for the performance of any obligation shall not be a member of the Association. Declarant shall be a member of the Association, subject to the terms of the Bylaws without regard to whether Declarant owns one or more specific Lots until the rights and authority granted to “Declarant” hereunder vest in the Association pursuant to Section 7.14 hereof.

Section 2.3 Voting Rights. The Association shall have one or more classes of voting membership as further described in the Bylaws. All voting rights shall be subject to the provisions and restrictions set forth in the Bylaws. Upon written request by an Owner of a Lot, the Association shall furnish a true, complete and correct copy of the Bylaws certified by an officer of the Association to such Owner.

Section 2.4 Board of Directors and Officers. The Association shall have a Board of Directors and elected officers who shall have the powers and duties prescribed in the Articles and Bylaws. The Bylaws shall specify the procedure for election of the directors and officers, as well as the terms to be served by the directors and officers.

ARTICLE III

ASSESSMENTS

Section 3.1 Covenants for Assessments; Initiation Fee. The Declarant hereby covenants, and each Owner of any portion of the Property by acceptance of a deed therefor, whether or not it shall be so expressed in such deed, is deemed to covenant and agree to pay to the Association Regular Assessments and Special Assessments, such Assessments to be established and collected as hereinafter provided, and any initiation fee imposed upon Owners by the Bylaws. The initiation fee, Regular Assessments and Special Assessments, together with any interest, costs, and reasonable attorneys’ fees provided for under this Declaration, shall be a charge on the land and shall be a continuing lien upon the Owner’s Lot against which initiation fee and each such Assessment is made. The initiation fee and each such Assessment, together with any interest, costs, and reasonable attorneys’ fees provided for under this Declaration, shall also be the personal obligation of the person who was the Owner of such Lot at the time the initiation fee or Assessment fell due. The personal obligation for a delinquent initiation fee or delinquent Assessments shall not pass to such Owner’s successors in title unless expressly assumed by such successor.

Section 3.2 Initial Regular Assessment. Until adjusted pursuant to the terms of Section 3.9, the Regular Assessments shall initially be \$42.00 per Lot per quarter of each calendar year, payable in advance on January 2, April 1, July 1 and October 1 of each year. If the date of commencement of Regular Assessments for an owner pursuant to Section 3.5 below is other than one of the four dates set forth in the preceding sentence, the first Regular Assessment owing by such Owner shall be prorated and paid to the Association on such date of commencement. The Regular Assessments may be adjusted as determined by the Board pursuant to the Articles and Bylaws and shall be payable as set forth herein or as otherwise prescribed by the Board.

Section 3.3 Special Assessments. In addition to the Regular Assessments authorized above, the Association may levy at any time, to the extent authorized by the Bylaws, a Special Assessment (herein so called) for the purpose of defraying, in whole or in part, (i) as to Owners generally, the costs of any construction, reconstruction, repair or replacement of a capital improvement on the Common Areas, including fixtures and personal property related thereto, (ii) as to Owners generally, any increased operating or maintenance expenses or costs to the Association, (iii) as to a particular Lot Owner, the costs incurred by the Association due to the Lot Owner's failure to comply with the Bylaws or the Association's rules and regulations, (iv) as to a particular Lot Owner, the costs incurred by the Association due to the Lot Owner's lack of maintenance of the Lot or other compliance with this Declaration and (v) as to a particular Lot Owner, Common Expenses incurred by the Association, in the judgment of the Board, as the result of the willful or negligent act of the Owner or the Owner's family, guests or invitees. Each Owner's share of any special Assessment levied under clause (i) or (ii) above shall equal the product of the total Special Assessment levied times a fraction, the numerator of which is the Owner's Regular Assessment then payable to the Association and the denominator of which is the aggregate of all Owner's Regular Assessments then payable.

Section 3.4 Notice and Quorum Requirements. Written notice of any meeting called for the purpose of taking any action authorized in Section 3.2 and Section 3.3 shall be in accord with the Bylaws of the Association.

Section 3.5 Date of Commencement of Regular Assessments. The Regular Assessments provided for herein shall commence with respect to each Lot on the date of conveyance of the Lot in question to an Owner.

Section 3.6 Exempt Property. All Common Areas, all property dedicated to and accepted by the City or another governmental authority and all property owned by Declarant shall be exempt from the Assessments created herein.

