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**GRAND HERITAGE  
DECLARATION  
OF  
COVENANTS, CONDITIONS AND  
RESTRICTIONS**

**After Recording Return to:  
Lavon Grand Heritage Homeowners Association, Inc.  
4125 Fairway Drive, Suite 128  
Carrollton, TX 75010**

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<b>Exhibit "A"</b>	<b>Copy of the Articles of Incorporation of the Association</b>
<b>Exhibit "B"</b>	<b>Copy of the Bylaws of the Association</b>
<b>Exhibit "C"</b>	<b>Legal Description of the Property</b>
<b>Exhibit "D"</b>	<b>Dispute Resolution Procedures</b>
<b>Exhibit "E"</b>	<b>Proforma Budget for First Full Year of Association</b>
<b>Exhibit "F"</b>	<b>Enforcement Policy</b>
<b>Exhibit "G"</b>	<b>Mail Box Guidelines</b>
<b>Exhibit "H"</b>	<b>PID Disclosure</b>

**GRAND HERITAGE  
DECLARATION  
OF  
COVENANTS, CONDITIONS AND RESTRICTIONS**

**THIS GRAND HERITAGE DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS** (hereinafter referred to as the "Declaration") is made and executed to be effective as of the \_\_\_\_ day of May, 2006, by **WORLD LAND DEVELOPERS, L.P.**, a Texas limited partnership ("Declarant").

**WITNESSETH:**

WHEREAS, Declarant is the fee simple title owner of a portion of the real property in Collin County, Texas, which is described on Exhibit "C" attached hereto and incorporated herein by reference; and

WHEREAS, each of the parties listed as signatories hereto other than Declarant own portions of the real property described in Exhibit "C" ("Land Owners"); and

WHEREAS, Declarant desires to create a residential community known as Grand Heritage on the land described on Exhibit "C" and such other land as may be added thereto pursuant to the terms and provisions of this Declaration (collectively, the "Property"); and

WHEREAS, the Landowners desire to join herein for the purpose of subjecting the Property to this Declaration and rules, regulations, and other governing documents promulgated pursuant to this Declaration;

NOW, THEREFORE, Declarant and the Landowners hereby declare that all of the Property shall be held, sold and conveyed subject to the following easements, restrictions, covenants and conditions which are for the purpose of protecting the value and desirability of, and which shall run with, the Property and be binding on all parties having any right, title or interest in the Property or any part thereof, their heirs, personal representatives, successors and assigns, and shall inure to the benefit of each Owner thereof.

**ARTICLE I  
DEFINITIONS**

**Section 1.01 Defined Terms.** The following words and phrases, when used in this Declaration, shall have, unless the content shall otherwise prohibit, the following meanings:

A. "**Affiliate**" shall mean and refer to any person or entity that controls, is controlled by, or under joint control with, a specified party, including, without limitation, any officer or director of such specified party.

B. "**Approved Materials**" shall mean and refer to the "Approved Materials", as such term is defined in Section 11.06 hereof.

C. "**Architectural Review Committee**" shall mean and refer to that committee composed of three (3) members appointed in the manner set forth in 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.

D. "**Articles of Incorporation**" shall mean and refer to the Articles of Incorporation of the Association (a copy of which is attached hereto and made a part hereof as Exhibit "A"), as the same may be duly amended from time to time during the Term.

E. "**Assessments**" shall mean and refer to the "Assessments", as such term is defined in Section 4.01 of this Declaration.

F. "**Association**" shall mean and refer to the Lavon Grand Heritage Homeowners Association, Inc. The Association shall be the entity responsible for (i) collecting and disbursing the Assessments and charges hereinafter created, (ii) enforcing the covenants and restrictions hereinafter set forth, (iii) establishing and directing the enforcement of the architectural controls by and through the Architectural Review Committee, and (iv) maintaining and administering the community properties and facilities as set forth herein.

G. "**Board**" shall mean and refer to the Board of Directors of the Association.

H. "**Builders**" shall mean and refer to those persons or entities whose activities are limited to the construction of Residences on developed Lots or the purchase and resale of previously-developed Lots. Notwithstanding anything to the contrary contained herein, the Lots owned by any Builder(s) shall be exempt from liability for Assessments until [i] development of such Lots is substantially complete, and [ii] such Lots are released to such Builder(s) (after payment by Builder of applicable development fee) for the construction of a Residence thereon.

I. "**Bylaws**" shall mean and refer to the Bylaws of the Association (a copy of which is attached hereto and made a part hereof as Exhibit "B"), as the same may be duly amended from time to time during the Term.

J. "**City**" shall mean and refer to the City of Lavon, Texas.

**K. Common Area**" shall mean and refer (i) to such real property and the improvements thereon, owned, controlled, and/or maintained by the Association for the common use and enjoyment of the Owners, and not otherwise comprising Lots, including, without limitation, the clubhouse and related facilities and amenities, easements, paths, ponds, and parks, if any, and (ii) to all easements and areas granted to the Association for the common use, enjoyment and benefit of the Members, which Common Area is specifically reserved for such purpose and described as "Common Area" in any Supplemental Declaration. Any real property or interest in real property which Declarant shall convey to the Association and designated "Common Area" shall be accepted in writing by the Association and shall be conveyed free and clear of all liens and encumbrances, except the lien for current ad valorem taxes (which taxes shall be assumed by the Association), and all matters previously filed of record concerning the conveyed real property, including, but not limited to, the covenants, conditions, restrictions, easements, liens and charges of this Declaration. As of the Effective Date there is no "Common Area"; however, certain real property or easements may be conveyed and/or designated as such at a later date by Declarant or the Association.

**L Community-Wide Standard**" Where the documents require compliance with the "Community-Wide Standard", the standard to be applied is the highest of: (a) the standard of use, conduct, architecture, landscaping, or aesthetic matters generally prevailing in Grand Heritage community, or (b) the minimum standards described in this Declaration, the Design Guidelines, the Rules, Bulletin Criteria, or Board resolutions. The Community-Wide Standard may contain objective elements, such as specific maintenance requirements, and subjective elements such as matters subject to the discretion of the Board, Architectural Review Committee, or its reviewing representative. The Community-Wide Standard may or may not be set out in writing. The Declarant initially shall establish such standard; however, the Community-Wide Standard may evolve as development progresses and as the Grand Heritage community matures.

**M. County**" shall mean and refer to Collin County, Texas.

**N. County Clerk**" shall mean and refer the Clerk of Collin County, Texas.

**O. Declarant or Developer**" shall mean and refer to World Land Developers, L.P. and any parties succeeding to such position in accordance with the terms hereof. By their joinder herein the Land Owners assign to, and agree that, Declarant will exercise all of the rights and authority assigned to Declarant in this Declaration and other governing documents in behalf of all parties who own title to the Property as of the recordation of this Declaration including Declarant and each of the Land Owners. This authority will include the right to vote all of the Lots owned by Declarant and the Land Owners. For purposes of determining Class B Membership Declarant shall be treated as though it owned all of the Land Owner Lots. Declarant shall develop the Property for its own account and for the account of each of the Land Owners. The contractual relationship between the Declarant and the Land Owners will be governed by agreements outside this Declaration.



P. "**Declaration**" shall mean and refer to this Grand Heritage Declaration of Covenants, Conditions and Restrictions, as the same may be modified from time to time in accordance with the terms of this Declaration.

Q. "**Design Guidelines**" shall mean and refer to the Design Guidelines that are described in Section 12.07 herein, as the same may be promulgated, revised and/or amended pursuant to said Section 12.07 from time to time during the Term.

R. "**Effective Date**" shall mean and refer to the date upon which this Declaration is filed in the office of the County Clerk.

S. "**FHA**" shall mean and refer to the Federal Housing Administration, or any successor agency or authority thereto.

T. "**Final Plat(s)**" shall mean and refer to the recorded final plat(s) reflecting the location and size of any Lots and the location of streets, easements, and other matters relating thereto, as the same may be replatted or amended from time to time.

U. "**General Land Plan**" shall mean the general plan of development established for Property.

V. "**Governing Documents**" shall refer to this Declaration, the Bylaws, the Articles of Incorporation, the Rules and Regulations, the Design Guidelines, and other rules and regulations as promulgated by the Board, Architectural Review Committee, or other authorized Association body, as same may be supplemented and amended from time to time

W. "**Land Owner**" shall mean and refer to Lennar Homes of Texas Land and Construction, Ltd., a Texas limited partnership ("**Lennar**"), Bowen Family Homes of Texas, Inc., a Texas Corporation ("**Bowen**") and all of the owners of fee simple title in and to the Property as of the date of this Declaration other than the Declarant. The Land Owners shall have no responsibility or authority under this Declaration but have joined to subject their respective properties to the covenants, conditions, restrictions, and provisions hereof. The contractual relationship between the Declarant and the Land Owners will be governed by agreements outside this Declaration. Notwithstanding the foregoing, it is acknowledged and agreed that Lennar and Bowen will become "Builder(s)" as to such Lots as are [i] substantially complete, and [ii] are released to Lennar and or Bowen (after payment by Lennar and or Bowen of the applicable development fee) for the construction of a Residence thereon.

X. "**Lot**" or "**Lots**" shall mean and refer to any lots as depicted on any recorded subdivision map or plat of the Properties with the exception of the Common Area. The term shall include the land as well as any improvements thereon.

Y. "**Member**" and "**Owner**" shall mean and refer to each and every person or entity who, either alone or together with another person or entity, is a record title owner of a fee simple interest or undivided fee simple interest in and to any Lot;

provided, however, that the terms "Member" and "Owner" shall not include any person or entity holding a bona fide lien or security interest in any Lot as security for the performance of an obligation. Nor shall this definition include the Land Owners described elsewhere herein whose Lots will be represented by Declarant in behalf of the Land Owners. Special provision may be made for a Land Owner which is also a Builder.

**Z. "Project Improvements"** shall mean and refer to the improvements, facilities and amenities developed on the Property by Declarant as Developer, excluding any and all improvements funded by the PID (as defined in Section 13.01(J) hereof) or through assessments collected by the PID. Neither Declarant nor the Association shall have any obligation to construct the Project Improvements.

**AA. "Property"** shall mean and refer, collectively, (i) to the Property, described in Exhibit "C" hereto including, without limitation, any and all improvements thereon, and (ii) to any property, including, without limitation, any and all improvements located thereon, that, from time to time during the Term, are annexed to and made subject to this Declaration pursuant to the terms of any Supplemental Declaration made and recorded in accordance with the provisions of Article II of this Declaration.

**BB. "Reimbursement Agreement"** shall mean and refer to the agreement, if any, by and between Declarant and the Association, made to give effect to the terms of Section 4.05 below should Declarant develop additional improvements and amenities other than those initially developed.

**CC. "Residence"** shall mean and refer to any "Residence", as such term is defined in Section 9.01(b) herein.

**DD. "Single-Family Use"** shall mean and refer to any single-family attached or detached housing use; provided, however, such term shall not include prefabricated housing or mobile homes.

**EE. "Substantial Completion"**. The terms "substantial completion" and "substantially complete", when used in connection with the release of Lots as, for example, in subparagraph H above or Section 4.13 below, shall mean the acceptance of such Lots by the City. The terms "substantial completion" and "substantially complete", when used in connection with the completion of a Residence on a Lot are defined in Sections 12.11 and 12.12 below.

**FF. "Supplemental Declaration"** shall mean and refer to any Grand Heritage Supplemental Declaration of Covenants, Conditions and Restrictions that (i) is made and entered into for the purpose of annexing additional real property into this Declaration and extending the plan of this Declaration to such additional real property, and/or (ii) reserves specific portions of the Property as "Common Area", which instrument is made and recorded pursuant to the provisions of Article II of this Declaration.

**GG. "Term"** shall mean and refer to the term of this Declaration, as described in Section 16.01 herein.

## **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 current owners and any subsequent Owner, Member, lessee and/or occupant of all or any part thereof, subject to (i) this Declaration and the covenants, conditions, restrictions, easements, liens, and charges herein set forth, as well as (ii) the functions, powers, and jurisdiction of the Association.

**Section 2.02 Annexation of Property to this Declaration by Declarant.** Declarant hereby reserves the right to annex and make subject to this Declaration all or any portion of the tracts of land, if any, whether or not the same are adjacent to and/or contiguous with the then existing Property, that Declarant elects, in its sole discretion, to annex and make subject to this Declaration. Property to be annexed need not be the subject of a final, recorded plat in the Official Records of the County at the time such annexation is effective. Such annexation shall be accomplished without the approval, assent or vote of the Owners, the Association, its Members or the Directors; provided, however, that Declarant shall execute a Supplemental Declaration covering such portions of the property that it intends to annex and make subject hereto, and shall record such Supplemental Declaration in the office of the Collin County Clerk; provided, further, however, that no Supplemental Declaration shall be so executed and recorded by Declarant pursuant to this Section 2.02 more than fifteen (15) years after the Effective Date. The execution and recordation by Declarant of any such Supplemental Declaration shall constitute and effectuate the annexation of the real property that is covered thereby to this Declaration, thus making such real property subject to this Declaration, and to the functions, powers and jurisdiction of the Association. Thereafter, said annexed real property shall be a part of the Property, and all of the Owners of said annexed real property shall automatically become Members of the Association. Although Declarant shall have the right to annex additional property to this Declaration as provided hereinabove, Declarant shall not be obligated to annex any such Property. No additional property shall be annexed and made subject to this Declaration, or to the functions, powers and jurisdiction of the Association, unless and until a Supplemental Declaration covering the applicable portion of the additional property shall have been executed and recorded by Declarant in accordance with the terms hereinabove. The Declarant may make supplemental provisions or modify the provisions hereof insofar as they apply to additional properties.

**Section 2.03 Annexation of Property to this Declaration by Persons or Entities Other Than Declarant.** Upon approval by the Board, and Declarant, so long as it is the Class B Member, any person or entity, other than Declarant, which owns and desires to annex any tract of real property (whether or not such tract and real property is adjacent to and/or contiguous with the then-current Property) into the plan of this Declaration, as well as to the functions, powers, and jurisdiction of the Association, shall execute and record, in the office of the County Clerk, a Supplemental Declaration that so provides for such annexation.

**Section 2.04 Supplemental Declarations.** The annexations authorized by this Declaration shall be accomplished by executing and filing of record in the office of the County Clerk a Supplemental Declaration with respect to the portions of the Property which are to be annexed to the plan and scheme of this Declaration. Any such Supplemental Declaration contemplated above may contain such additions, deletions and/or modifications of the covenants, conditions, restrictions, easements, liens and charges contained in this Declaration as may be necessary to reflect the different character, if any, of such annexed property and as are not substantially inconsistent with the plan of this Declaration. In no event, however, shall any such Supplemental Declaration revoke, modify or add to the covenants, conditions, restrictions, easements, liens or charges established by this Declaration, as the same relate to and affect that portion of the Property previously subject to this Declaration. Further, the rate of Assessments for and method of determining the assessed valuation of the annexed property shall not result in Assessments substantially less than that affecting the portion of the Property previously made subject hereto. Any annexation made pursuant to this Declaration, when made, shall automatically extend to the real property so added the functions, powers and jurisdiction of the Association. Any Supplemental Declaration may establish, but shall not be required to establish, a Sub-Association (herein so-called) which shall be comprised of members who own Lots within the annexed real property that is subject to such Supplemental Declaration. Each such Sub-Association shall be in addition and subordinate to the Association.

**Section 2.05 De-Annexation, Removal and Withdrawal of Property.** The Declarant hereby reserves the right to amend this Declaration at any time and from time to time prior to the fifteenth (15<sup>th</sup>) anniversary of the Effective Date, without prior notice and without the consent of any Member, Director or other party, for the purpose of de-annexing, removing and withdrawing any portion of the Property then owned by Declarant, the Land Owners, and/or their respective Affiliates, and/or the Association, from the purview and control of this Declaration, the Association, and the covenants, conditions, restrictions, terms and liens herein. The foregoing right, if exercised, may be exercised by Declarant in its sole discretion either because such subject portion of the Property was originally annexed hereto in error, or because of any change whatsoever in Declarant's, Land Owner's, or their respective Affiliates' or the Association's intended use of such subject portion of the Property.

### 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 its part, subject to the terms of this Declaration, the Articles of Incorporation, the Bylaws and the Association rules. The terms and provisions set forth in this Declaration are binding upon all Owners. The 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. The ownership of a Lot shall be the sole qualification for being a Member; provided, however, that a Member's privileges in the Common Area may be regulated or suspended as provided in this Declaration, the Bylaws and/or the Association rules. 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 a Lot, and then only to the purchaser or assignee in its capacity as the new Owner thereof. Such membership shall not be severed by the encumbrance by an Owner of any Lot. 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-simple title to any Lot shall automatically operate to transfer the membership to the new Owner thereof. In the event that 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 any Lot, the Association shall have the right to record the transfer upon the books and records of the Association.