Section 3.7 Remedies of Association. Any Assessment not paid within thirty (30) days after the due date shall be delinquent and shall bear interest from the due date as stipulated in the Bylaws. Such Assessment and all interest and costs of collection, including reasonable attorneys' fees, shall be secured by a lien upon the Owner's Lot to which such Assessment and costs relate, which lien (i) shall be superior to all other liens and charges against such property, except only for ad valorem tax liens and all sums unpaid on a mortgage lien or deed of trust lien or record, and (ii) shall be coupled with a power of sale in favor of the Association entitling the Association to exercise the right of nonjudicial foreclosure sale and the other rights and remedies afforded under Chapter 51 of the Texas Property Code. It is expressly intended that by acceptance of a deed to a Lot within the Property, each Owner acknowledges that title is accepted subject to the Assessment lien provided for herein, which shall be deemed to be an express contractual lien and shall be superior to any defense of homestead or other exemption, the Assessment lien having been created prior to the creation or attachment of any homestead right with respect to any Lot. To evidence the Assessment lien, the Association may file a written notice of such lien in the Real Property Records of Collin County, Texas, setting forth the amount of the unpaid indebtedness, the name of the Owner of the Lot covered by such lien and a description of the Lot. Subsequent to the recording of a notice of Assessment lien as provided above, the Association may bring an action at law against the Owner personally obligated to pay the same, and in addition conduct a nonjudicial foreclosure sale of the Owner's Lot under the Texas Property Code or judicially foreclose the lien against the Owner's Lot, all such remedies being cumulative. In any suit or proceeding against the Owner or the Owner's Lot, the Owner shall be required to pay and

shall be liable for all costs, expenses and reasonable attorneys' fees incurred by the Association. No Owner may waive or otherwise escape liability for the Assessments provided for herein by non-use of the Common Areas or abandonment of the assessed Lot by the Owner.

Section 3.8 Subordination of Lien to Mortgages. The lien securing the Assessments provided for herein on each Lot shall be subordinate to the lien of any mortgage or deed of trust of record now or hereafter placed upon such lot. Sale or transfer of any Lot shall not affect the Assessment lien. However, the sale or transfer of any Lot pursuant to a foreclosure of any mortgage or deed of trust lien of record shall extinguish the Assessment lien as to Assessments which become due prior to such sale or transfer. No sale or transfer by foreclosure or otherwise shall relieve such Lot from liability for any Assessments thereafter becoming due or from the lien securing such Assessments.

Section 3.9 Duties of the Board. The Board shall fix the amount of the Regular Assessments from time to time in accordance with the Bylaws. The Board may amend the due dates for the Regular Assessments at any time the amount of the Regular Assessments is fixed. The Board may levy a Special Assessment authorized by this Declaration at any time, subject to the limitations set forth in Section 3.3. The Board shall establish the due date for such Special Assessment at the time of levy. The Board shall prepare a roster of the Lots and Assessments applicable thereto which shall be kept in the office of the Association and shall be open to inspection by any Owner. Written notice of the Assessment shall thereupon be sent to every Owner subject thereto. The Association shall, upon demand at any time, furnish to any Owner liable for said Assessments 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 and shall be binding on the Association as of the date of its issuance.

ARTICLE IV

CONSTRUCTION OF IMPROVEMENTS AND USE OF LOTS

Section 4.1 Platting. The Stonehaven Place South Property is platted as a part of the subdivision shown in Cabinet ____, Page ____ of the Plat Records of Collin County, Texas. No re-plat of the Property or any portion thereof shall be filed with the City or recorded in the Real Property Records of Collin County, Texas that has not first been approved by Declarant, with Declarant's approval shown in writing, signed by Declarant, on the face of the plat.

Section 4.2 Residential Use. The Property and all Lots shall be used for single-family residential purposes only, except that a Lot may be used by a homebuilder for a model home or as a temporary parking lot adjacent to a model home. No building shall be erected, altered, placed or permitted to remain on any Lot other than one Residence per Lot not exceeding two stories in height with a private garage as provided below. Each Residence shall be constructed in conformance with minimum FHA and VA standards.

Section 4.3 Single-Family Use. Each Residence may be occupied by only one family consisting of persons related by blood, adoption or marriage or no more than three unrelated persons living and cooking together as a single housekeeping unit, together with any household servants.

Section 4.4 Garage Required. Each Residence shall have a two-car garage conforming with then-applicable City zoning ordinances and codes, and the garage must conform in design and materials with the main structure of the Residence. No garage shall be converted to living space or used in any manner so as to preclude the parking of two automobiles therein, except for temporary usage as part of the sales facilities contained in any model homes constructed by a home builder.

Section 4.5 Restrictions on Resubdivision. None of the Lots shall be subdivided into smaller lots without the written approval of Declarant.

Section 4.6 Uses Specifically Prohibited and Other Provisions.

(a) No temporary dwelling, shop trailer or mobile home of any kind or any improvement of a temporary character (except children's playhouses, dog houses, greenhouses, gazebos and buildings for storage of lawn maintenance equipment which may be placed on a Lot only in places which are not visible from any street) shall be permitted on any Lot, except that a builder or contractor may have temporary improvements (such as a sales office, parking lot and/or a construction trailer) on a Lot during construction of the Residence on that Lot. No building material of any kind or character shall be placed or stored upon a Lot until the fee owner of such Lot is ready to commence construction of improvements, and then such material shall be placed only within the property lines of the Lot upon which the improvements are to be erected during construction so long as construction progresses without undue delay.

(b) Unless otherwise approved in writing by the Committee, no boat, trailer, marine craft, hovercraft, aircraft, recreational vehicle, pick-up camper, travel trailer, motor home, camper body or similar vehicle or equipment may be parked for storage in the driveway or front yard of any dwelling or parked on any public street on the Property, nor shall any such vehicle or equipment be parked for storage in the side or rear yard of any Residence unless completely concealed from public view. No such vehicle or equipment shall be used as a residence or office temporarily or permanently. This restriction shall not apply to any vehicle, machinery or equipment temporarily parked and in use for the construction, maintenance or repair of a Residence in the immediate vicinity.

(c) No vehicle of any size which transports inflammatory or explosive cargo may be kept on the property at any time.

(d) Unless otherwise approved in writing by the Committee, no vehicles or similar equipment shall be parked or stored in an area visible from any street except passenger automobiles, passenger vans, motorcycles, pick-up trucks and pick-up trucks with attached bed campers that are in operating condition, have current license plates and inspection stickers and are in regular use as motor vehicles on the street and highways of the State of Texas.

(e) No structure of a temporary character, such as a trailer, basement, tent, shack, barn or other out-building, shall be used on any of the Property at any time as a dwelling house; provided, however, that any builder may maintain and occupy model houses, sales offices and construction trailers during construction periods.

(f) No oil drilling, oil development operation, oil refining, quarrying or mining operations of any kind shall be permitted on the surface of the Property. No oil wells, tanks, tunnels, mineral excavations or shafts shall be permitted upon or in any part of the Property. No derrick or other structure designed for use in quarrying or boring for oil, natural gas or other minerals shall be erected, maintained or permitted on the Property.

(g) No animals, livestock, fowl or poultry of any kind shall be raised, bred or kept on the Property, except that dogs, cats or other household pets may be kept for the purpose of providing companionship for the private family. Animals are not to be raised, bred or kept for commercial purposes or for food. It is the purpose of these provisions to restrict the use of the Property so that no person shall quarter on any part of the Property cows, horses, bees, pigeons, hogs, sheep, goats, guinea fowls, ducks, chickens, turkeys, skunks or any other animals that may interfere with the quietude, health or safety of the community. No more than three pets will be permitted on each Lot. Pets must be restrained or confined to the rear of the Owner's Lot inside a fenced area or within the house. It is the pet owner's responsibility to keep the Lot clean and free of pet debris. All animals must be properly tagged for identification and vaccinated against rabies.

(h) No lot or other area of the Property shall be used as a dumping ground for rubbish or a site for the accumulation of unsightly materials of any kind, including, but not limited to, broken or rusty equipment, disassembled or inoperative cars and discarded appliances and furniture. Trash, garbage or other waste shall not be kept except in sanitary containers. All equipment for

the storage or other disposal or such material shall be kept in clean and sanitary condition. All containers and other facilities for trash disposal must be located and screened in a manner approved by the Committee.

(i) No individual Lot water supply system shall be permitted on the Property.

(j) No individual Lot sewage disposal shall be permitted on the Property.

(k) No air-conditioning apparatus shall be installed on the ground in front of a Residence or on the roof of any Residence. No window air-conditioning apparatus or evaporative cooler shall be attached to any front wall or front window of a Residence or at any other location where such would be visible from any street

(l) Except with the written permission of the Committee, no antennas, discs or other equipment for receiving or sending sound or video messages shall be permitted on the Property except for antennas for AM or FM radio reception and UHF or VHF television reception. All antennas shall be located inside the attic of the main residential structure, except that, with the written permission of the Committee, one antenna may be permitted to be attached to the roof of the main residential structure (but only if the place of attachment is not visible from the street in front of the house) and to extend above said roof a maximum of five feet.

(m) No Lot or improvement shall be used for business, professional, commercial or manufacturing purposes of any kind. No activity, whether for profit or not, shall be conducted on the Property which is not related to single-family residential purposes. No noxious or offensive activity shall be undertaken on the Property, and nothing shall be done which is or may become an annoyance or nuisance to the neighborhood. Nothing in this subparagraph shall prohibit a builder's temporary use of a Residence as a sales office until such builder's last Residence on the Property is sold. Nothing in this subparagraph shall prohibit an Owner's use of a Residence for quiet, inoffensive activities such as tutoring or giving art lessons so long as such activities do not materially increase the number of cars parked on the street or interfere with adjoining Owners' use and enjoyment of their Residences and yards.