**Section 3.03 Voting Rights.** The Association shall have two (2) classes of voting membership: Class A and Class B. All votes shall be cast in the manner provided in the Bylaws. When more than one person or entity holds an interest in any Lot, the vote for such Lot shall be exercised as such persons determine, but in no event shall more than the number of votes hereinafter designated be cast with respect to any such Lot, nor shall split votes be permitted with respect to such Lot. The two (2) classes of voting memberships and voting rights related thereto are as follows:

a. Class A. Class A Members shall be all Owners of Lots, except the Class B Member and the Land Owners. Class A Members shall be entitled to one (1) vote for each Lot owned; there shall be only one (1) vote per Lot.

b. Class B. The sole Class B Member shall be the Declarant. The Class B Member shall be entitled to ten (10) votes for each Lot which is owned by Declarant and/or by the Land Owners. The Class B Control Period shall expire on the first to occur of the following:

(i) When eighty percent (80%) of the Lots permitted by the General Land Plan have been conveyed to Class A Members; or

(ii) On December 31, 2030; or

(iii) When the Declarant waives in writing its right to Class B Membership.

Upon termination of the Class B membership, Declarant shall be a Class A Member entitled to one Class A vote for each Lot, if any, which it or a Land Owner owns; provided that Declarant shall continue to appoint the members of the Architectural

Review Committee and to enforce architectural and design standards for so long as Declarant or a Land Owner owns any Lots or portions of the Property.

**Section 3.04 Turnover Procedure.** Following the termination of the Class B Control Period, except for architectural control, Declarant shall cause control of the Association to be turned over to the general membership of the Association ("Turnover"). Within thirty (30) days of the termination of the Class B Control Period, the President of the Association shall call a special meeting of the Board. At such meeting, the Board shall set a date for a subsequent meeting of the Board at which Turnover will occur ("Turnover Meeting"), which meeting shall be at least thirty (30) but no more than sixty (60) days after the special meeting. The Board shall provide at least thirty (30) days' notice to the Members of the date and location of the Turnover Meeting. Prior to the Turnover Meeting, a representative of the Declarant, a representative of the Manager, if any, and one or more of then-existing resident directors shall meet as necessary to cause the turnover of all records associated with the existence, maintenance and operation of the Association. At the Turnover Meeting, the then-existing directors appointed by Declarant shall submit their written resignations and new directors shall be elected, as necessary, to fill the Board in accordance with the Bylaws; provided, however, that pursuant to Article III of the Bylaws, Declarant shall have the right to appoint at least one (1) member of the Board as long as Declarant owns at least one Lot shown in the General Land Plan. On or before the Turnover Meeting, at Declarant's option, Declarant shall convey to the Association title to all remaining Common Area pursuant to Section 6.02 of this Declaration. From and after the date of Turnover, Declarant shall have no further responsibility or liability associated with the Association, the operations of the Board, the maintenance of any Common Area, or any other matters associated with the Properties except that, until Declarant sells 100% of its and the Land Owners Lots and such parties own no Property within Grand Heritage, Declarant will continue to appoint the Architectural Review Committee and enforce Design Guidelines and approve proposed alterations and improvements.. In that regard, at and as of the Turnover Meeting, the Association shall execute and deliver to the Declarant a general release, in form acceptable to Declarant, releasing Declarant from all liability associated with the development, construction, operation, and maintenance of the Properties. From and after Turnover, to the extent that any dispute arises between the Association and the Declarant regarding a matter that is allegedly not covered by the release or regarding the release itself, then such dispute shall be resolved through the dispute resolution procedures provided in Section 16.09.

**Section 3.05 Quorum, Notice and Voting Requirements.** Quorum, Notice and Voting Requirements are provided in the Bylaws of the Association to which reference is here made. Except as specifically set forth in this Declaration, notice, voting and quorum requirements for all action to be taken by the Association shall be consistent with the Articles of Incorporation and Bylaws.

**Section 3.06 Additional Voting Provisions.** (a) Prior to the Turnover Date, the Declarant shall have the complete, exclusive and unfettered right and privilege to amend, change, revise, modify or delete portions of this Declaration, and each and every Director, Owner and Member specifically and affirmatively authorizes and empowers the Declarant, utilizing the attorney-in-fact status set forth herein, to undertake, complete and consummate any and all such amendments, changes, revisions, modifications or deletions as the Declarant (in its sole and absolute discretion) shall deem reasonable and appropriate.

(b) From and after the Turnover Date but subject to the provisions of Section 3.06 (d) below, this Declaration may be amended or changed upon the express written consent of the Board, without the approval of any Owner or Member, other than amendments of a "material nature" (as defined below).

(c) From and after the Turnover Date, amendments to the Declaration of a "material nature" must be agreed to and approved by the assent of at least a majority of the votes of the Members present and qualified to vote at a meeting duly called for that purpose at which a quorum is present or, in the alternative, by written consent as set out in the Bylaws. A substantive change to any provision dealing with or governing any of the following items will be considered an amendment of a "material nature":

- (i) Voting rights for any Member or Director;
- (ii) Assessment liens or subordination of such liens;
- (iii) Reserves for maintenance, repair and replacement of the Common Area;
- (iv) Insurance or fidelity bonds;
- (v) Rights to use of the Common Area;
- (vi) Boundaries of any Lot covered by the Declaration;
- (vii) The interests in the Common Area;
- (viii) Convertibility of Lots into Common Area or of Common Area into Lots;
- (ix) Imposition of any right of first refusal or similar restriction on the right of an Owner of a Lot to sell, transfer, or otherwise convey such Lot, but in no event shall any such right or restriction be imposed by the Association; and
- (x) Responsibility for maintenance and repair of the Common Areas.

(d) Notwithstanding anything contained herein to the contrary, as long as Declarant owns any Property, all amendments to this Declaration must be approved by Declarant.

#### **ARTICLE IV ASSESSMENTS**

**Section 4.01 Covenants for Assessments.** (a) Each Owner of any non-exempt Lot by its 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, (and Builder to the extent not exempt as provided in Section 4.13 below) 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) to pay to the Association (or to any entity or collection agency designated by the Association (i) "Regular Assessments" or charges (as specified in Section 4.03 herein), such Regular Assessments to be fixed, established and collected from time to time as herein provided, (ii) "Special Assessments" for capital improvements and other purposes (as specified in Section 4.04 herein), such Special Assessments to be fixed, established and collected from time to time as herein provided, and (iii) "Individual Assessments" levied against an individual Owner to reimburse the Association for extra costs for maintenance and repairs caused by the willful or negligent acts or omissions of such individual Owner and not caused by ordinary wear and tear (as specified in Section 4.06 herein), such Individual Assessments to be fixed, established and collected from time to time as herein provided.

(b) Each and all of the assessments ("Assessments") described hereinabove in this Section 4.01, together with interest thereon, attorneys' fees, court costs and other costs of collection thereof, as herein provided, (i) shall be a charge on the land and shall be a continuing lien upon each Lot against which each such Assessment is made, and (ii) shall additionally be the personal obligation of the Owner of such Lot against which such Assessment is made at the time when the Assessment fell due.

(c) Unless otherwise determined by the Board, the amounts of Regular Assessments and Special Assessments levied by the Association with respect to the Lots located in the Property shall be determined by applying a uniform rate of assessment to all Lots located in the Property. Notwithstanding the foregoing, the Declarant or the Board may establish a different rate of Assessment for a particular Election District (as that term is defined in Section 2.8 of the Bylaws) if the Declarant or the Board, whichever applies, determines that the nature or condition of the Election District warrants such Assessment levels. No Owner may exempt himself from liability for any Assessment or waive or otherwise escape liability for the Assessments for non-use of the Common Area, or abandonment of its Lot. 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, however, 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, (i) promoting the recreation, comfort, health, safety and welfare of the Members, the users and/or the residents of the Property, (ii) managing the Common Area, (iii) enhancing the quality of life in the Property and the value of the Property, (iv) improving, repairing, replacing, enhancing and maintaining the properties, services and facilities devoted to the purpose and related to the use and enjoyment of the Property, (v) paying taxes on the Common Area, and insurance in connection with the Common Area, (vi) paying the cost of labor and any equipment (including the expense of leasing any equipment), (vii) creating, funding and fulfilling the purpose of any reserves provided herein or otherwise deemed appropriate by the Directors or the Declarant, (viii) carrying out the powers and duties of the board of directors of the Association as set forth herein, (ix) carrying out the powers and duties of the Architectural Review Committee and the Board of Directors of the Association, and (x) carrying out the purposes of the Association as stated in the Declaration, the Articles of Incorporation, and the Bylaws.



**Section 4.03 Regular Assessments.** (a) Each Member shall pay to the Association, a Regular Assessment as set forth in this Section 4.03. The amount and commencement date of the first Regular Assessments shall be established by the Declarant or the Board, and subject to the provisions set forth in Section 4.07 hereof, may be adjusted annually by the Board (if the Association has been formed or is in existence) or the Declarant (if the Association has not been formed or is not in existence) at least thirty (30) days in advance of the effective date of any such change. The rate of Regular Assessments may be increased in the manner set forth in Section 4.07 herein. Furthermore, the Board or Declarant may, after consideration of current maintenance, operational and other costs and the future needs of the Association, fix the actual Regular Assessments for any year at a lesser amount. Notwithstanding anything contained herein to the contrary, any "surplus" from any fiscal year may only be used (i) for purposes set forth in the current budget covering the period during which the surplus was created, (ii) for reimbursing Declarant for any subsidies advanced by Declarant in behalf of the Association; (iii) for setting up reserves for capital improvements and/or for normal operating expenses for the next budget period(s), and/or (iv) for reducing future Regular Assessments to be levied against the Members of the Association for the remainder of the current or next fiscal year. Declarant shall not be required to pay Regular Assessments with respect to portions of the Property owned by Declarant and designated as Common Area.

(b) The amount and time of the payment of the Regular Assessment shall be determined by the Board pursuant to the Articles of Incorporation and Bylaws of the Association. Not later than thirty (30) days prior to the beginning of the 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 the Declaration, the amount of the Regular Assessment to be paid by each Member for such purpose. Written notice of the Regular Assessment to be paid by each Member shall be sent to every Member and each Member shall thereafter pay to the Association its Regular Assessment in installments as established pursuant hereto.

**Section 4.04 Special Assessments.** (a) In addition to the Regular Assessments authorized by Section 4.03 herein, the Association may levy in any calendar year a Special Assessment (herein so-called) for the purpose of defraying, in whole or in part, the cost of any construction, 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 such Common Area and improvements therein, or for carrying out other purposes of the Association; provided, however, that any such Special Assessment levied by the Association shall have the affirmative majority approval of the Members as provided in Section 4.08 below.

(b) All amounts collected by the Association may only be used for the purposes assessed and shall be deposited by the Board in a separate bank account to be held in trust by the Association for such purpose. Said funds shall not be commingled with any other funds of the Association unless and until the assessed purposes have been satisfied in full at which time such excess amounts shall be transferred to the operating account of the Association.

**Section 4.05 Intentionally left blank.**

**Section 4.06 Individual Assessments.** The Board shall have the power to levy individual assessments against a particular Lot as follows:

- (a) To cover costs incurred in bringing a Lot into compliance with the provisions of the Declaration and other Governing Documents;
- (b) Reimbursement to the Association for repairs to any Common Areas or any improvements thereto occasioned by the willful or negligent acts of such Owner(s) and not the result of ordinary wear and tear;
- (c) To cover the costs of providing benefits, items or services not provided to all Lots, such as additional landscape maintenance, pest control service, security and transportation services; such assessments may be levied in advance of the provision of the requested benefit, item or service as a deposit against charges to be incurred;
- (d) 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 terms and provisions of this Declaration, the Bylaws or any rules or regulations promulgated hereunder;
- (e) For attorney's fees incurred in the enforcement of the Declaration and rules and regulations promulgated pursuant thereto; and
- (f) For any other cost or expense authorized by the Declaration or other Governing Documents.

All amounts collected by the Association as Individual Assessments shall belong to and be used for the purposes for which assessed until the assessed purposes have been satisfied in full at which time such excess amounts shall be transferred to the operating account of the Association. Failure of the Board to exercise its authority under this Section shall not be grounds for any action against the Association, Board, or any their officers or members, and shall not constitute a waiver of the Board's right to exercise its authority under this Section in the future with respect to any expenses, including an expense for which the Board has not previously exercised its authority under this Section.

**Section 4.07 Vote Required for Increase in Rate of Regular Assessments.** The amount of the Regular Assessments may be increased annually by a majority vote of the Board of the Association or the Declarant (if permitted herein or if the Association has not been formed and is not existing), provided that any such annual increase does not exceed the amount (the "Maximum Increase Amount"), which equal to twenty percent (20%) of the previous year's Regular Assessment amount. If any annual increase would exceed the Maximum Increase Amount, then the excess portion of such annual increase must be approved by a majority of the votes of the Members of the Association in attendance at a duly called meeting at which a quorum is present or by consent of such Members in accordance with the Declaration or Bylaws.

**Section 4.08 Vote Required for Special Assessment.** Any Special Assessments levied by the Association in accordance with Section 4.04 herein must be approved by an affirmative majority of the votes of the Members in attendance and voting in person or by proxy at a meeting duly called for such purpose at which a quorum is present.

**Section 4.09 Due Dates and Dates of Commencement of Regular Assessments and Due Date of Special Assessments and Individual Assessments.** (a) The Regular Assessments provided for in this Declaration shall commence as to any given Lot on the date when title thereto has been transferred to any person not under common control or ownership with Declarant or its Affiliates, and such Regular Assessments or any installment thereof (if payable in installments) shall be considered delinquent if not paid within thirty (30) days thereafter. The first Regular Assessment hereunder shall be made for the balance of the Assessment Period, as defined in this Section 4.09 in which such Regular Assessment is levied. The amount of the Regular Assessment which may be levied for the number of days remaining in the Assessment Period of the first Regular Assessment hereunder shall be an amount which bears the same relationship to the Regular Assessment provided for in Section 4.03 as the remaining number of days in that Assessment Period bear to one hundred eighty(180). The Assessment Period shall mean the quarterly Regular Assessment to become due and payable on January 1<sup>st</sup>, April 1<sup>st</sup>, July 1<sup>st</sup> and October 1<sup>st</sup> of each year.

(b) The due date and the date of delinquency of any Special Assessment or Individual Assessment under Sections 4.04 or 4.06 herein, respectively, shall be fixed by the Board.

**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 Regular Assessments shall, as determined by the Board, include reasonable amounts as determined by the Board to be 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 4.11 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 unless and until the purpose of the reserves has been satisfied in full as determined by the Board, at which time such excess amounts shall be transferred to the operating account of the Association. Assessments collected as reserves shall not be considered to be advance payments of Regular Assessments.

**Section 4.12 Nonpayment of Assessment.** (a) Any Assessment provided for in this Declaration which is not paid in full when due shall be considered delinquent and subject to collection procedures thirty (30) days after the date due as specified in the notice of such Assessment ("delinquency date"). 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 due date, the unpaid amount of such Assessment shall bear interest until paid in full at a rate equal to the lesser of eighteen percent (18%) per annum or the maximum lawful rate applicable thereto.

(b) The unpaid amount of any Assessment not paid by the delinquency date, together with the interest thereon as provided in Section 4.12(a) herein and the cost of collection thereof, including reasonable attorneys fees as herein provided, shall thereupon become a continuing lien and charge on the Lot of the non-paying Owner covered by such Assessment, which lien and charge shall bind such Lot in the hands of such Owner and its 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 the past due Assessment. Any sale of such Lot shall not relieve the Owner 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 rendered by the Association to any other lien. Such power shall be entirely discretionary with the Association. 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 shall additionally 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 a Lot and shall continue in full force and effect.

(c) 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 Lot covered by such lien, and a description of the Lot covered by such lien. Such notice shall be executed by one of the officers of the Association and shall be recorded in the office of the County Clerk.

(d) The lien securing the payment of the Assessments shall attach to the Lot belonging to such non-paying Owner with the priority set forth in this Section 4.12. Subsequent to the recording of a notice of the lien as provided in this Section 4.12, 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 non-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 4.12, 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 4.12 and reasonable attorneys' fees to be fixed by the court, together with the costs of the action. Each Owner hereby vests in the Association or its assigns the right and power to bring all actions at law or equity, including, without limitation, non-judicial foreclosure, against such Owner or other Owners, 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 thirty (30) days after the delinquency date of such Assessment.