(n) Unless otherwise approved in writing by the Committee: No fence, wall, hedge or shrub planting which obstructs sight lines at elevations between three and six feet above the roadway shall be placed or permitted to remain on any corner Lot within the triangular area formed by the street right-of-way lines and a line connecting them at points ten feet from the intersection of the street right-of-way lines, or, in the case of a rounded property corner, from the intersection of the street right-of-way lines as extended. The same sight-line limitations shall apply on any Lot within ten feet from the intersection of a street right-of-way line with the edge of a private driveway or alley pavement. No tree shall be permitted to remain within such distance of such intersections unless the foliage line is maintained at sufficient height to prevent obstruction of such sight lines.

(o) Except for children's playhouses, dog houses, greenhouses, gazebos and buildings for storage of lawn maintenance equipment placed at locations on a Lot that are not visible from any street, no building previously constructed elsewhere shall be moved onto any Lot, it being the intention that only new construction be placed and erected thereon.

(p) Within easements on each Lot, no structures, planting or materials shall be placed or permitted to remain which may damage or interfere with the installation and maintenance of utilities, which may change the direction of flow within drainage channels or which may obstruct or retard the flow of water through drainage channels.

(q) After Declarant has graded a Lot, the general grading, slope and drainage plan of a Lot may not be altered without (i) written permission of the Committee and (ii) any approvals of

the City and other appropriate agencies having authority to grant such approval which may be required.

(r) No sign of any kind shall be displayed to the public view on any Lot except (i) one sign of not more than five square feet advertising the property for rent or sale; (ii) signs used by Declarant or by a builder building homes within the Property to advertise the Property during the development, construction and sales periods; and (iii) signs advertising development of Residences on property of Declarant or its successors in title situated to the south of Stonehaven Road. The Committee shall have the right to remove any sign, billboard or other advertising structure that does not comply with the above, and in so doing shall not be subject to any liability for trespass or any other liability in connection with such removal.

(s) The drying of clothes in public at street-level view is prohibited. The Owners and occupants of any Lots at the intersections of streets or adjacent to parks, playgrounds or other facilities where the rear yard is visible to full public view shall install a suitable enclosure to screen from public street-level view equipment which is incident to normal residences, such as clothes drying equipment, yard equipment and storage piles.

(t) Except within fireplaces in the main residential dwelling and except for outdoor cooking, no burning of anything shall be permitted anywhere on the Property.

(u) All exterior mechanical equipment, including, but not limited to, HVAC equipment, shall be located on the side or rear yard of each Lot and shielded from public view from any adjacent street.

(v) All utilities shall be installed underground. No gas meter shall be set nearer the street than the front or side of the dwelling unless the meter is designed for and installed underground.

Section 4.8 Minimum Floor Area. The total air-conditioned living area of the main residential structure, as measured to the outside of exterior walls, but exclusive of open porches, garages, patios and detached accessory buildings, shall not be less than 1,400 square feet.

Section 4.9 Building Materials. The front wall area (exclusive of windows) of each building constructed on a Lot, including, but not limited to, chimney flues, shall be not less than 100% Masonry unless otherwise approved in writing by the Committee. Notwithstanding the foregoing, unless otherwise approved in writing by the Committee, the front wall area on all first floor walls of a two story dwelling shall be brick only. The total exterior wall area of each building constructed on a Lot, including, but not limited to, chimney flues, shall be not less than 60% (or a higher percentage if required by the City) Masonry; provided, windows, doors and gables shall be excluded from the calculation of the total exterior wall area. Notwithstanding the foregoing, unless otherwise approved in writing by the Committee, for each building constructed on a Lot adjacent to Coit Road, the wall area of such buildings facing Coit Road, including, but not limited to, chimney flues, shall be 100% masonry.

Section 4.10 Setback Restrictions. No dwelling shall be located on any Lot nearer to the front Lot line, a side Lot line or the rear Lot line than the minimum setback lines shown on the Final Plat or required by the City, whichever is greater.

Section 4.11 Fences and Walls. Each fee owner of a Lot shall fence the Lot according to the following provisions of this Section 4.11:

Any fence or wall must be constructed of brick or wood or other material approved by the Committee. Any fence facing any street must be constructed so that the side of the fence containing the horizontal structural supports is not visible from such street. No fence or wall shall be permitted to extend nearer to any street abutting the front Lot line than the front building line of any Residence. Fences or walls erected by Declarant or builders shall become the property of the Owner of the Lot on which the same are erected and, in the event no other person or entity

maintains such fences or walls, shall be maintained and repaired by such Owner. Unless otherwise approved in writing by the Committee, no portion of any fence shall extend more than eight feet in height. In the event that any fence intersects (the "Intersecting Fence") with any fence that is of a lower height, the Intersecting Fence shall be decreased in height, at a steady rate, over the last ten feet in length of such Intersection Fence before it intersects with the lower fence so that there is a smooth transition from the higher level down lower level. Unless otherwise approved in writing by the Committee, no two fence segments of different heights shall meet without the ten-foot transition area required above. For the purposes of this Section 4.11, a fence shall "intersect" with another fence at any point where there is an appearance from any street that the fence segments meet or are in close proximity to each other.

All fencing required by Section 4.11 shall be installed by a builder at the time of and in conjunction with the construction of a Residence on a Lot, and shall thereafter be maintained by the Owner of the Lot.

Section 4.12 Landscaping. Each fee owner of a Lot shall landscape the Lot according to the following minimum provisions:

- A. All yards visible from the street shall be sod with grass from the home to the back of the street curb.
- B. Landscape plants shall be installed and maintained along the entire front of the home.
- C. Unless otherwise approved in writing by the Committee, a minimum of two (2) trees, at least three inch caliper in size at the time of installation, shall be installed in the front yard of the home. Unless otherwise approved in writing by the Committee, the trees shall be live oak, red oak, cedar elm, bradford pears, crepe myrtles or Texas ash.

All landscaping required under this Section 4.12 shall be installed by a builder at the time of and in conjunction with the construction of a Residence on a Lot, and shall thereafter be maintained by the Owner of the Lot except as otherwise specifically provided in these Restrictions.

Section 4.13 Sidewalks. Any fee owner of a Lot, when building houses on the Lot, shall build sidewalks along the front and sides of the Lot abutting streets, which sidewalks shall conform to the City, FHA and VA specifications and regulations.

Section 4.14 Mailboxes. Mailboxes shall be constructed of a material and design approved in writing by the Committee prior to their installation, and shall be in conformity with the requirements of the City. Mailboxes may be built in enclosures containing multiple mailboxes, and in such event the Owners of the Lots with mailboxes in such enclosure shall be responsible, equally, for maintaining such enclosure in good condition and repair. If such owners fail to do so, the Declarant and the Association shall each have the right, but not the obligation, to make any repairs, the costs of which shall be reimbursed to Declarant or the Association, as the case may be, by such Owners, equally, promptly upon receipt of an invoice therefor. The amount to be reimbursed, if not paid within 30 days after the date of such invoice, shall bear interest from the date of the invoice until paid at the rate of interest stipulated in the Bylaws to be paid on delinquent Assessments.

Section 4.15 Roofs. Unless otherwise approved in writing by the Committee, no roof on any house constructed on a Lot shall have less than a 6'/12' roof slope. Unless otherwise approved in writing by the Committee, all roofs shall be constructed or covered with 20-year composition shingles (meaning having a manufacturer's warranty of at least 20 years) with a weight of at least 240 pounds per 100 square feet and with the approximate color of either muted brown or gray, as approved by the Committee. All roof stacks and flashings must be painted to match the roof color.

Section 4.16 Chimney Construction. Any chimney constructed on a Lot must comply with the

following requirements:

- A. Any chimney which is constructed to extend upward from any portion of the roof of the building in front of the roof pitch shall be constructed of Masonry; provided, however, the side of the chimney which faces the roof may be constructed of wood or siding in lieu of Masonry.
- B. Any chimney which is constructed to extend upward from any portion of the roof of a building in the rear of the roof pitch shall be constructed of Masonry, wood or siding.

ARTICLE V

ARCHITECTURAL CONTROL

Section 5.1 Authority. Except as specifically provided for homebuilders in Section 5.3 below, no landscaping shall be undertaken, and no building, fence, wall or other structure shall be commenced, erected, placed, maintained or altered on any Lot, nor shall any exterior painting of, exterior addition to, or alteration of, such items be made until all plans and specifications and a plot plan have been submitted to and approved in writing by the Committee as to:

- (a) quality of workmanship and materials, adequacy of site dimensions, adequacy of structural design, acceptability of floor plan, 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 in relation to the various parts of the proposed improvements and in relation to improvements on other Lots; and
- (c) the other standards set forth within this Declaration (and any amendments thereto).

Except as specifically provided below for homebuilders, the Committee is authorized and empowered to consider and review any and all aspects of construction and landscaping which may, in the opinion of the Committee, adversely affect the living enjoyment of one or more Lot Owners or the general value of Lots. In considering the harmony of external design between existing structures and the proposed building to be erected, placed or altered, the Committee shall consider only the general appearance of the proposed building as that can be determined from front, rear and side elevations on submitted plans.