**Section 4.13 Exempt Property.** (a) The following real property subject to the Declaration shall be exempt from the Regular Assessments, charges and liens created in this Declaration:

- (i) any portion of the Property dedicated and accepted by any 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 any flood control district;
- (ii) all Common Areas;
- (iii) Lots owned by the Declarant, the Land Owners;
- (iv) Lots owned by a Builder until [i] development of such Lots is substantially complete, and [ii] such Lots are released to such Builder (after payment by Builder of applicable development fee) for the construction of a Residence thereon; and
- (v) any portion of the Property owned by any non-profit organization and restricted for use as a private school or church; provided, however, that the exemption of such organizations and the portions of the Property owned by same is subject to review and approval by the Board, such exemption being contingent upon approval by the Board.

(b) Portions of the Property which are exempt from the Assessments, charges and liens created by this Declaration pursuant to Section 4.13(a)(i) and (iii) hereinabove shall in any event be subject to provisions of this Declaration including, but not limited to, the Protective Covenants of Article IX, architectural review requirements of Article XI, and liability for Individual Assessments and Special Assessments as set forth herein, except as otherwise expressly provided in this Declaration.

**Section 4.14 Estoppel Information from Board of Directors with Respect to Assessments** (a) The Board 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.

(b) A number of independent fees may be charged in relation to the transfer of title to a Lot, including but not limited to fees for resale certificates, estoppel certificates, copies of the Declarations, compliance inspections, ownership record changes, and priority processing. Transfer-related fees are not refundable and shall not be regarded as a prepayment of or credit against Regular Assessments or Special Assessments. Transfer-related fees do not apply to the following transfers unless a party to the transfer requests the corresponding documentation: (i) foreclosure of a deed of trust lien, tax lien, or the Association's assessment lien, (ii) transfers to, from, or by the Association, and (iii) voluntary transfers by an Owner to one or more co-Owners, or to the Owner's spouse, child or parent. Transfer-related fees may be charged by the Association or by the Association's managing agent, provided there is no duplication of fees. Transfer-related fees charged by or paid to a managing agent must have the prior written

approval of the Association, are not subject to the Association's assessment lien, and are not payable by the Association.

**Section 4.15 Working Capital Fund.** In the event that, after the final tract, lot, or parcel of the Property owned by Declarant or the Land Owners has been sold for development, Declarant is holding working capital funds that it has collected from the proceeds of sales of the Property or portions thereof, and Declarant has elected, in its sole and absolute discretion and with no obligation whatsoever, to contribute such monies to the Association, then such monies shall be used by the Association (i) first to cover deficits, if any, from normal operations, and reimbursement of Declarant subsidies, and (ii) then to make improvements to the Common Area, and for no other purposes.

**Section 4.16 Working Capital Fee.** For each transfer and conveyance of any Lot by a Builder to a Class A Member, a fee (the "Working Capital Fee") equal to the greater of two (2) month's regular assessment or One Hundred and No/100 Dollars (\$100.00) shall be due and payable to the Association. Such Working Capital Fee shall be applied by the Association toward working capital and operating costs, but not toward reserves. Furthermore, such Working Capital Fee shall be an Assessment for all purposes herein, and shall be secured by a lien on any Lot against which it has been assessed.

**Section 4.17 Declarant Subsidy.** Declarant may, but shall not be obligated to, pay a subsidy to the Association in order to reduce the total annual assessment which would otherwise be necessary to be levied against all Lots to cover the estimated expenses of the Association (including reserve contributions, if any). Any such subsidy shall be disclosed as a line item in the income portion of the budget. The subsidy shall be treated by the Declarant as a loan from the Declarant to the Association. Declarant and the Association may agree at the time of the making of a subsidy as to the terms and manner of repayment.

## 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, and the Board shall be selected in accordance with the Articles of Incorporation and the Bylaws. In addition to the powers and duties enumerated in the Articles of Incorporation and the Bylaws, or elsewhere provided for herein, and without limiting the generality thereof, the Board, 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, in its sole discretion, deems necessary, the Board may take such action to enforce the terms and provisions of this Declaration and the Articles of Incorporation and the Bylaws 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, management services, 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 Individual Assessments as provided in Section 4.06 herein, and to enjoin

and/or seek legal damages from any Owner for violation of such provisions or rules. The Association has adopted the Enforcement Policy set out in Exhibit "F" attached to this Declaration.

(b) The Board may 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) The Board may execute all declarations of ownership for tax assessment purposes and may 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) The Board may 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, shall be necessary or proper.

(e) The Board may 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, high-speed internet access services, security services, communication services and other similar services over the Common Area to serve the Property or any part thereof.

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

(g) The Board may borrow funds to pay costs of operation, which borrowed funds may be secured by an assignment or pledge of its rights against Owners to the extent deemed advisable by the Board.

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

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

(j) The Board may sue and defend in any court of law on behalf of the Association or one (1) or more Members thereof.

(k) The Board may establish and maintain a working capital and/or contingency fund in an amount to be determined by the Board of the Association.

(l) The Board may make reasonable rules and regulations for the operation and use of the Common Area and may amend the same from time to time.

(m) The Board may make available to each Owner, and any individual or entity holding a mortgage or deed of trust on any Lot, within one-hundred eighty (180) days after the end of each fiscal year, an unaudited annual report, which annual report shall contain a balance sheet, income statement and statement of sources and uses of funds.

(n) The Board may adjust the amount of, 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 such damage or replace such lost property owned by the Association, the Board may assess the Members in proportionate amounts to cover the deficiency as set forth in Section 4.04 herein.

(o) The Board may provide services for the benefit of the Members, including but not limited to, security, entertainment, recreation, and education.

(p) The Board may maintain the landscaped areas of the Lots, all at the sole cost and expense of the Owners contracting with the Association for the provision of such services.

(q) The Board may delegate its powers and duties to committees, officers, or employees as provided in the Bylaws, employ a manager or other persons and contract with independent contractors or managing agents who have the professional experience necessary to perform all or any part of the duties and responsibilities of the Association; provided, however, that any contract with a person or entity appointed as a manager or managing agent shall be terminable without cause on not more than ninety (90) days prior 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 Declarant is no longer empowered to appoint any Directors of the Board, the Board shall enter into no contracts or agreements unless the same are terminable by the Board upon no more than ninety (90) days prior written notice unless the contracts or agreements are approved by the Declarant.

**Section 5.03 Use of Recreational Facilities.** Each Owner acknowledges that certain recreational facilities including, but not limited to, the clubhouse and related amenities, will be provided within the Common Area for the use and enjoyment of the Owners, their families, tenants, residents, their respective guests, and a limited number of non-resident social members (hereafter, in this Section 5.03, referred to as "User" or "Users" as the context dictates).

(a) Each User hereby acknowledges that there are risks associated with the use of such recreational facilities and that ALL USERS OF SUCH FACILITIES ASSUME AND AGREE TO BE SOLELY RESPONSIBLE FOR SUCH RISK. Each Owner, by accepting a deed to a Lot, acknowledges that he or she has not relied upon the representations of Declarant or the Association with respect to the safety of any recreational facility or other Common Area within the Community.

(b) The Association may, but shall not be obligated to, contract with, employ or otherwise provide, from time to time, a lifeguard or other monitoring personnel to be present at



any recreational facility within the Community. Each User acknowledges that the presence of such personnel shall not create a duty on the part of Declarant or the Association to provide for, insure or guarantee the safety of any user of the facility. Each User agrees that neither the Association, the Board, any committee, nor Declarant shall be liable to such User or any person claiming any loss or damage including, without limitation, indirect, special or consequential loss or damage arising from personal injury, destruction of property, trespass, loss of enjoyment or any other wrong or entitlement to remedy based upon, due to, arising from or otherwise relating to the use of any recreational facility or other portions of the Common Area including, without limitation, any claim arising in whole or in part from the negligence of the Association of the Declarant. THE FOREGOING RELEASE IS INTENDED TO RELEASE THE SPECIFIED PARTIES FROM LIABILITY FOR THEIR OWN NEGLIGENCE.

(c) Non-resident social memberships shall be made available to not more than thirty (30) non-resident members. Persons who are not Lot owners who wish to become non-resident members may apply to the Board for such membership in accordance with procedure promulgated by the Board. The applicant must be recommended to the Board by a Land Owner or the Declarant, and approved by the Board in its sole discretion. The Board will also set the amount and terms of payment of initiation and/or regular fee for the non-resident membership. Fees will be payable to the Association and added to its general budget. Non-resident members will be subject to all the rules and regulations of the Association pertaining to the recreational facilities but will not be liable for any other assessments or obligations under this Declaration or other rules promulgated hereunder.

(d) The Board, in its discretion, can set a fee to be paid by guests of an Owner who are not in the Owner's immediate family for the use of the recreational facilities.

**Section 5.04 Community Program Director.** The Board may create and fund the position of "Community Program Director", or "CPD", whose role will be to provide leadership for the overall planning, development, implementation, and continuing evaluation of programs activities, and services to carry out the Association's mission of enhancing community relationships and atmosphere within the Grand Heritage community. The CPD may be a Member volunteer, employee, or independent contractor. The CPD's specific responsibilities may include the following:

(a) creating accessible opportunities for residents to participate in and volunteer their time and skills for community events and activities;

(b) working with volunteers and staff members and cooperating with the Board to implement the Association's community building objectives;

(c) coordinating, promoting, and facilitating community-wide cultural, artistic, musical, athletic, and social events and activities;

(d) conducting governance educational programs and contracting for and coordinating continuing education programs and opportunities;

(e) serving as an ombudsman within Grand Heritage community by teaching and practicing "non-adversarial communication" and, when the need arises, mediating or otherwise intervening to resolve disputes and conflicts at the request of the parties involved; and

(f) seeking out new opportunities for building community life and spirit while appreciating diversity.

The CPD's responsibilities may also include those agreed upon by the CPD and the Board. The CPD will be employed or otherwise contracted for by the Association and shall be entitled to attend and participate in Board meetings but shall have not a vote. However, in the case the discussions relate to the CPD's employment or evaluation of performance the CPD may be excluded from the Board meeting. The Board may enact rules to ensure the successful creation, staffing, funding, operation and continuity of the CPD position.

## ARTICLE VI PROPERTY RIGHTS IN THE COMMON AREA

**Section 6.01 Member's Easements of Enjoyment.** Subject to the provisions of Section 6.03 of this Article, every Member and every tenant of every Member 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 Lot; provided, however, that 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.** Declarant and/or the Land Owner or Land Owners, as applicable, shall dedicate and convey to the Association (at such time as any Common Area shall be designated as such by Declarant) fee simple title to those portions of the Common Area owned by Declarant or one or more Land Owners, 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, modify, and rescind rules and 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 related facilities;

(c) the right of the Association to enter into and execute contracts with third parties (including Declarant, or any Affiliate of Declarant, so long as such contracts do not provide for compensation to Declarant or its Affiliate which exceeds compensation which would be paid to an independent third party in an "arms-length" transaction 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 judgment or foreclosure;

(e) the right of the Association to suspend the voting rights and right to use of the Common Area and recreational facilities by an Owner for any period during which an assessment levied under this Declaration against his or her Lot remains unpaid, and for a reasonable period for any infraction of its Rules and Regulations, subject to satisfaction of legal requirements as to notice and right to hearing as more fully provided in Exhibit "F" hereto;

(f) the right of the Association to dedicate, grant easements over, or transfer any part of the Common Area to any public agency, authority or utility for such purposes and subject to such conditions as may be agreed to by the Board.

## ARTICLE VII INSURANCE; REPAIR AND RESTORATION

**Section 7.01 Insurance.** (a) The Board or its duly-authorized agent shall have the authority, and shall use reasonable good faith efforts, to 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.

(b) The Board shall use reasonable good faith efforts to 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. Unless otherwise determined by the Board, the public liability policy shall have a combined single limit of at least Two Million and No/100 Dollars (\$2,000,000.00).

(c) 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.

(d) 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 benefited parties, as further identified in subparagraph (2) below. The Board shall use reasonable good faith efforts to cause such insurance to be governed by the provisions hereinafter set forth:

(1) All policies shall be written with a company licensed to do business in Texas and holding a rating of AA 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.

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

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

(4) In no event shall the insurance coverage obtained and maintained by the Board 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.

(5) 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 County.

(6) The Board shall be required to make reasonable good faith efforts to secure insurance policies that will provide for the following:

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

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

(iii) that such policy may not be canceled, invalidated, or suspended on account of any one or more individual Owners;

(iv) that such policy may not be canceled, 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 such policy may not be canceled or substantially modified without at least ten (10) days' prior written notice to the Association.

(e) In addition to the other insurance required by this Section, the Board shall use reasonable good faith efforts to 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 Board shall use reasonable good faith efforts to ensure that the amount of fidelity coverage shall be at least equal to 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 canceled 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 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 VII, 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 its property.

**Section 7.03 Insufficient Proceeds.** If the insurance proceeds are insufficient to repair or replace any loss or damage, the Association may levy a Special Assessment as provided for in Section 4.04 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 its undivided responsibility and obligation, 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, the Board shall use reasonable good faith efforts to cause the amounts payable under such clause to the mortgagee to be paid to the Association to hold for the payment of all costs of repair or replacement. The Association shall hold said monies or use reasonable good faith efforts to collect additional monies if the proceeds are insufficient to pay for the cost of all repairs or replacements, and shall use reasonable good faith efforts to ensure that all mechanics', materialmen's and similar liens which may result from said repairs or replacements are satisfied.

**Section 7.05 Destruction of Improvements on Individual Lots.** In the event of destruction (total or partial) to the improvements on its individual Lot due to fire or any other cause, each Lot Owner covenants and agrees to commence all necessary repairs, reconstruction and/or removal of the damaged improvements within six (6) months after the date that the damage occurs and to complete such repair, reconstruction and/or removal to completion within a reasonable time from the commencement of such work. Repairs, reconstruction or complete removal of damaged improvements may be commenced more than six (6) months after the date of occurrence of damage if the delays in commencement are caused by factors beyond the reasonable control of the Owner of the damaged improvements. The Board shall not be obligated to enforce the covenants set forth in this Section 7.05.

**ARTICLE VIII  
USE AND MAINTENANCE OF COMMON AREA**

**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 would result in the cancellation of or increase in 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 its family, pets, invitees, tenants, agents or occupants.

**Section 8.03 Rules of the Board.** All Owners, tenants, occupants, invitees and agents shall abide by any rules and regulations adopted by the Board. The Board shall have the power to enforce compliance with said rules and regulations by all appropriate legal and equitable remedies, and any 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 Bylaws 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. The Enforcement Policy attached hereto specifically provides procedures for the enforcement of said rules.

**Section 8.04 Suspension of Right to Use Common Areas and/or Right to Vote.** The Board may suspend the right of any Owner, and its tenants, guests or licensees, to use any of the Common Areas and/or may suspend the right of any Owner to vote during any period of time that such Owner is in default in its obligations pursuant to this Declaration, the Bylaws 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. Such penalties shall be enforced in accordance with then applicable law including requirements for notice and hearing as more particularly provided in Exhibit "F" hereto.

**Section 8.05 Maintenance of Common Area.** The Association shall be solely responsible for all maintenance, repair, replacement, and improvement of the Common Area, utilizing the Assessments for such purposes as herein provided. Declarant shall have no responsibility for maintenance, repair, replacement, or improvement of the Common Area after initial construction of any improvements thereon.

**ARTICLE IX  
USE OF LOTS AND PROTECTIVE COVENANTS**

**Section 9.01 Single-Family Use; Residence.** (a) Each Lot, including the improvements located thereon, shall be used and occupied only for a "Single-Family Use". No Owner or other occupant shall use or occupy his Lot and/or Residence, or permit the same or any part thereof to be used or occupied, for any purpose other than a Single-Family Use. As used herein, the term "Single-Family Use" shall mean the use of a Lot and the Residence thereon for the sole purpose

of housing only one (1) family consisting of persons related by blood, adoption or marriage, or no more than four (4) unrelated persons living and cooking together or in the same Residence as a single housekeeping unit; provided, however, that nothing contained herein shall prevent occasional temporary occupancy by guests of the family or occupancy by full-time domestic servants or medical assistants employed by the family. Accordingly, except as otherwise expressly provided herein, no building or structure intended for or adapted to commercial, business or professional purposes, nor any apartment house, duplex, double house, lodging house, rooming house, dormitory, church, school, hospital, sanatorium, guest house, servant's quarters or multiple-family dwelling, shall be erected, placed, permitted or maintained on any Lot.

(b) Except on the Common Area, no building or structure shall be erected, altered, placed or permitted to remain on any Lot other than one (1) Residence. For purposes hereof, the term "Residence" shall mean a free-standing single-family residential housing structure that (i) does not exceed two (2) stories in height, (ii) has no more than one (1) "in-the-ground" pool and no more than one (1) private garage (provided, however, the Architectural Review Committee may allow two (2) garages if, due to the size of the Lot and attendant circumstances, the Committee deems it appropriate), and (iii) has only those appurtenant sidewalks, driveways, curbs, fences and storage or mechanical buildings that are not otherwise prohibited in this Declaration. "Residence" expressly includes any single-family attached or detached housing; provided, however, such term shall not include pre-fabricated housing or mobile homes.

**Section 9.02. Restrictions on Resubdivision.** Except for the subdivision and platting contemplated or undertaken by Declarant, and any replatting thereof undertaken by Declarant, none of the Lots shall be divided into smaller Lots.

**Section 9.03. Uses Specifically Prohibited.** (a) No machinery, marine craft, boat, motorcycle, any type of trailer, or any hovercraft, aircraft, recreational vehicle, pick-up camper, motor home, camper body or similar vehicle or equipment (collectively, "Vehicle or Equipment") may be (i) parked for storage in the front driveway or front yard of any Lot or Residence which has a rear or side entry garage, (ii) parked for storage in the front driveway or front yard of any Lot or Residence which has a front entry garage, (iii) parked on any public street in the Property, (iv) parked for storage in the side or rear yard of any Lot or Residence unless substantially concealed from public view, or (v) parked for storage anywhere on the Lot unless such Vehicle or Equipment is fully operational and has all current licenses and permits necessary or appropriate for use on public thoroughfares or waterways. No such Vehicle or Equipment shall be used as a Residence or office temporarily or permanently, provided that this restriction shall not apply to any Vehicle or Equipment temporarily parked and in use for the construction, maintenance or repair of a Residence in its immediate vicinity. For purposes of this Declaration, any Vehicle or Equipment shall be "parked for storage" if it is parked on or in front of a Lot for more than twenty (20) consecutive days without it being driven and used on a public street or thoroughfare. Parking restrictions relating to public streets will be enforced in accordance with law and to the extent not prohibited by law.

(b) Trucks with tonnage in excess of one (1) ton and any vehicle with painted or affixed advertisement shall not be permitted to park overnight within the Property except those

used by Declarant or a Builder during and directly related to the development of the Property or construction of improvements on a Lot in the Property.

(c) No vehicle of any size which transports dangerous, flammable, hazardous, corrosive or explosive cargo may pass through or be kept in the Property at any time.

(d) Except to the extent expressly permitted hereby, no vehicles or similar equipment shall be parked or stored in any area visible from any street except passenger automobiles, passenger vans, motorcycles, pick-up trucks (with tonnage not in excess of one (1) ton) and pick-up trucks with attached bed campers (with tonnage not in excess of one (1) ton) that are in operating condition with current license plates and inspection stickers and in daily use as motor vehicles on the streets and highways of the State of Texas.

(e) No manufacturing, industrial, oil or gas drilling, oil or gas development, smelting, refining, water drilling, quarrying or mining operations of any kind shall be permitted in the Property, nor shall oil or gas wells, tanks, tunnels, pipelines (other than natural gas lines installed and maintained by a utility company generally serving the public and the Residences in the Property), mineral excavations or shafts be permitted upon or in any part of the Property. No derrick or other structure, equipment or machinery designed for use in quarrying or boring for oil, natural gas or other minerals or water shall be erected, maintained or permitted within the Property.

(f) No animals of any kind shall be raised, bred or kept on any land in the Property except that dogs, cats or other household pets may be kept for the purpose of providing companionship for the residents of any Residence constructed on a Lot. Animals are not to be raised, bred or kept for commercial purposes or for fur, clothing or food. Without limiting the foregoing, it is the general purpose of these provisions to restrict the use of the Property so that no person shall permanently or temporarily quarter in the Property live cows, horses, bees, hogs, sheep, goats, guinea fowls, ducks, chickens, turkeys, skunks, snakes or any other reptiles, mammals or animals (domesticated, household or otherwise) that may interfere with or threaten the quietude, health or safety of the community. No more than four (4) domesticated household pets will be permitted on each Lot. Pets must be restrained or confined on the Owner's backyard of the Lot inside a fenced area or within the Residence. All Lots and Residences shall be kept clean and free of pet waste and debris. All animals shall be properly tagged for identification and shall be properly vaccinated, bathed and otherwise kept clean to avoid health or safety risks and concerns.

(g) No portion 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, without limitation, broken or rusted equipment, disassembled, incomplete or inoperable cars or Vehicles or Equipment and discarded appliances and furniture. Trash, garbage or other waste shall not be kept on any Lot or anywhere in the Property except completely within well-maintained sanitary containers and only in reasonable quantities and until the next regularly scheduled pick-up or removal of such items, or five (5) days, whichever occurs first. All equipment and containers for the storage or other disposal of such material shall be kept in clean and sanitary condition. No incinerators may be erected or maintained in the Property. Materials incident to construction of improvements may



be stored on a Lot during construction so long as construction progresses on such Lot without unreasonable or unusual delay.

(h) No garage or other out-building (except for sales offices and construction trailers owned and used by the Declarant or Builder on a Lot in accordance with the provisions of Section 9.03(m) below) shall be occupied by any Owner, tenant or other person on a Lot prior to the erection and completion of a Residence on such Lot.

(i) Except as provided in Sections 9.03(m) and (n) below and in this Section 9.03(i), no Lot, Residence or improvement shall be used for business, professional, commercial or manufacturing purposes of any kind. Except in connection with the activities of Declarant and Builders described in Sections 9.03(m) and (n) below, no activity, whether for profit or not, shall be conducted in the Property which is not related to Single-Family Use purposes or the development, marketing, construction or sale of the land, Lots or Residences thereon. No noxious or offensive activity shall be undertaken within the Property, nor shall anything be done which is or may become an annoyance or nuisance to the residents. Nothing in this Section 9.03(i) shall prohibit an Owner's use of a Residence for quiet, inoffensive activities such as tutoring or giving art or music lessons or operating a home office for a business, so long as such activities do not violate the restrictions set forth above and do not materially increase the number of cars parked on the street or interfere with adjoining Owners' use and enjoyment of their Lots, Residences and yards.

(j) The drying of clothes in public 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 public view shall construct a suitable enclosure to screen from public view equipment which is incident to normal Residences, such as clothes drying equipment, yard equipment, lawn furniture, pool filtration or composting equipment and stored materials.

(k) Except within fireplaces in the main dwelling and except for outdoor cooking in safe and sanitary barbecue grills, no burning of anything shall be permitted.

(l) No use shall be made of a Lot which could be violative of any deed restrictions, other encumbrances of record, zoning or planned use designation, or development or building restrictions or regulations imposed by the City or County, all as such may be applicable from time to time. Furthermore, no use shall be conducted which shall conflict with FHA or VA regulations (if applicable) or any regulation or ordinance of any other applicable governmental entity or agency.

(m) Notwithstanding anything contained herein to the contrary, Declarant or a Builder may temporarily use a Residence, garage or trailer as a sales, marketing or construction office for the sole purpose of (i) enabling the Declarant to develop, construct, market and sell its Lots and Residences, or (ii) enabling a Builder to construct, market and/or sell such Builder's Residences until such Builder's last Residence is sold; provided, however, unless otherwise permitted by the Declarant, a sales, marketing or construction trailer or office may only be constructed and used by or on behalf of a Builder if such Builder owns at least five (5) Lots in the Property at the time the trailer or office is constructed or created.

(n) Notwithstanding anything contained in this Declaration to the contrary, Declarant, the Architectural Review Committee, the Association or an Affiliate of Declarant may construct, or cause to be constructed, a club house and/or related amenities ("Amenities") in any portion of the Property for the use of all Owners and Residents of the Lots and their families and guests. Without limiting the foregoing, the Amenities may include, without limitation, swimming and other recreational and clubhouse facilities deemed desirable by Declarant, the Architectural Review Committee or the Board, as applicable. If constructed, operation of the Amenities shall be managed by the Association or such other entity as the Declarant or, after Turnover, the Board may designate from time to time.

(o) No air conditioning apparatus nor evaporation cooler shall be attached to any front wall or window of a Residence.

(p) No Residence or Lot shall be used for the operation of a timesharing, fraction-sharing, or similar program whereby the right to exclusive use of the Residence rotates among participants in the program on a fixed or floating time schedule over a period of years, unless such program is established by the Declarant or with the Declarant's prior written approval. Nor shall less than all of a Residence be leased or subleased (no rooming houses).

## **ARTICLE X MAINTENANCE OF LOTS**

**Section 10.01 Duty of Maintenance.** Owners and occupants (including lessees) of any Lot shall jointly and severally have the duty and responsibility, at their sole cost and expense, to keep the Lot so owned or occupied, including buildings, improvements, grounds or drainage easements or other rights-of-way incident thereto, and vacant land, in a well-maintained, safe, clean and attractive condition at all times. Such maintenance shall include, but not be 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 on a regular basis;
- (d) Watering landscaped areas on a regular basis;
- (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) Timely repair of exterior damage to improvements;

(j) Cleaning of abutting waterways and landscaped areas lying between public right-of-way lines and Lot 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 10.02 Enforcement.** (a) If, in the opinion of the Declarant or the Association, any such Owner or occupant has failed in any of the foregoing duties or responsibilities, then the Declarant or 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 care or make arrangements with the Declarant or the Association, whichever applies, for making the repairs and maintenance required. Should any such person fail to fulfill this duty and responsibility within such period, then the Declarant or the Association, whichever applies, through its authorized agent or agents, shall have the right and power to enter onto the premises and perform such care and maintenance without any liability for damages for wrongful entry, trespass or otherwise to any person. The 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 an Individual Assessment as specified in Section 4.06 hereof) and shall promptly reimburse the Declarant or the Association, whichever applies, for such cost. If such Owner or occupants shall fail to reimburse the Declarant or the Association, whichever applies, within thirty (30) days after receipt of a statement for such work from the Declarant or the Association, whichever applies, then said indebtedness shall be a debt of all of 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 as set forth in this Declaration, and the Declarant or the Association, whichever applies, shall have identical powers and rights in all respects, including, but not limited to, the right of foreclosure.

(b) The decision to pursue enforcement action in a particular case shall be left to the Board's discretion, except that the Board shall not be arbitrary or capricious in taking enforcement action. For example, the Board may determine that, in a particular case:

[i] the Association's position is not strong enough to justify taking any or further action;

[ii] the covenant, restriction, or rule being enforced is, or is likely to be construed as, inconsistent with applicable law;

[iii] although a technical violation may exist or may have occurred, it is not of such a material nature as to be objectionable to a reasonable person or to justify expending the Association's resources; or

[iv] that it is not in the Association's best interest, based upon hardship, expense, or other reasonable criteria, to pursue enforcement action.

A decision not to enforce a particular provision shall not prevent the Association from enforcing the same provision at a later time or prevent the enforcement of any other covenant,

restriction, or rule. Absent clear evidence that the Board's decision is arbitrary or capricious the decision of the Board shall be binding and final on all parties subject to these restrictions.

(c) The procedure for enforcement is more particularly provided in the Enforcement Policy attached hereto as Exhibit "F". Notwithstanding the provisions of this Section 10.02, in event of conflict between the terms hereof and the Enforcement Policy the provisions of the Enforcement Policy shall govern. The Board of Directors shall have the right and authority to modify the terms of the Enforcement Policy from time to time as they, in their discretion, deem necessary for the betterment of the Association or to comply with changes in the law.

## ARTICLE XI

### CONSTRUCTION OF IMPROVEMENTS

**Section 11.01. General Standards.** All construction in the Property shall be in accordance with the Design Guidelines and other standards developed pursuant to this Declaration, unless otherwise approved by the Declarant or the Architectural Review Committee as provided in this Declaration.

**Section 11.02. Garage Required.** Each Residence shall have a private garage suitable for parking not less than two (2), nor more than four (4), standard size automobiles and, unless otherwise permitted by the Declarant, the Board or the Architectural Review Committee, each garage shall be attached to such Residence, open to the front, side or rear of the Lot and conform in appearance, design and materials to the main Residence. No garage shall be enclosed or otherwise altered to prevent the parking of at least two (2) conventional automobiles completely within such garage unless an additional garage is constructed which meets the standards of this Article XI, is in compliance with existing City ordinances and is approved by the Declarant or the Architectural Review Committee. Enclosure of garages by Declarant or a Builder for temporary marketing, sales, construction or office purposes is permitted hereby, provided such enclosures and offices are architecturally compatible with the Residence and this Declaration and are used in accordance with the provisions of Section 9.03(m) hereof. If any garage is so enclosed by Declarant or a Builder, such garage shall be converted to use solely for the parking of automobiles as described above prior to the sale or lease of such Residence to the occupying Owner.

**Section 11.03. Driveways.** All driveways shall be surfaced with concrete or similar substance approved by the Declarant or the Architectural Review Committee.

**Section 11.04. Construction Specifically Regulated.** (a) No temporary dwelling, shop, trailer or mobile home of any kind nor any improvement of a temporary character (except children's playhouses, dog houses, greenhouses, gazebos, lawn furniture and buildings as approved by Declarant or the Architectural Review Committee for storage of lawn or pool maintenance equipment, which may be placed on a Lot only in areas not visible from any street adjacent to the Lot) shall be permitted on any Lot except that the Declarant and any Builder may have temporary dwellings, trailers or improvements (such as a sales office and/or construction

trailer) on a given Lot in accordance with the provisions of Section 9.03(m) hereof. No building material of any kind or character shall be placed or stored upon the Lot until the Owner thereof is ready to commence construction of improvements thereon, and then such material shall be placed only within the property lines of the Lot upon which the improvements are to be erected.

(b) No structure of a temporary character, such as a trailer, tent, shack, barn or other out-building, shall be used on any land at any time as a dwelling house; provided, however, that Declarant or any Builder may maintain and occupy model houses, sales offices and construction trailers in accordance with the provisions of Section 9.03(m) hereof.

(c) No individual water supply system (which is not part of the public water supply system serving the entire Property) shall be permitted; provided, however, individual water supply systems are permitted for any flood plains.

(d) No individual sewage disposal system (which is not part of the public sewage disposal system) shall be permitted.

(e) Except with the prior written permission of the Declarant or the Architectural Review Committee, no antennas, dishes or other equipment for receiving or sending audio or video messages or transmissions shall be permitted in the Lots and/or Property except antennas for private AM and FM radio reception and UHF and VHF television reception. All antennas shall be located inside the attic of the Residence and one satellite dish or other similar instrument or structure may be placed in the back yard of each Lot so long as it is completely screened from view from any street, alley, park or other public area. Enforcement of this restriction will be subject to 47 C.F.R. Part 1, Subpart S, Section 1.4000 (or any related or successor provision) promulgated under the Telecommunications Act of 1996, as amended from time to time.

(f) No fence (except as may otherwise be permitted herein or on any exhibits hereto), wall, hedge or shrub planting which obstructs sight lines at elevations between two (2) and six (6) 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 (10) 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 (10) 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 line.

(g) Except for children's playhouses, dog houses, greenhouses, gazebos and buildings (as approved by the Declarant or the Architectural Review Committee) for storage of lawn and pool maintenance equipment, no building previously constructed elsewhere shall be moved onto any Lot, it being intended that only new construction be placed and erected thereon.

(h) Within platted easements on each Lot, no permanent structures, paving (other than driveways, sidewalks and flatwork installed in compliance with all applicable codes and laws and the remaining provisions of this Section 11.04), planting or materials shall be placed or permitted to remain which may damage or materially interfere with the installation, operation

and maintenance of utilities or change, obstruct or retard the flow of water through or within drainage channels and/or easements.

(i) After Declarant has developed the Lots, the general grading, slope and drainage plan of a Lot may not be altered, nor may any dams, berms, channels, swales, or retaining walls be constructed or excavated, without the prior approval of Declarant (or the Architectural Review Committee), the City (if applicable) and other appropriate agencies having authority to grant such approval.