Section 5.2 Procedure for Approval. A complete copy of the final plans and specifications shall be submitted in duplicate by direct delivery or by certified mail to the Committee. Such plans and specifications must be submitted at least 15 days prior to the proposed landscaping or construction of improvements. The plans and specifications shall show the nature, kind, shape, height, materials and location of all landscaping and improvements including, but not limited to, elevations and floor plans on each house intended to be built, square footage, roof pitch and percentage of brick or other materials to be used as siding. The documents shall specify any requested variance from the setback lines, garage location or any other requirement set forth in this Declaration. Samples of proposed construction materials shall be delivered promptly to the Committee upon request. At such time as the plans and specifications meet the approval of the Committee, the Committee shall send written authorization to proceed and will retain the plans and specifications. If disapproved by the Committee, the plans and specifications shall be returned marked "Disapproved" and shall be accompanied by a statement of the reasons for disapproval, which statement shall be signed by a representative of the Committee. Any modification of the approved set of plans and specifications must again be submitted to the Committee for its approval. The Committee's approval or disapproval, as required herein, shall be in writing. In no event shall the Committee give verbal approval of any plans. If the Committee fails to approve or disapprove such plans and specifications within 15 days after the date of submission, written approval of the matters submitted shall not be required and compliance with this Section 5.2 shall be deemed to have been completed. In the case of a dispute about

whether the Committee responded within such time period, the person submitting the plans shall have the burden of establishing that the Committee received the plans. The Committee's receipt of the plans may be established by a signed certified mail receipt or by a signed delivery receipt. In the event a majority of the Committee cannot reach an agreement on any matter submitted for approval, the Committee shall consult about such matter with the builder who, at such time, owns more Lots in the Property (including Lots subject to a contract with Declarant) than any other builder. The decision of such builder regarding the disputed matter shall be binding on the Committee.

Section 5.3 Special Procedure for Homebuilders. Once the Committee has approved a set of final plans and specifications (including, but not limited to, exterior colors) submitted by a homebuilder for a house to be constructed on a Lot, that homebuilder may use such plans and specifications for other homes it will construct on the Property provided that (a) there shall be at least two Lots on the same side of the street between Lots with houses using the same or substantially the same floor plan; (b) there shall be at least three Lots on the same side of the street between Lots with houses using the same or substantially the same exterior elevations; and (c) no houses with the same or substantially the same exterior elevations shall be constructed on Lots directly across the street from each other. The term "homebuilder" shall mean a person or entity regularly engaged in the on-going business of constructing single-family homes for sale to owner-occupants.

Section 5.4 Standards. The Committee shall use its good faith efforts to promote and ensure a high level of taste, design, quality, harmony and conformity throughout the Property consistent with this Declaration. The committee shall have sole discretion with respect to taste, design and all standards specified herein. One objective of the Committee is to prevent unusual, radical, curious, odd, bizarre, peculiar or irregular structures from being built on the Property. The Committee from time to time may publish and promulgate bulletins regarding architectural standards, which shall be fair, reasonable and uniformly applied and shall carry forward the spirit and intention of this Declaration.

Section 5.5 Liability of the Committee. The members of the Committee shall have no liability for decisions made by the Committee and the Committee shall have no liability for its decisions so long as such decisions are made in good faith and are not arbitrary or capricious. Any errors in or omissions from the plans and specifications or the site plan submitted shall be the responsibility of the Owner of the Lot to which the improvements relate, and the Committee shall have no obligation to check for errors in or omissions from any such plans, or to check for such plans compliance with the general provisions of this Declaration, City codes, state statutes or the common law, whether the same relate to Lot lines, building lines, easements or any other matters.

Section 5.6 Appointment of Committee. The Declarant shall have the right from time to time, to replace and appoint the member(s) of the Committee. The Association shall maintain in its records a current roster of the members of the Committee.

ARTICLE VI

COMMON AREAS

Section 6.1 Property Rights. Every Owner and every owner of a lot in the Stonehaven Place South Property who is a Member of the Association shall have a right and easement of enjoyment in and to the Common Areas (including the improvements situated thereon, if any) which shall be appurtenant to and shall pass with title to the lot owned by such Owner or Member, as the case may be, subject to the following provisions:

- (a) The Association shall have the right to prescribe rules and regulations from time to time governing and restricting the use of the Common Areas;
- (b) The Association shall have the right to suspend the voting rights and right to use of the Common Areas of an owner for any period during which any Assessment against

the Owner's Lot remains unpaid and for a reasonable period in response to any infraction of the Association's rules and regulations; and

- (c) The Association shall have the right to take such steps as are reasonably necessary to protect the Common Areas from foreclosure or forfeiture.

Section 6.2 Delegation of Use. Any Owner may delegate, in accordance with the Bylaws, his right of enjoyment to the Common Areas to the Owner's tenants, invitees and guests and to succeeding Owners and their tenants, invitees and guests.

Section 6.3 Title to Common Areas. Declarant may retain the title to the Common Areas owned by Declarant until such time as in the reasonable discretion of Declarant the Association is able to maintain the same, at which time the Declarant will convey title to such Common Areas to the Association. Until title to those portions of the Common Areas owned by Declarant has been conveyed to the Association by Declarant, Declarant shall be entitled to exercise all rights and privileges relating to such common Areas granted to the Association in this Declaration, other than the levying and collection of Assessments, which only the Association may do.

Section 6.4 Maintenance of Common Areas Included in Annual Assessment. The Association shall provide maintenance, replacement, repair and care of the Common Areas, including landscaping and plants thereon. The maintenance provided for in this Section shall be considered as services due each member in consideration of the Assessments levied against the Member's Lot. However, in the event that the need for any such maintenance, replacement or repair performed by the Association, in the judgment of the Board, is caused through the willful or negligent act of the Member or the Member's family, guests, or invitees, the cost of such maintenance, replacement or repair shall become a Special Assessment to which the Member's Lot is subject.

ARTICLE VII

GENERAL PROVISIONS

Section 7.1 Easements. Easements for the installation and maintenance of utilities and drainage facilities are reserved as shown on the Final Plat. Easements are reserved across all Lots as reasonably necessary for (i) the installation, operations, maintenance and ownership of utility service lines from the property lines to the Residences, (ii) the installation and maintenance of the Landscaping improvements, and (iii) the installation and maintenance of the Screen Wall Improvements. By acceptance of a deed to a lot, the Owner of the Lot agrees to mow weeds and grass and to keep and maintain in a neat and clean condition any easement which may traverse a portion of the Lot, except as otherwise provided in these Restrictions.

Section 7.2 Recorded Final Plat. All dedications, limitations, restrictions and reservations shown on the Final Plat are incorporated herein and shall be construed as being adopted in each contract, deed or conveyance executed or to be executed by Declarant conveying Lots, whether specifically referred to therein or not.

Section 7.3 Lot Landscape and Maintenance. The fee owner of each Lot, at the time of the construction of the Residence thereon, shall establish fully sodded grass on all yards visible from the street, including, but not limited to, the unpaved area, if any, between the Lot and the curb of any street adjacent to such a Lot. The above landscaping shall be installed by a builder at the time or and in conjunction with the construction of a Residence on a Lot. To the extent such maintenance is not otherwise performed by the Association in accordance with these Restrictions, the fee owner of each Lot shall maintain the yards and fences on such Lot in a sanitary and attractive manner and shall edge the street curbs that run along the property line. Grass, weeds and vegetation on each Lot must be kept mowed at regular intervals as to maintain the property in a neat and attractive manner. The owner of each Lot on which a fence is required to be constructed under this Declaration shall maintain such fence in good order and repair and shall replace such fence upon its deterioration in accordance with the construction requirements of this

Declarant. No vegetables shall be grown in any yard that faces a street to a height of greater than six inches upon any Lot. Upon the failure of any fee owner to maintain any Lot or any fence thereon, Declarant and the Association each has the right, at its option, to have the grass, weeds and vegetation cut or the fence repaired or replaced as often as necessary in its sole judgment without the joinder of the other, and the fee owner of such property shall be obligated, when presented with an itemized statement or notice of Special Assessment, to reimburse Declarant or pay a Special Assessment to the Association, as the case may be, for the cost of such work. The amount to be paid, if not paid within thirty days after the date the statement or notice of Special Assessment is presented to the owner, shall bear interest from such date of presentation until paid at the rate stipulated in the Bylaws for interest on delinquent Assessments. Any Special Assessments owing by an Owner to the Association for such work shall be secured by a lien on such Owner to the Association for such work shall be secured by a lien on such Owner's Lot as provided in Section 3.7 of this Declaration.

Section 7.4 Maintenance of Improvements. Each Lot Owner (a) shall maintain the exterior of all buildings, fences, walls and other improvements on his Lot in good condition and repair; (b) shall replace worn and rotten parts; (c) shall regularly repaint all painted surfaces; and (d) shall not permit roofs, rain gutters, downspouts, exterior walls, windows, doors, walks, driveways, parking areas or other exterior portions of the improvements to deteriorate.

Section 7.5 Mortgages. It is expressly provided that the breach of any of the foregoing provisions shall not defeat or render invalid the lien of any mortgage or deed of trust made in good faith and for value, as to the same premises or any part thereof encumbered by such mortgage or deed of trust, but said provisions shall be binding as to Lots acquired by foreclosure, trustee's sale or otherwise, but only as to any breach occurring after such acquisition of title.

Section 7.6 Term. This Declaration and the covenants and restrictions contained herein shall run with and bind the land and shall remain in full force and effect for a term of thirty (30) years after the date of this Declaration. Thereafter, this Declaration and the covenants and restrictions contained herein shall be extended automatically for successive periods of ten (10) years unless amended as provided herein. This Declaration may be terminated only by an amendment affected under paragraph (b) of Section 7.12 which expressly provides for such termination.

Section 7.7 Severability. If any condition, covenant or restriction herein contained shall be invalid, which invalidity shall not be presumed until the same is determined by the judgment or order of a court of competent jurisdiction, such invalidity shall in no way affect any other condition, covenant or restriction, each of which shall remain in full force and effect.