(j) No sign of any kind shall be displayed to the public view on or in front of any Lot or on any Vehicle or Equipment on or in front of any Lot, except for (i) one (1) professional sign of not more than two (2) square feet, (ii) one (1) sign of not more than five (5) square feet, advertising the Lot and improvements thereon for rent or sale, (iii) signs of any size used or installed by Declarant or any Builder to advertise the land or Lots and improvements thereon during the development, construction and sales period, and (iv) internal locator signs installed by or with the permission of the Declarant or the Board. Any such signs must conform to the requirements of Section 11.12 hereof (if applicable) and may not (1) describe the condition of any Residence or Lot, (2) describe, malign or refer to the reputation, character, building practices or business operations of Declarant, any Builder, any other Owner, or any Affiliate of any of the foregoing, and (3) discourage or otherwise impact or attempt to impact anyone's decision to acquire a Lot or Residence. Declarant, the Association and their respective agents shall have the right to remove all signs, billboards or other advertising structures including, without limitation, private sale (such as "garage" sale) signs, political signs (except to the extent allowed by state law), or signs that do not comply with this Section 11.04, and in so doing shall not be subjected to any liability for trespass or any other liability in connection with such removal.

(k) No containers for trash disposal may be visible more than twelve (12) hours prior to collection or later than twelve (12) hours after collection.

(l) All exterior mechanical equipment, including, without limitation, heating, air conditioning and ventilation ("HVAC") equipment, shall be located and screened in a manner approved by the Declarant or the Architectural Review Committee. Without limiting the foregoing, no window air conditioning units shall be permitted in any Residence on any Lot.

(m) All construction shall comply at all times with this Declaration and all other applicable deed restrictions, encumbrances of record, zoning ordinances and requirements, planned use and development restrictions, building codes, FHA and VA requirements and regulations (if applicable) and all other applicable ordinances and regulations.

(n) The pitch, constituent materials, and colors of all roof surfaces on all buildings shall be governed by the Design Guidelines. In addition, the placement of rooftop equipment and accessories, as well as the color and constituent materials thereof, shall also be subject to the Design Guidelines. Flashing, gutters and downspouts shall be painted as required in the Design Guidelines. Any solar equipment and skylights shall be incorporated into the structure and building mass as required in the Design Guidelines.

**Section 11.05. Minimum Floor Area.** Minimum Floor Area for the buildings constructed on any Lot shall be as is specified in the Design Guidelines.

**Section 11.06. Approved Materials for Exteriors.** "Approved Materials" (herein so-called) for exteriors of buildings, as well as the coverage ratios for the same, shall be as is set forth in the Design Guidelines.

**Section 11.07. Side, Front and Rear Setback Restrictions.** No dwelling shall be located on any Lot nearer to the front or rear Lot line or nearer to the side Lot line than the minimum setback lines shown on the Final Plat or required by the City. For all purposes of this Section 11.07, eaves, steps and open porches shall not be considered as a part of the building; provided, however, that this shall not be construed to permit any portion of a building on a Lot to encroach upon another Lot or to vary from any applicable City requirements.

**Section 11.08. Waiver of Front Setback Requirements.** With the prior written approval of the Declarant or the Architectural Review Committee and the City (if required), any building may be located further back from the front property line of a Lot than provided in Section 11.07 where, in the opinion of the Declarant or the Architectural Review Committee, the proposed location of the building will add to the appearance and value of the Lot and will not substantially detract from the appearance of the adjoining Lots and Residences.

**Section 11.09. Fences and Walls.** Any fence or wall to be constructed on any Lot shall be designed, located and constructed of materials prescribed in the Design Guidelines and/or in the Declaration, including any exhibits attached hereto and incorporated herein by reference. Without limiting the foregoing, the location and type of any fence or wall must be approved by the Declarant or the Architectural Review Committee and must be constructed of masonry, brick, wood or other material approved by the Declarant or the Architectural Review Committee and must comply with all applicable governmental requirements and ordinances and all provisions of this Declaration. Except as approved by the Declarant or the Architectural Review Committee or as otherwise set forth herein or on any exhibits attached hereto, (i) no fence or wall shall be permitted to extend nearer to the front street than ten (10) feet from any front (i.e., street-facing) corner of the Residence, (ii) all portions of fences shall comply with applicable City requirements governing height standards for fences, and (iii) no structural supports of any fence shall be visible from any public right-of-way. "Wrought iron" fences shall be permitted if approved by the Architectural Review Committee or the Declarant.

**Section 11.10. Sidewalks.** All sidewalks shall conform to all applicable City, FHA and VA specifications and regulations.

**Section 11.11. Mailboxes.** Mailboxes shall be constructed of a material and design as required pursuant to the Mail Box Guidelines attached hereto as Exhibit "G" and incorporated herein by reference, and insofar as is applicable, the Design Guidelines.

**Section 11.12. Signs Advertising Lots.** All signs advertising the Lot sales shall be approved by the Architectural Review Committee and shall be removed after all Residences to be initially constructed on the advertised Lot(s) have been sold. Declarant, the Association or the Architectural Review Committee may remove any signs which do not comply with this

**Section 11.12.** Builders' directional and locator signs are permissible, as approved by Declarant. This provision will be enforced in accordance with State law as may be in force at the time of such enforcement.

**Section 11.13. Landscaping/Fencing Plans.** Any person or entity (other than the Declarant) including, without limitation, any Builders owning Lots and planning to landscape or fence areas in the Property (other than individual Lots), shall prepare and submit to the Declarant or the Architectural Review Committee for approval, pursuant to the procedures set forth in Article XII herein, a landscaping/fencing plan for such areas prior to undertaking any such landscaping or fencing. Without limiting the requirement to obtain approval as noted above, such plan shall be compatible with the existing landscaping or fencing improvements and treatments, if any, and shall be in compliance with the terms and provisions hereof.

**Section 11.14. Destruction.** Any improvements on any Lot which are fully or partially destroyed or damaged by fire, storm or any other peril shall be fully rebuilt and repaired or the debris therefrom fully removed, within a reasonable period of time not to exceed six (6) months after the occurrence of such destruction or damage, unless a written extension is obtained by the Owner of such Lot from Declarant and the Architectural Review Committee.

**Section 11.15. Declarant Approval.** (a) Prior to the formation of the Architectural Review Committee and during any periods of time after such formation that the Architectural Review Committee no longer exists, all consents and approvals reserved to the Architectural Review Committee shall be made solely by the Declarant. Furthermore, during the period that the Architectural Review Committee exists and prior to the date upon which Declarant has conveyed all of its Lots, any decisions reserved to the Architectural Review Committee shall be subject to the approval of the Declarant, and if the Declarant and Architectural Review Committee disagree with respect to any decision, the decision of the Declarant shall control until (i) the Class B Membership converts into the Class A Membership, and (ii) Declarant no longer owns any Lots subject to this Declaration. As provided in Section 3.03(a) above, Declarant shall continue to appoint the members of the Architectural Review Committee until Declarant and the Land Owners no longer own any Lots or other portions of the Property.

(b) All consents, approvals and actions reserved to the Declarant may be made and provided by the Architectural Review Committee or the Association only after the (i) Declarant has relinquished its duties hereunder to the Architectural Review Committee or Association and sold or otherwise disposed of all its interest in all of its Lots and other real property in the Property, or (ii) Declarant expressly elects in writing not to exercise such rights, easements and authority.

## ARTICLE XII ARCHITECTURAL REVIEW COMMITTEE

**Section 12.01 Architectural Review Committee.** (a) The Architectural Review Committee shall be composed of three (3) individuals initially selected and appointed by the Declarant. After Declarant and the Land Owners have sold 100% of their Lots and own no part of the Property the Architectural Control Committee will be selected and appointed by the Board in accordance with the procedure set forth herein below. The Architectural Review Committee



shall function as the representative of the Owners of the Lots for the purposes herein set forth as well as for all other purposes consistent with the creation and preservation of "first-class" single-family developments. The standard of review by the Architectural Review Committee will be the Community-Wide Standard as defined hereinabove.

(b) Prior to the date on which Declarant and the Land Owners no longer own any Lot in the Property, Declarant shall have the power to change the membership of the Architectural Review Committee with or without cause, notwithstanding any of the foregoing provisions to the contrary.

(c) Each member of the Architectural Review Committee shall act reasonably and in good faith in performing its duties and obligations under this Article XII.

**Section 12.02 Basis of Approval.** (a) No building, structure, parking structure, parking lot, fence, wall or other Improvement of any kind or nature shall be erected, placed or altered on any Lot until all respective plans and specifications and a respective plot plan have been submitted to, and approved in writing by, the Architectural Review Committee, or a majority of its members, as to:

- (i) quality of workmanship and materials and the proper facing of main elevation with respect to nearby streets;
- (ii) conformity and harmony of the external design, color, type and appearance of exterior surfaces and landscaping;
- (iii) location with respect to topography and finished grade elevation and effect of location and use on neighboring Lots and improvements situated thereon;
- (iv) drainage arrangements; and
- (v) the other standards set forth in this Declaration (and any amendments thereto) to accomplish the purposes and goals of the plan of the Property, including, but not limited to, the purposes and goals of the Design Guidelines.

(b) The Architectural Review 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 Lots, which may, in the reasonable opinion of the Architectural Review Committee, adversely affect the living enjoyment of one or more Owner(s) or the general value of the Property. Also, the Architectural Review Committee is permitted to consider technological advances in design and materials, and any comparable or alternative techniques, methods or materials may or may not be permitted in accordance with the reasonable opinion of the Architectural Review Committee. The Architectural Review 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 herein.

(c) Any Improvements constructed in accordance with plans and specifications approved by the Architectural Review Committee in accordance with its then-applicable

standards and requirements shall not be required to be changed because such standards are thereafter amended. The Architectural Review Committee shall review and act upon submitted plans and specifications in accordance with the applicable time periods specified in Sections 12.04 and 12.06 herein.

**Section 12.03 Definition of "Improvements".** The term "Improvements" shall mean and include all buildings and roofed structures, parking areas, loading areas, railroad trackage, fences, walls, poles, driveways, ponds, lakes, swimming pools, tennis courts, signs, changes in any exterior color or shape (including fence color), glazing or reglazing of exterior windows with mirrored or reflective glass, street, drainage, utilities, roads, alley paths, and any new construction or exterior improvement significantly altering the appearance of any of the foregoing. It does not include public streets, utilities, garden shrubs or tree replacements or any other replacement or repair of any magnitude which ordinarily would be expensed in accounting practice and which does not change exterior colors or exterior appearances. It does include both original improvements and all later charges and improvements.

**Section 12.04 Preliminary Plan Submissions.** The Architectural Review Committee is authorized and empowered to and shall consider, review and comment on prototype plans for homes submitted in duplicate on an informal basis to assist Builders in complying with applicable covenants and restrictions and to assist in the completion of feasibility studies undertaken by such persons or entities. Exterior color including brick colors must be included as part of the prototype plans submitted to the Architectural Review Committee for approval. If such prototype plans and specifications are approved by the Architectural Review Committee, one set thereof will be retained by the Architectural Review Committee, and one complete set of plans will be marked "Approved" and returned to the Builder or its designated representative. If not approved or otherwise found not to be in compliance with this Declaration, one set of such prototype plans and specifications shall be marked "Disapproved", and returned accompanied by a reasonable statement of items found not to be acceptable or otherwise not in compliance with this Declaration. The Architectural Review Committee's approval or disapproval, as required herein, shall be in writing. If the Architectural Review Committee fails to approve or disapprove such plans and specifications within thirty (30) days after the date of submission, approval of the matters submitted shall be presumed. Approvals of prototype plans and specifications shall be binding upon the Architectural Review Committee, and such prototype plans need not be submitted for each Lot upon which a residential structure conforming to such prototype plans is to be built; provided, however, that final plans and specifications as provided in Section 12.05 shall be required to be submitted for all matters, except those described in Sections 12.05(i) and (k).

**Section 12.05 Plan Submissions.** Final plans and specifications shall be submitted in duplicate to the Architectural Review Committee prior to the construction of any Improvements on a Lot, which plans and specifications shall include, to the extent applicable to the proposed Improvements as determined by the Architectural Review Committee, the following:

- (a) Exterior elevations of all proposed buildings and structures;

- (b) A description of exterior materials, colors, textures and shapes of all buildings and structures;
- (c) A landscaping plan for the Lot, including walkways, fences and walls, elevation changes, watering systems, vegetation, ground cover, street furniture and sculptures;
- (d) Parking areas and driveway plans;
- (e) Dimensional floor plans of all enclosed spaces including one example of each single-family unit type;
- (f) Such other matters as may be required by the then-applicable zoning code of the City or such other municipal or governmental authority having jurisdiction over the Property;
- (g) Signs, including size, shape, color, content location, materials and illumination; and
- (h) Any other data or information requested or deemed reasonably necessary by the Architectural Review Committee.

Platting, planning of drainage and streets, naming of streets, utilities, common area landscaping and screening will be performed by Declarant/Developer and are excluded from plan submission under this Section.

The Architectural Review Committee may defer the date for submission of any of the matters described in Section 12.05 (a)-(n) by notice in writing to the person or entity requesting such deferral of the submission date.

**Section 12.06 Approval Procedure.** (a) The Architectural Review Committee is authorized to request the submission of samples of proposed construction materials. At such time as the plans and specifications will be retained by the Architectural Review Committee, one complete set of plans will be marked "Approved" and returned to the Lot Owner or its designated representative. If not approved or otherwise found not to be in compliance with this Declaration, one set of such plans and specifications shall be marked "Disapproved", accompanied by a reasonable statement of items found not to be acceptable or otherwise not in compliance with this Declaration. The Architectural Review Committee's approval or disapproval, as required herein, shall be in writing. If the Architectural Review Committee fails to approve or disapprove such plans and specifications within thirty (30) days after the date of submission, approval of the matters submitted shall be presumed. Any material modification or changes to the approved set of plans and specifications must again be submitted to the Architectural Review Committee for its inspection and approval. Material modifications or changes in plans and specifications must be approved or disapproved in writing within ten (10) business days or such modifications or changes shall be deemed to be approved.

(b) Any Owner may request in writing that that the Architectural Review Committee issue a certificate of compliance certifying that there are no known violations of the Declaration, Design Guidelines or other Governing Documents. The Association shall either grant or deny

such written request within 30 days after receipt and may charge a reasonable administrative fee. Issuance of such a certificate shall prevent the Association from taking enforcement action against an Owner for any condition known to the Association on the date of such certificate.

(c) The Architectural Review Committee is authorized and empowered to consider and review any and all aspects of construction, construction of other Improvements and the location, quality and quantity of landscaping on the Lots, which may, in the reasonable opinion of the Architectural Review Committee, adversely affect the living enjoyment of one or more Owner(s) or the general value of the Property. Also, the Architectural Review Committee is permitted to consider technological advances in design and materials, and any comparable or alternative techniques, methods or materials may or may not be permitted in accordance with the reasonable opinion of the Architectural Review Committee.

(d) All Improvements approved by the Architectural Review Committee shall be diligently commenced after obtaining all necessary governmental approvals therefor, and thereafter shall be diligently pursued to completion.

**Section 12.07 Design Guidelines.** The Architectural Review Committee may, from time to time during the Term, supplement, withdraw or amend the Design Guidelines, in whole or in part. The Design Guidelines are intended to be explanatory and illustrative of the general intent of the development of the Property and are intended to be used as a guide to assist the Architectural Review Committee in reviewing plans and specifications. In any event, such Design Guidelines shall not be binding upon the Architectural Review Committee and shall not constitute, in every event, the basis for approval or disapproval of plans and specifications and materials submitted to the Architectural Review Committee for approval. Declarant shall have the sole and full authority to amend the Design Guidelines as long as it owns any portion of the Property, unless Declarant has previously assigned such right to the Association by written instrument. Thereafter, the Association shall have the authority to amend the Design Guidelines. Any amendments to the Design Guidelines shall be prospective only and shall not apply or require modifications to or removal of structures previously approved once the approved construction or modification has commenced. There shall be no limitation on the scope of amendments to the Design Guidelines, and, Declarant, or the Association, as appropriate, is expressly authorized to amend the Design Guidelines to remove requirements previously imposed or otherwise to make the Design Guidelines more or less restrictive. The Design Guidelines may contain general provisions applicable to all of the Property, as well as specific provisions which vary from one portion of the Property to another depending upon location and unique characteristics. The Design Guidelines, and future amendments and additions thereto, will be recorded in the real property records of the County Clerk separate and apart from this Declaration and will, upon recordation, become a Governing Document as defined elsewhere herein.

**Section 12.08 Variances.** Upon submission of a written request for same, the Architectural Review Committee may, from time to time, in its sole discretion, permit Owners to construct, erect, or install Improvements which are in variance from this Declaration or the architectural standards which are provided in this Declaration generally, or in Article IX herein and/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 Architectural Review Committee has not expressly given its written approval of such request within thirty (30) days of the submission of such request. No member of the Architectural Review Committee shall be liable to any Owner for any claims, causes of action, or damages arising out of the grant of any variance to any 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 Architectural Review Committee's right to strictly enforce the terms and conditions of this Declaration and/or the architectural standards provided hereunder against any other Owner.

**Section 12.09 Nonconforming and Unapproved Improvements.** (a) The Association may require any Owner to restore such Owner's Improvements to the condition existing prior to the construction thereof (including, without limitation, the demolition and removal of any unapproved Improvement) if such Improvements were commenced or constructed in violation of this Article XII. In addition, the Association may cause, but has no obligation to cause, such restoration, demolition and removal, and it may levy the amount of the cost thereof and/or a fine equal to \$100.00 for each violation as an Individual Assessment against the Owner and the Lot upon which such Improvements were commenced or constructed.

(b) No action will be taken by the Association with respect to nonconforming or unapproved Improvements until the completion of the review and appeal process, if the violating Owner elects by written notice to the Association, as more fully provided in Enforcement Policy annexed hereto as Exhibit "F".

**Section 12.10 No Liability.** None of Declarant, the Association, the Architectural Review Committee, the Board and/or the officers, directors, members, employees and/or agents of any of them, shall be liable in damages to anyone submitting plans and specifications to any of them for approval, or to any Owner of property affected by these restrictions by reason of mistake in judgment, negligence, or nonfeasance arising out of or in connection with the approval or disapproval or failure to approve or disapprove any such plans or specifications. Every person who submits plans or specifications, and every Owner of any of said property, hereby (i) agrees that he will not bring any action or suit against Declarant, the Association, the Architectural Review Committee, the Board, and/or the officers, directors, members, employees and/or agents of any of them, to recover any such damages, (ii) releases, remises, and quitclaims all claims, demands and causes of action arising out of or in connection with any related judgment, negligence or nonfeasance, and (iii) 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 12.11 Certificate of Compliance.** Within ten (10) business days after an Owner other than a Builder makes a written request for same and upon "substantial completion" (as such term is defined by the American Institute of Architects) of Improvements pursuant to plans and specifications approved by the Architectural Review Committee, the Architectural Review Committee shall inspect such Improvements and, if the Improvements are constructed, erected, placed or altered in accordance with the approved plans and specifications, the Architectural Review Committee shall issue a certificate evidencing compliance with the provisions hereof. This Section 12.11 does not apply to Builders' new construction. An oral request for a

Certificate of Compliance is not valid. A Member/Owner must request the Certificate of Compliance in writing. All such requests will be maintained in the records of the Association.

**Section 12.12 Notice of Noncompliance or Noncompletion.** Notwithstanding anything to the contrary contained herein, after the expiration of one (1) year from the date of "substantial completion" of construction of any Improvement within the Property, said improvements shall be deemed to be in compliance with all provisions of this Article XII, unless (i) actual notice of noncompliance and noncompletion, executed by the Architectural Review Committee or its designated representatives, shall appear of record in the office of the County Clerk, or (ii) legal proceedings shall be instituted to enforce compliance herewith or completion thereof. 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 a Lot shall not entitle the Architectural Review Committee to review for compliance any Improvements substantially completed more than one (1) year prior to such more recent Improvements, alterations or repairs which are subject to review.

**Section 12.13 Appointment and Designation.** The Architectural Review 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 representatives or subcommittees which shall have full authority to act on behalf of said Architectural Review Committee in all matters delegated.

**Section 12.14 Review Fee.** Any plans and specifications shall be submitted in duplicate, in writing, for approval, together with a reasonable processing fee as set by the Architectural Review Committee. The review fee shall cover only the cost of employing non-affiliated consultants to review plans and specifications, as well as incidental expenses associated with the review process.

**Section 12.15 Inspection.** After telephonic notice to the Owner, any member or agent of the Architectural Review Committee may from time to time at any reasonable hour or hours enter and inspect any property subject to the jurisdiction of said Architectural Review Committee to confirm improvement or maintenance in compliance with the provisions hereof.

**Section 12.16 Governmental Authorities.** Declarant and the Land Owners, their respective successors and assigns, and all future Owners and their successors and assigns, by their acceptance of their respective deeds, and the Association, shall be bound by and subject to all applicable laws, rules or regulations. No Improvements or any addition or change to or alteration thereof shall be constructed, erected, placed, altered or maintained on any of the Property, including the Common Area, if the same is in violation of any of the laws or ordinances of the City or any other applicable governmental laws, rules or regulations. Notwithstanding anything to the contrary herein contained, Declarant, the Association, the Architectural Review Committee and their respective officers, directors, agents and employees shall have no obligation to enforce or to report the violation of any such law, ordinance, rule or regulation.

**Section 12.17 No Liability for Design Defects.** Plans and specifications are not reviewed and approved for engineering or structural design or quality of materials, and by

reviewing and approving such plans and specifications, none of the Architectural Review Committee, the members thereof, the Association, the Board, or their respective agents assumes any liability or responsibility therefor, nor for any defect in any structure constructed on the basis of such plans and specifications.

**ARTICLE XIII  
EXCULPATORY PROVISIONS**

**Section 13.01 DISCLOSURE. EACH OWNER (HEREINAFTER REFERRED TO IN THIS SECTION 13.01 AS THE "INDEMNITOR"), BY ACCEPTANCE OF TITLE TO ITS RESPECTIVE LOT(S), HEREBY ACKNOWLEDGES AND AGREES THAT:**

**A. DUE TO THE TOPOGRAPHY OF INDEMNITOR'S LOT(S) AND THE PROPERTY, WATER WILL, AT TIMES, FLOW THROUGH AND OVER PORTIONS OF ITS LOT(S) FROM ADJACENT AND SURROUNDING LOTS IN ORDER TO ACHIEVE POSITIVE DRAINAGE AWAY FROM ALL APPLICABLE LOTS. NO ADVERSE ACTION MAY BE TAKEN BY INDEMNITOR TO THE DETRIMENT OF SUCH POSITIVE DRAINAGE ON INDEMNITOR'S LOT(S) OR ANY ADJACENT LOT.**

**B. CERTAIN PORTIONS OF THE REAL PROPERTY ADJACENT TO THE PROPERTY ARE NOT OWNED OR CONTROLLED BY DECLARANT, AND INDEMNITOR HAS HEREBY BEEN ADVISED TO CONSULT WITH THE APPLICABLE DEPARTMENTS OF THE CITY FOR ANY CHANGES TO AND/OR SPECIFIC ZONING INFORMATION REGARDING ITS LOT(S), THE PROPERTY, AND/OR THE ZONING OR PROPOSED RE-ZONING OF ANY ADJACENT REAL PROPERTY. INDEMNITOR UNDERSTANDS THAT THERE ARE NO ORAL, WRITTEN OR IMPLIED REPRESENTATIONS OR WARRANTIES REGARDING ZONING OR DEVELOPMENT OF THE PROPERTY OR THE ADJACENT REAL PROPERTY.**

**C. INDEMNITOR'S LOT(S) MAY HAVE "BACK-TO-FRONT" OR "FRONT-TO-BACK" DRAINAGE. THERE MAY BE A SWALE OR SWALES OVER VARIOUS PORTIONS OF INDEMNITOR'S LOT(S) DUE TO SUCH DRAINAGE SITUATION. THE DEPTH AND WIDTH OF ANY SWALES WILL VARY DEPENDING ON THE ELEVATIONS OF INDEMNITOR'S LOT(S) AND ADJACENT LOTS. THE FRONT AND THE REAR PORTIONS OF INDEMNITOR'S LOT(S) WILL NOT BE LEVEL AND NO ADJUSTMENTS TO THE DEPTH OR SEVERITY OF ANY SWALES SHOULD BE MADE DUE TO COSMETIC OR AESTHETIC CONCERNS. AFTER INDEMNITOR'S PURCHASE OF ITS LOT(S), ANY ALTERATIONS MADE TO ANY SWALES MAY IMPACT THE DRAINAGE AS WELL AS ANY FOUNDATION WARRANTY THAT INDEMNITOR MAY HOLD.**

D. INDEMNITOR'S LOT(S) FALL(S) UNDER THE JURISDICTION OF THE ASSOCIATION WHICH REQUIRES MANDATORY AFFILIATION THEREWITH, INCLUDING THE PAYMENT OF ASSESSMENTS (WHICH MAY BE PAYABLE ON A QUARTERLY OR OTHER BASIS) PURSUANT THERETO. IN CONNECTION THEREWITH, A PROFORMA BUDGET REFLECTING AN ESTIMATE OF THE ASSOCIATION'S EXPENSES FOR THE CURRENT YEAR OF OPERATION IS ATTACHED HERETO AS EXHIBIT "E". INDEMNITOR WILL ALSO INCUR A WORKING CAPITAL CONTRIBUTION FEE AND A TRANSFER FEE PURSUANT TO THE DECLARATION. INDEMNITOR UNDERSTANDS THAT IT SHOULD REVIEW THE DECLARATION FOR MORE DETAILED INFORMATION REGARDING DUES, ASSESSMENTS AND USE RESTRICTIONS.

E. AS OF THE EFFECTIVE DATE, EACH LOT WILL BE SERVICED BY FEC FOR ELECTRICAL SERVICE, BY VERIZON FOR TELEPHONE SERVICE, AND SBC FOR CABLE SERVICE, ALTHOUGH OTHER SERVICE PROVIDERS MAY UTILIZE THE UTILITY EASEMENTS AND/OR PUBLIC RIGHTS-OF-WAY LOCATED THROUGHOUT THE PROPERTY. NATURAL GAS SERVICE WILL NOT BE PROVIDED TO LOTS. IT IS EXPRESSLY UNDERSTOOD AND AGREED THAT DECLARANT MAY CHANGE AND/OR DESIGNATE ALTERNATIVE SERVICE PROVIDERS FOR ANY OR ALL OF THE UTILITIES REFERENCED ABOVE.

F. INDEMNITOR UNDERSTANDS AND AGREES THAT DECLARANT HAS NO RESPONSIBILITY AS TO THE PRESENT CONDITION OR FUTURE MAINTENANCE OF ANY TREES ON INDEMNITOR'S LOT(S). FURTHERMORE, INDEMNITOR UNDERSTANDS THAT DECLARANT MAKES NO ASSURANCES, IMPLIED OR STATED, IN REGARD TO THE SURVIVAL OF ANY TREES DURING THE CONSTRUCTION PROCESS OF BUILDING AND COMPLETING A RESIDENCE ON INDEMNITOR'S LOT. INDEMNITOR ALSO ACKNOWLEDGES THAT DECLARANT HAS NO LIABILITY CONCERNING TREES EITHER DURING CONSTRUCTION OR AFTER A RESIDENCE IS PURCHASED AND OCCUPIED ON INDEMNITOR'S LOT. INDEMNITOR UNDERSTANDS FURTHER THAT IT ASSUMES ALL RESPONSIBILITY FOR THE MAINTENANCE AND THE CONDITION OF ANY TREES ON ITS LOT(S).

G. ANY MODIFICATIONS OR ADDITIONS TO INDEMNITOR'S RESIDENCE OR ANY STRUCTURE ON ITS LOT(S) REQUIRES THE PRIOR SUBMITTAL TO, AND THE APPROVAL BY, THE ARCHITECTURAL REVIEW COMMITTEE OF PLANS AND SPECIFICATIONS RELATING THERETO PURSUANT TO THIS DECLARATION. IT IS ALSO UNDERSTOOD THAT FAILURE TO SO



COMPLY MAY RESULT IN THE IMPOSITION OF FINES AGAINST THE INDEMNITOR AND/OR THE REMOVAL OF SUCH MODIFICATIONS OR ADDITIONS AT INDEMNITOR'S EXPENSE.

H. INDEMNITOR UNDERSTANDS THAT THERE IS NO PRESCRIBED TIME FOR THE CONSTRUCTION OR MARKETING BY DECLARANT AND/OR ANY OWNER OF A RESIDENCE ON ANY LOT INCLUDING THE INDEMNITOR'S LOT(S). INDEMNITOR UNDERSTANDS THAT DECLARANT MAKES NO ASSURANCES REGARDING ANY ESTABLISHED PERIOD OF TIME DURING WHICH LOTS NEAR THE MODEL HOMES OR TRAILERS OF ANY BUILDER WILL REMAIN VACANT, SINCE THE USE OF SUCH HOMES OR TRAILERS IS OF AN INDETERMINATE LENGTH OF TIME.

I. INDEMNITOR SHOULD DIRECT ANY ISSUES, CONCERNS OR QUESTIONS REGARDING THE COMMON AREA, AND/OR THE ASSOCIATION, TO THE MANAGING AGENT, WHOSE NAME CAN BE OBTAINED BY CONTACTING DECLARANT IF SUCH AN AGENT HAS BEEN APPOINTED.

J. THE LOTS ARE LOCATED WITHIN A PUBLIC IMPROVEMENT DISTRICT (THE "PID") ESTABLISHED BY THE CITY UNDER CHAPTER 372, TEXAS LOCAL GOVERNMENT CODE; THAT THE CITY WILL LEVY AGAINST THE LOTS A ONE-TIME FIXED ASSESSMENT (THE "PID ASSESSMENT") THAT MAY BE PAID IN ANNUAL INSTALLMENTS OVER TIME WITH INTEREST OR PRE-PAID IN FULL AT ANY TIME; THAT THE PID ASSESSMENT, IF NOT TIMELY PAID IN ANNUAL INSTALLMENTS, WILL CREATE A LIEN UPON THE LOTS WHICH COULD RESULT IN FORECLOSURE; AND THAT THE AMOUNT OF THE PID ASSESSMENT, INCLUDING THE ANNUAL INSTALLMENTS, MAY BE OBTAINED FROM THE CITY. UPON CONVEYANCE OF EACH LOT TO A HOME BUYER, SUCH HOME BUYER SHALL EXECUTE THE PID DISCLOSURE IN THE FORM OF EXHIBIT "G" ATTACHED HERETO AND INCORPORATED HEREIN BY REFERENCE,

K. ALL AREAS PLATTED AS "GRAND HERITAGE", WILL BE SUBJECT TO THE ASSOCIATION. THE ASSOCIATION WILL BE CHARGED WITH THE MAINTENANCE OF ALL COMMON AREA, INCLUDING ALL AMENITIES AND RECREATIONAL FACILITIES.

L. NEITHER THE DECLARANT NOR THE ASSOCIATION IS PROVIDING CABLE SERVICES TO THE LOTS AND THERE IS NO CURRENT PLAN TO DO SO. IN THE FUTURE EITHER MAY, BUT IS NOT OBLIGATED, TO CONTRACT FOR BASIC CABLE TELEVISION SERVICE FOR ALL HOMES WITHIN THE SUBDIVISION. IN SUCH EVENT BASIC CABLE SERVICE WILL BE PROVIDED TO ALL

HOMES AND THE COST OF THE BASIC CABLE SERVICE WILL BE INCLUDED IN EACH MEMBER'S ASSESSMENTS. IN SUCH EVENT, ANY ADDITIONAL SERVICES SUCH AS PREMIUM CHANNELS MAY BE PURCHASED DIRECTLY FROM THE CABLE PROVIDER. NON-USE OF CABLE TV SERVICE WILL NOT REDUCE ANY MEMBER'S ASSESSMENTS.