Section 7.8 Binding Effect. Each of the conditions, covenants, restrictions and agreements herein contained is made for the mutual benefit of, and is binding upon, each and every person acquiring any part of the Property, it being understood that such conditions, covenants, restrictions and agreements are not for the benefit of the owner of any land except land in the Property other than as specifically provided herein. This instrument, which executed, shall be filed of record in the appropriate records of Collin county so that each and every owner or purchaser of any portion of the Property is on notice of the conditions, covenants, restrictions and agreements herein contained.

Section 7.9 Enforcement. Declarant, the Association and the fee owner of any Lot on the Property shall have the right to have each and all of the foregoing covenants, conditions and restrictions herein faithfully carried out and performed with reference to each and every Lot, together with the right to bring any suit or undertake any legal process that may be proper to enforce the performance thereof. It is the intention hereby to attach to each Lot, without reference to when it was sold, the right to have such covenants, conditions and restrictions strictly complied with, such right to exist with the owner of each lot and to apply to all other Lots whether owned by the Declarant, its successors and assigns, or others. Failure by any owner, Declarant or the Association to enforce any covenant or restriction herein contained shall in no event be deemed a waiver of the right to do so thereafter.

Section 7.10 Other Authorities. If other authorities, such as the City or Collin County, impose more demanding, expensive or restrictive requirements than those set forth herein, the requirements of such authorities shall be complied with. Other authorities' imposition of lesser requirements than those set forth herein shall not supersede or diminish the requirements herein.

Section 7.11 Addresses. Any notices or correspondence to an Owner of a Lot shall be addressed to the street address of the Lot. Any notice or plan submission to the committee shall be made to the address set forth below. The Committee may change its address for notice and plan submission by recording in the Real Property Records of Collin County a notice of change of address.

Section 7.12 Amendment. This Declaration may be amended only as follows:

(a) Until the rights and authority granted to "Declarant" hereunder vest in the Association pursuant to Section 7.14 hereof, the Declarant shall have and reserves the right at any time and from time to time, without the joinder or consent of any other party, to amend this Declaration by any instrument in writing duly signed, acknowledged, and filed for record, provided that any such amendment shall be consistent with and in furtherance of the general plan and scheme of development as evidenced by this Declaration and shall not impair or affect the vested property or other rights of any Owner or his mortgagee.

(b) At any time, the Owners of the legal title to 75% of the Lots (as shown by the Collin County Real Property Records) may amend the covenants, conditions and restrictions set forth herein by signing, acknowledging and recording an instrument containing such amendment(s), except that until the rights and authority granted to "Declarant" hereunder vest in the Association pursuant to Section 7.14 hereof, no such amendment shall be valid or effective without the joinder of Declarant.

Section 7.13 Annexation. Additional single-family residential property may be annexed to the property covered by this Declaration by Declarant without the approval or consent of the Association or its Members at any time prior to the date the rights and authority granted to "Declarant" hereunder vest in the Association pursuant to Section 7.14 hereof. Any such annexation shall specifically describe and identify which portions of the annexed property are Lots and which portions are Common Areas. Any annexation to this Declaration other than by Declarant shall comply with the requirements to amend this Declaration as set forth in Section 7.12 hereof. Any annexation authorized by this Section shall be made by recording a Supplementary Declaration of Covenants, Conditions and Restrictions with respect to the annexed property which shall extend the provisions of this Declaration to such property, provided that such Supplementary Declaration may include additional provisions or amend the provisions of this Declaration as necessary or appropriate to extend the general plan and scheme of development as evidenced by this Declaration to the annexed property.

Section 7.14 Rights of Declarant. All rights and authority granted to "Declarant" hereunder shall continue until the earlier to occur of (a) December 31, 2005, or (b) the date Declarant and its assigns no longer own 75% of the Lots located on the Property. On such earlier date, all rights and authority granted to "Declarant" hereunder shall vest in, and thereafter be exercised by, the Association, except for rights and authority which by their terms cease to exist hereunder on or prior to such date. Declarant may assign any or all of its rights and authority as "Declarant" hereunder to any purchaser of any portion of the Stonehaven Place South Property by written instrument of assignment duly recorded in the Real Property Records of Collin County, Texas. Conveyance of a property interest by Declarant alone shall not constitute an assignment of "Declarant" rights and authority as "Declarant" hereunder.

EXECUTED on the date of acknowledgment below but effective as of January 26, 1996 for all purposes.

Address of Declarant:

HILLWOOD/PLANO 500, LTD.,
a Texas limited partnership

Two Stonebriar Drive
Frisco, Texas 75034

By: Hillwood Property Company.
a Texas corporation,
General Partner

Address of the Committee:

Two Stonebriar Drive
Frisco, Texas 75034

Address of the Association:

Two Stonebriar Drive
Frisco, Texas 75034
Attention: Mr. Fred Balda

EXHIBIT "A"

LEGAL DESCRIPTION

All of the Lots shown on the Stonehaven Place South, Phase One Plat are recorded in Cabinet J, Slide 87 of the Plat Records of Collin County, Texas.