**Section 13.02 DISCLAIMER. DECLARANT HEREBY DISCLAIMS ANY AND ALL LIABILITIES AND OBLIGATIONS TO INDEMNITOR AND ALL OTHER PERSONS IN CONNECTION WITH ANY OF THE MATTERS DESCRIBED AND/OR DISCLOSED IN SECTION 13.01 HEREIN, INCLUDING, WITHOUT LIMITATION, THE PID, AS WELL AS ANY AND ALL INJURIES TO PERSONS AND/OR DAMAGES TO PROPERTY THAT MAY OCCUR IN CONNECTION WITH ANY ONE OR MORE OF THE FOREGOING MATTERS.**

**Section 13.03 WAIVER AND INDEMNITY. INDEMNITOR AND EACH PERSON HEREAFTER ACQUIRING AND OWNING ANY LOT(S), FOR AND ON BEHALF OF THEMSELVES AND THEIR RESPECTIVE HEIRS, SUCCESSORS, ASSIGNS AND INVITEES, ARE IRREVOCABLY AND UNCONDITIONALLY DEEMED (1) TO FULLY AND FINALLY WAIVE, AS TO DECLARANT, ANY AND ALL CLAIMS, DEMANDS, CAUSES OF ACTION, DAMAGES, LOSSES, COSTS, EXPENSES, ETC. SUFFERED AND/OR INCURRED IN CONNECTION WITH ANY OF THE MATTERS DESCRIBED AND/OR DISCLOSED IN SECTION 13.01 HEREIN; AND (2) TO INDEMNIFY AND TO HOLD HARMLESS DECLARANT FROM AND AGAINST THE FAILURE OR REFUSAL OF INDEMNITOR TO COMPLY WITH ANY ONE OR MORE OF THE FOREGOING WAIVERS.**

**Section 13.04 LAND OWNERS. IT IS UNDERSTOOD AND AGREED THAT THE LAND OWNERS HAVE NO RESPONSIBILITY NOR LIABILITY UNDER THE DECLARATION AND ARE REPRESENTED IN ALL RESPECTS BY DECLARANT. IT IS FURTHER AGREED THAT ALL OF THE ABOVE PROVISIONS EXCULPATING DECLARANT FROM LIABILITY SHALL APPLY TO LAND OWNERS AND THAT EACH OWNER HEREBY WAIVES AND RELEASES ALL CLAIMS OF WHATEVER KIND OR CHARACTER WHICH SAID OWNER HAS OR MAY OTHERWISE CLAIM AGAINST THE LAND OWNERS OR ANY OF THEM.**

#### ARTICLE XIV MORTGAGEE PROTECTION

**Section 14.01 Priority of Mortgage.** Notwithstanding any other provision of this Declaration to the contrary, it is hereby provided that a breach of any of the conditions contained in this Declaration by any Owner or any enforcement thereof, including foreclosure, by reason of such breach, shall not defeat or render invalid the lien of any mortgage or deed of trust made in good faith and for value as to a Lot or any part thereof. Any lien which the Association may have on any Lot for the payment of Assessments attributable to such Lot will be subordinate to the lien or equivalent security interest of any mortgage on the Lot recorded prior to the date on

which any such Assessments became due and prior to the date in which written notice of such Assessments was recorded in the appropriate real property records of the County; provided, however, that such subordination shall apply only to Assessments which have been due and payable prior to a sale or transfer of such Lot pursuant to foreclosure or any proceeding in lieu of foreclosure, even if the action to collect such Assessments is instituted after the date of such sale or transfer of such Real Lot pursuant to foreclosure or any proceeding in lieu of foreclosure.

**Section 14.02 Financial Information.** Upon written request to the Association, any institutional lender holding a first mortgage is entitled (i) to inspect the books and records of the Association during normal business hours, and (ii) to receive an annual financial statement of the Association.

## **ARTICLE XV EASEMENTS**

**Section 15.01 Easements.** Easements, licenses, franchises or other similar permits for installation, use, operation, maintenance, repair and removal of utilities, public rights-of-way and drainage facilities and floodway easements and video services, cable television services, high-speed internet services, security services, communication services, fire protection services and other similar services over, under and across the Property are reserved by Declarant for itself, the Association and its and their respective successors and assigns, as specifically set forth on recorded plats of the Property, or any portions thereof, or as set forth in other applicable documents of record in the Deed Records of the County. In addition, Declarant hereby reserves to itself, and the Association and its and their respective successors and assigns, easements for installation, use, operation, maintenance, repair and removal of utilities and drainage facilities and video services, cable television services, high-speed internet services, security services, communication services, fire protection services and other similar services, such easements to be located between the right-of-way lines of major thoroughfares and building set-back lines from such public 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 the right-of-way lines. Full right of ingress and egress shall be had by Declarant and the Association at all times over the Property to the extent reasonably necessary for the installation, operation, maintenance, repair and/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 and the Association 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 Declarant, the Association, or the owner of the relevant easement, where such unauthorized obstruction would constitute interference with the use of such easement or with the installation, use, operation, maintenance, repair, or removal of such utility or other services. In no event shall the foregoing prohibit paving or landscaping within such easements. Declarant and the Association 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, authorized providers of the aforesaid services (including, but not limited to, cable television services and high-speed internet access services) or relevant governmental authorities. All utilities or other services installed within the aforesaid easements shall be installed underground. Full rights of ingress and egress shall be had by Declarant, the Association and its and their respective successors and assigns at all times over the Property for

the installation, operation, maintenance, 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 installation, use, operation, maintenance, repair or removal of such utility or service.

**Section 15.02 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 Lot for the maintenance and repair of each Lot in accordance with the provisions hereof, and for the carrying out by the Association of its functions, duties and obligations hereunder; provided, however, that any such entry by the Association upon any Lot shall be made only after reasonable notice to the Owner thereof (except that no notice shall be required in the event of an emergency), any entry shall be made with as little inconvenience to the Owner thereof as practical, and any damage caused thereby shall be repaired by the Association at the expense of such Association.

**Section 15.03. Easements for Encroachment.** There shall be reciprocal appurtenant easements for encroachment between each Lot and the portion or portions of the Common Area adjacent thereto and between adjacent Lots due to the unintentional placement or settling or shifting of the Improvements constructed, reconstructed, or altered thereon (in accordance with the terms of this Declaration) to a distance of not more than five (5) feet, as measured from any point on the common boundary between each Lot and the adjacent portion of the Common Area, or between adjacent Lots, as the case may be, along a line perpendicular to such boundary at such point; provided, however, that 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 15.04. Easement for Retaining Wall Repairs.** There shall be reciprocal appurtenant easements for maintenance of retaining walls between each Lot on which any such retaining wall is constructed and such portion or portions of the Common Area adjacent thereto, and between adjacent Lots, for purposes of repairing and/or replacing all or any portion of such Retaining Walls to a distance of not more than five (5) feet, as measured from any point on the common boundary between each Lot and the adjacent portion of the Common Area, or between adjacent Lots, as the case may be, along a line perpendicular to such boundary at such point. The Association shall have no liability or responsibility for such repairs and/or replacements, but the Owners of Lots on which such Retaining Walls are built or are located shall have liability and obligation for such repairs and/or replacements.

**Section 15.05. Easement for Drainage.** By acquisition of its Lot, each Owner hereby grants, creates and conveys unto the Association, the Owners of adjacent Lots and the Declarant, a perpetual Drainage Easement (herein so called) over, through, under and across such Owner's Lot for the purpose of permitting runoff and/or storm water to drain from other adjacent Lots over, through, under and across such Owner's Lot. Nothing herein shall entitle an Owner to change the volume, speed, or course of flow of such surface waters after the improvement of his Lot and, as stated elsewhere herein, Owners are prohibited from changing the drainage on their Lot[s].

**Section 15.06. Future Utility Easements and Agreements.** The Declarant reserves the right for itself and its designee (so long as Declarant or said designee owns a Lot) and for the

Board, without joinder or consent of any person or entity whatsoever, to grant such additional easements including, but not limited to, reclaimed and potable water and sewage systems, irrigation, wells and pumps, cable television, television antennas, telecommunications systems, electric, gas, water, fire and police protection, telephone or other utility easement, or to relocate any existing utility easement in any portion of the Property as the Declarant, its designee, or the Board shall deem necessary or desirable for the proper operation and maintenance of the Property or any portion thereof, or for general health and welfare of the owners, provided that such additional utilities or the relocation of existing utilities will not prevent or unreasonably interfere with access or use of any Lot for permitted purposes. Such easements will be located between the right-of-way lines of major thoroughfares and building set-back lines from such public 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 the right-of-way lines. In addition, Declarant reserves the right, for itself and its designee (so long as Declarant or said designee owns a Lot) without the joinder or consent of any person or entity whatsoever, to enter into license, marketing, shared facilities or other agreements with utility providers, operators or owners for the provision of any such utilities to the Properties. Declarant shall be entitled to receive and continue to receive all royalties, fees, compensation, or other revenues provided in such license, marketing, share facilities or other agreements entered into by Declarant, whether accruing or paid prior to or after the Turnover Date and the Association shall not be entitled thereto.

## **ARTICLE XVI GENERAL PROVISIONS**

**Section 16.01 Duration.** The covenants, conditions and restrictions, terms, and provisions 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 any Owner, and their respective legal representatives, heirs, successors and assigns, for a term (the "Term") of thirty (30) years after the Effective Date, after which time, the Term shall be deemed automatically extended for successive periods of ten (10) years each, unless an instrument is signed by the Members entitled to cast at least sixty-seven percent (67%) of the votes of the Association in the aggregate, and has been recorded in the Official Records of the County, agreeing to abolish this Declaration, in whole or a substantial portion thereof.

**Section 16.02 Amendments.** Any and all amendments to this Declaration as provided herein, shall be recorded in the office of the County Clerk.

**Section 16.03 Enforcement.** Enforcement of the terms and provisions hereof 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 the terms and provisions hereof, and failure by the Association, Architectural Review Committee or Declarant to enforce any term or provision herein contained shall in no event be deemed a waiver of the right to do so thereafter. The Architectural Review Committee, Declarant, any Owner and/or the Association shall have the right, but not the obligation, to enforce the terms and provisions herein in accordance with the provisions set forth within this Declaration and the Enforcement Policy.

**Section 16.04 Termination of Responsibility of Declarant.** If Declarant should convey all of its right, title and interest in and to the Property and assign its rights as Declarant herein to any partnership(s), individual(s) or corporation(s), then, and in such event, Declarant shall be relieved of the performance of any further duty or obligation hereunder, and such partnership(s), individual(s), or corporation(s) shall be obligated to perform all of such duties and obligations of Declarant.

**Section 16.05 Owners' Compliance.** Each Owner, tenant or occupant of any Lot shall comply with the provisions of this Declaration, and to the extent they are not in conflict with this Declaration, each Owner, tenant, or occupant of a Lot shall comply with the decisions and resolutions of the Association or its duly authorized representatives. Failure to comply with any such provisions, decisions, or resolutions shall be grounds for an action to recover sums due, damages and/or fines, and/or to sue 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, and their respective successors and assigns.

**Section 16.06 Severability.** Invalidation of any one or more of the terms and provisions herein by judgment or court order shall in no wise affect any other provision which shall remain in full force and effect.

**Section 16.07 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 16.08 Notices to Members.** Except as hereinafter set forth, any notice required to be given to any Member under the provisions of this Declaration shall be deemed to have been properly delivered when deposited in the United States mail, postage prepaid, and addressed to the last known address of the person who appears as a Member on the records of the Association at the time of such mailing. In the event that there are multiple Members with respect to a single Lot, the Association shall be obligated to send notice to only one (1) of the multiple Members. Notice to one shall be deemed to be notice to all. Multiple Members 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 so designated, the Association may notify any one (1) of such multiple Members. Notices of past due Assessments, of the intention to institute the punitive provisions hereof, of 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 16.09 Disputes.** Matters of dispute or disagreement with respect to interpretation or application of the provisions of this Declaration, the Articles of Incorporation, and/or the Bylaws shall be resolved in accordance with the Dispute Resolution Procedures (herein so-called) set forth in Exhibit "D" attached hereto.

**Section 16.10 Compliance and Correction.** 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"), Veteran's Administration ("VA") and Federal Housing Authority ("FHA") pertaining to the purchase or guaranty by FHLMC, FNMA, VA or FHA of conventional loans. Declarant and all Owners therefore agree that, notwithstanding anything to the contrary contained herein or in the Articles of Incorporation and/or the Bylaws, in the event that (i) this Declaration, the Bylaws, the Articles of Incorporation and/or any other documents or instruments governing of creating the Association do not comply with the FHLMC, FNMA, VA or FHA requirements, (ii) there is any need to clarify the role and responsibilities of the Association whether with regard to Assessments and/or the determination, levying, and/or collection thereof, or any other matter relating to such roles and responsibilities, and/or (iii) if there are clerical errors to be corrected or if there are matters to be clarified, as determined by Declarant in its sole discretion, then, in any of such events, Declarant shall have the power, in its sole discretion (on behalf of the Association, and each and every Owner and Member), and without the joinder of any other party, to amend the terms of this Declaration, the Bylaws, the Articles of Incorporation and/or 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), FHA (or its designee) or VA (or its designee) reasonably required by FNMA, FHLMC, FHA or VA, to allow the Property, the Association, the Declaration and/or any other related documents to comply with such requirements. Declarant is not obligated, however, to make such amendments.

**Section 16.11 Use of Words "Grand Heritage" or "Lavon Grand Heritage ".** No Owner, any tenant or licensee of any Owner or occupant of any Lot shall use the words "Grand Heritage", or "Lavon Grand Heritage", or any combination or derivative thereof in the name of any building or any business or enterprise or in any printed or promotional material without the prior written consent of Declarant; provided, however, that without such consent, Owners, tenants, licensees or occupants of any portion of the Property may use the term "Grand Heritage" in printed or promotional material where such term is used solely to specify that such Owner's, tenant's, licensee's or occupant's business, building or enterprise is located within Grand Heritage.

**Section 16.12 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.

**Section 16.13 Association Maintenance of Common Area.** The Association shall be responsible for maintenance of the Common Area. The Association shall be entitled to levy and collect the Assessments provided elsewhere herein, as the case may be, to the extent necessary to defray all costs of such maintenance.

**Section 16.14 Prohibition Concerning Certain Signs.** Absent the express written consent of Declarant thereto, no signs shall be placed and/or constructed in (i) the rights-of-way and/or medians of any thoroughfares, and/or collector roads located within the boundaries of the Property, or (ii) any Common Area.

**Section 16.15 Security Services.** Declarant or the Association is hereby authorized, in its sole discretion, for and on behalf of itself and the Owners to contract for security services

within the Property. The costs of such services may be paid directly to such service provider(s) by the Association. If so, such costs will be reimbursed to the Association as a portion of the Regular Assessments paid by each Owner.

**Section 16.16 Electric Aggregation Services.** Declarant or the Association is hereby authorized, in its sole discretion, for and on behalf of itself and the Association, to contract with aggregation service provider(s) to facilitate competitive bids from retail electric and/or natural gas providers for any and all or any portions of the Property, including, without limitation, Lots, and Common Area.

**Section 16.17 Addresses.** Any notices or correspondence to an Owner shall be addressed to the street address of the Lot. Any notices or correspondence to Declarant or the Architectural Review Committee shall initially be addressed to the Declarant or the Architectural Review Committee, whichever applies, at the address of the Declarant, or to such other address as is specified by the Declarant or the Architectural Review Committee, whichever applies, pursuant to an instrument recorded in the deed records of the County.

[END OF TEXT. SIGNATURE PAGES FOLLOW.]



IN WITNESS WHEREOF, the parties hereto have caused this instrument to be executed on the dates set forth below.

**DECLARANT:**

**WORLD LAND DEVELOPERS, L.P.,**  
a Texas limited partnership

By: World Land Developers GP, LLC,  
its general partner

By: Alan Bain  
Alan Bain, Vice President

Date: May 15, 2006

THE STATE OF TEXAS   §  
                                  §  
COUNTY OF DALLAS   §

BEFORE ME, the undersigned authority, a Notary Public in and for the State of Texas, on this day personally appeared Alan Bain, Vice President of World Land Developers GP, LLC, a Texas limited liability company, General Partner of World Land Developers, LP, a Texas limited partnership, known to me to be the person and officer whose name is subscribed to the foregoing instrument, and acknowledged to me that he executed the same as a duly authorized officer of said General Partner, and as the act and deed of said General Partner, acting in its capacity as General Partner of World Land Developers, LP, a Texas limited partnership, for the purposes and consideration therein expressed, and in the capacity stated.

GIVEN UNDER MY HAND AND SEAL OF OFFICE this 15<sup>th</sup> day of May, 2006.

Brenda F. Skidmore  
Notary Public, State of Texas



**LAND OWNERS:**

**BEAR CREEK, L.P.**, a  
Texas limited partnership

By: Pitman Investments, LLC, its  
general partner

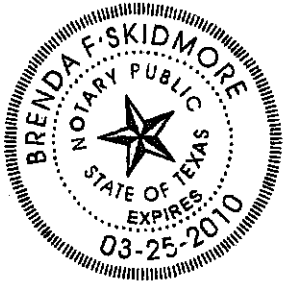
By: Alan Bain  
Alan Bain, Vice President

THE STATE OF TEXAS    §  
                                  §  
COUNTY OF DALLAS    §

BEFORE ME, the undersigned authority, a Notary Public in and for the State of Texas, on this day personally appeared Alan Bain, Vice President of Pittman Investments, LLC, a Texas limited liability company, General Partner of Bear Creek, L.P., a Texas limited partnership, known to me to be the person and officer whose name is subscribed to the foregoing instrument, and acknowledged to me that he executed the same as a duly authorized officer of said General Partner, and as the act and deed of said General Partner, acting in its capacity as General Partner of Bear Creek, L.P., a Texas limited partnership, for the purposes and consideration therein expressed, and in the capacity stated.

GIVEN UNDER MY HAND AND SEAL OF OFFICE this 15<sup>th</sup> day of May, 2006.

Brenda F. Skidmore  
Notary Public, State of Texas



**BEAR CREEK 35, L.P., a**  
Texas limited partnership

By: Pitman Investments, LLC, its  
general partner

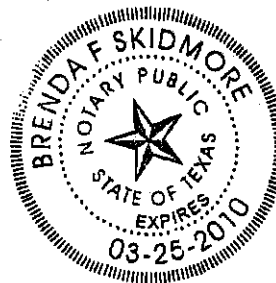
By: Alan Bain  
Alan Bain, Vice President

THE STATE OF TEXAS §  
§  
COUNTY OF DALLAS §

BEFORE ME, the undersigned authority, a Notary Public in and for the State of Texas, on this day personally appeared Alan Bain, Vice President of Pittman Investments, LLC, a Texas limited liability company, General Partner of Bear Creek 35, L.P., a Texas limited partnership, known to me to be the person and officer whose name is subscribed to the foregoing instrument, and acknowledged to me that he executed the same as a duly authorized officer of said General Partner, and as the act and deed of said General Partner, acting in its capacity as General Partner of Bear Creek 35, L.P., a Texas limited partnership, for the purposes and consideration therein expressed, and in the capacity stated.

GIVEN UNDER MY HAND AND SEAL OF OFFICE this 15<sup>th</sup> day of May,  
2006.

Brenda F. Skidmore  
Notary Public, State of Texas



**BEAR CREEK RESIDENTIAL, L.P.,**  
a Texas limited partnership

By: Hunt Land Holdings, LLC, its  
general partner

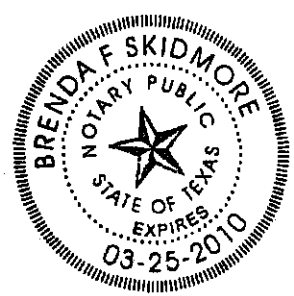
By: Alan Bain  
Alan Bain, Vice President

THE STATE OF TEXAS    §  
                                  §  
COUNTY OF DALLAS    §

BEFORE ME, the undersigned authority, a Notary Public in and for the State of Texas, on this day personally appeared Alan Bain, Vice President of Hunt Land Holdings, LLC, a Texas limited liability company, General Partner of Bear Creek Residential, L.P., a Texas limited partnership, known to me to be the person and officer whose name is subscribed to the foregoing instrument, and acknowledged to me that he executed the same as a duly authorized officer of said General Partner, and as the act and deed of said General Partner, acting in its capacity as General Partner of Bear Creek Residential, L.P., a Texas limited partnership, for the purposes and consideration therein expressed, and in the capacity stated.

GIVEN UNDER MY HAND AND SEAL OF OFFICE this 15<sup>th</sup> day of May,  
2006.

Brenda F. Skidmore  
Notary Public, State of Texas



**BEAR CREEK WINDMILL, L.P., a  
Texas limited partnership**

By: Pitman Investments, LLC, its  
general partner

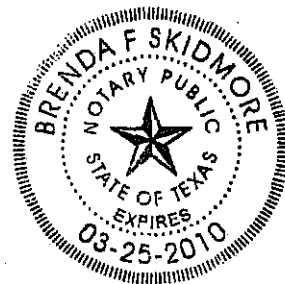
By: Alan Bain  
Alan Bain, Vice President

THE STATE OF TEXAS §  
§  
COUNTY OF DALLAS §

BEFORE ME, the undersigned authority, a Notary Public in and for the State of Texas, on this day personally appeared Alan Bain, Vice President of Pittman Investments, LLC, a Texas limited liability company, General Partner of Bear Creek Windmill, L.P., a Texas limited partnership, known to me to be the person and officer whose name is subscribed to the foregoing instrument, and acknowledged to me that he executed the same as a duly authorized officer of said General Partner, and as the act and deed of said General Partner, acting in its capacity as General Partner of Bear Creek Windmill, L.P., a Texas limited partnership, for the purposes and consideration therein expressed, and in the capacity stated.

GIVEN UNDER MY HAND AND SEAL OF OFFICE this 15<sup>th</sup> day of May,  
2006.

Brenda F. Skidmore  
Notary Public, State of Texas



**LAVON REALTY PARTNERS, L.P.,**  
a Texas limited partnership

By: Pitman Investments, LLC, its  
general partner

By: Alan Bain  
Alan Bain, Vice President

THE STATE OF TEXAS   §  
                                  §  
COUNTY OF DALLAS   §

BEFORE ME, the undersigned authority, a Notary Public in and for the State of Texas, on this day personally appeared Alan Bain, Vice President of Pittman Investments, LLC, a Texas limited liability company, General Partner of Lavon Realty Partners, L.P., a Texas limited partnership, known to me to be the person and officer whose name is subscribed to the foregoing instrument, and acknowledged to me that he executed the same as a duly authorized officer of said General Partner, and as the act and deed of said General Partner, acting in its capacity as General Partner of Lavon Realty Partners, L.P., a Texas limited partnership, for the purposes and consideration therein expressed, and in the capacity stated.

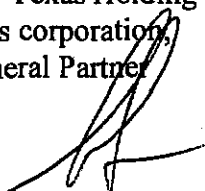
GIVEN UNDER MY HAND AND SEAL OF OFFICE this 15<sup>th</sup> day of May,  
2006.

Brenda F. Skidmore  
Notary Public, State of Texas



**LENNAR HOMES OF TEXAS LAND AND CONSTRUCTION, LTD.,**  
a Texas limited partnership

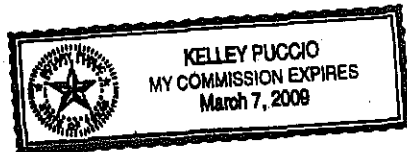
By: Lennar Texas Holding Company,  
a Texas corporation,  
its General Partner

By:   
Name: Steve Lenart  
Title: Vice-President

THE STATE OF TEXAS     §  
  §  
COUNTY OF Dallas     §

BEFORE ME, the undersigned authority, a Notary Public in and for the State of Texas, on this day personally appeared Steve Lenart, \_\_\_\_\_ of Lennar Texas Holding Company, a Texas corporation, the General Partner of Lennar Homes of Texas Land and Construction, Ltd., a Texas limited partnership, known to me to be the person and officer whose name is subscribed to the foregoing instrument, and acknowledged to me that he executed the same as a duly authorized officer of said General Partner, and as the act and deed of said General Partner, acting in its capacity as General Partner of Lennar Homes of Texas Land and Construction, for the purposes and consideration therein expressed, and in the capacity stated.

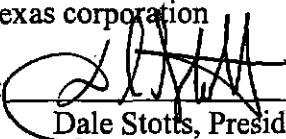
GIVEN UNDER MY HAND AND SEAL OF OFFICE this 15 day of May,  
2006.



Kelley Puccio  
Notary Public, State of Texas

**BOWEN FAMILY HOMES OF TEXAS, INC.**

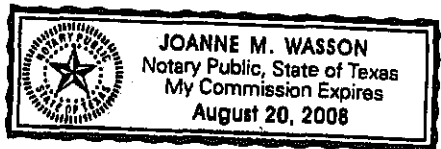
a Texas corporation

By:   
Dale Stotts, President of Texas Operations

THE STATE OF TEXAS    §  
                                  §  
COUNTY OF Collin    §

BEFORE ME, the undersigned authority, a Notary Public in and for the State of Texas, on this day personally appeared Dale Stotts, President of Texas Ops of Bowen Family Homes of Texas, Inc., a Texas Corporation known to me to be the person and officer whose name is subscribed to the foregoing instrument, and acknowledged to me that (s)he executed the same as a duly authorized officer of said corporation.

GIVEN UNDER MY HAND AND SEAL OF OFFICE this 1<sup>st</sup> day of May, 2006.



Joanne M. Wasson  
Notary Public, State of Texas



**LIENHOLDER CONSENT TO DECLARATION**

REGIONS BANK ["Lienholder"], holds a promissory note signed by Bowen Family Homes of Texas, a Texas Corporation ["Mortgagor"]. The promissory note is secured by a deed of trust lien against a part of the real property described in Exhibit "C" of this Declaration. The deed of trust was recorded as Document No. \_\_\_\_\_ in the Real Property Records, Collin County, Texas.

By signing this instrument, Lienholder consents to the recording of the GRAND HERITAGE DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS by World Land Developers, L.P., and the Land Owners referenced in the Declaration including Mortgagor on the property described in Exhibit "A" of this Declaration.

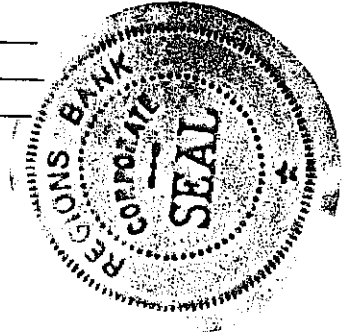
SIGNED on the 9<sup>th</sup> day of MAY, 2006

Regions Bank

By: Faye O. Haack  
Name: \_\_\_\_\_  
Title: FAYE O. HAACK

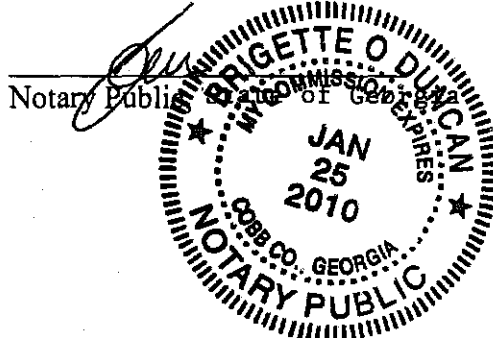
Vice President  
Atlanta Real Estate Division

Address of Lender:  
One Glenlake Parkway, Ste. 400  
Atlanta, Georgia 30328



STATE OF GEORGIA §  
  §  
COUNTY OF FULTON §

This instrument was acknowledged before me on the 9<sup>th</sup> day of May, 2006, by Faye O. Haack the Vice Pres of REGIONS BANK behalf of said institution.



**LIENHOLDER CONSENT TO DECLARATION**

Ann Daugherty Ticknor, William C. Daugherty, Jr., John Kingsley Daugherty ["Lienholder"], holds a promissory note signed by Lavon Realty Partners, L.P., a Texas limited partnership ["Mortgagor"]. The promissory note is secured by a deed of trust lien against a part of the real property described in Exhibit "C" of this Declaration. The deed of trust was recorded as Document No. 2003-0036771 in the Real Property Records, Collin County, Texas.

By signing this instrument, Lienholder consents to the recording of the GRAND HERITAGE DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS by World Land Developers, L.P., and the Land Owners referenced in the Declaration including Mortgagor on the property described in Exhibit "A" of this Declaration.

SIGNED on the 11 day of August, 2005.

x William C. Daugherty Jr. x Ann Daugherty Ticknor John Kingsley Daugherty

By: n/a  
Name: na  
Title: n/a

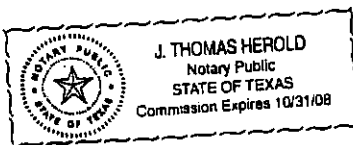
Address of Lender:  
\_\_\_\_\_, TX \_\_\_\_\_

STATE OF TEXAS §  
COUNTY OF DALLAS §

This instrument was acknowledged before me on the 11 day of August, 2005, by WILLIAM C. DAUGHERTY JR., ANN DAUGHERTY TICKNOR, &

JOHN KINGSLEY DAUGHERTY

Notary Public, The State of Texas



Being a 16.211 acre tract of land situated in the Drury Anglin Survey, Abstract No. 2, Collin County, Texas and being a portion of a tract of land described in the contribution deed to Bear Creek 35 L.P., recorded in Volume 5467, Page 000705 Deed Records, Collin County, Texas (D.R.C.C.T), and a portion of a tract of land described in deed to Lavon Realty Partners, L.P., recorded in Volume 5365, Page 007569 D.R.C.C.T. Said 16.211 acre tract of land being more particularly described by metes and bounds as follows:

**Commencing** at a 1/2" iron rod found for the Northeast corner of said Lavon Realty tract and the common Northwest corner of a tract of land described in deed to Gary Ronald Dean, Sr. and Bobbie N. St. John recorded in Volume 4059, Page 0236 D.R.C.C.T.;

**Thence,** S 00°14'03" W, along the East line of said Lavon Realty Partners, L.P., tract and the common West line of said Gary Ronald Dean, Sr., and Bobbie N. St. John tract, a distance of 100.02 feet to a 5/8" iron rod capped "Carter Burgess" set for the Point of Beginning;

**Thence,** S 00°14'03" W, along said common line, a distance of 1188.83 feet to a 5/8" iron rod capped "Carter Burgess" set for the Southwest corner of said Gary Ronald Dean, Sr. and Bobbie N. St. John tract;

**Thence** over and across said Lavon Realty Partners, L.P., tract and said Bear Creek 35 L.P., tract the following courses and distances;

S 03°23'44" E, a distance of 77.87 feet to a 5/8" iron rod capped "Carter Burgess" set for corner;  
 N 89°12'26" W, a distance of 123.70 feet to a 5/8" iron rod capped "Carter Burgess" set for corner;  
 S 00°47'34" W, a distance of 24.83 feet to a 5/8" iron rod capped "Carter Burgess" set for corner;  
 N 89°12'26" W, a distance of 50.00 feet to a 5/8" iron rod capped "Carter Burgess" set for corner;  
 N 00°47'34" E, a distance of 10.00 feet to a 5/8" iron rod capped "Carter Burgess" set for corner;  
 N 84°38'40" W, a distance of 205.65 feet to a 5/8" iron rod capped "Carter Burgess" set for corner;  
 N 86°37'52" W, a distance of 58.58 feet to a 5/8" iron rod capped "Carter Burgess" set for corner;  
 N 89°00'53" W, a distance of 57.28 feet to a 5/8" iron rod capped "Carter Burgess" set for corner;  
 N 89°12'26" W, a distance of 489.20 feet to a 5/8" iron rod capped "Carter Burgess" set for corner;  
 N 00°47'34" E, a distance of 640.00 feet to a 5/8" iron rod capped "Carter Burgess" set for corner;  
 N 45°47'34" E, a distance of 14.14 feet to a 5/8" iron rod capped "Carter Burgess" set for corner;  
 S 89°12'26" E, a distance of 850.00 feet to a 5/8" iron rod capped "Carter Burgess" set for corner;  
 N 00°47'34" E, a distance of 160.61 feet to a 5/8" iron rod capped "Carter Burgess" set for corner;

Along a curve to the right having a delta angle of 2°59'32", a radius of 575.00 feet, an arc length of 30.03 feet, a chord bearing of N 02°17'20" E, and a chord length of 30.02 feet, to a 5/8" iron rod capped "Carter Burgess" set for corner;

INITIALS  
 RTI  
 HERE

Along a curve to the left having a delta angle of  $7^{\circ}20'37''$ , a radius of 750.00 feet, an arc length of 96.13 feet, a chord bearing of  $N 00^{\circ}06'47'' E$ , and a chord length of 96.06 feet, to a  $5/8''$  iron rod capped "Carter Burgess" set for corner;

$N 03^{\circ}33'32'' W$ , a distance of 32.56 feet to a  $5/8''$  iron rod capped "Carter Burgess" set for corner;

Along a curve to the right having a delta angle of  $4^{\circ}49'10''$ , a radius of 700.00 feet, an arc length of 58.88 feet, a chord bearing of  $N 01^{\circ}08'57'' W$ , and a chord length of 58.86 feet, to a  $5/8''$  iron rod capped "Carter Burgess" set for corner;

$N 01^{\circ}15'38'' E$ , a distance of 134.99 feet to a  $5/8''$  iron rod capped "Carter Burgess" set for corner;

$N 06^{\circ}58'16'' E$ , a distance of 100.50 feet to a  $5/8''$  iron rod capped "Carter Burgess" set for corner;

$S 88^{\circ}44'22'' E$ , a distance of 99.33 feet to the **Point of Beginning**, and containing 16.211 acres of land.

ADT 80  
M.C.D.

AUG 19 2005

**ARTICLES OF INCORPORATION**

**OF**

**Corporations Section**

**LAVON GRAND HERITAGE HOMEOWNERS ASSOCIATION, INC.**

The undersigned natural person of the age of eighteen (18) years or more, acting as an incorporator of a corporation under the Texas Non-Profit Corporation Act, hereby adopts the following Articles of Incorporation for such corporation:

**ARTICLE I**

**NAME**

The name of the corporation is **LAVON GRAND HERITAGE HOMEOWNERS, INC.**, hereinafter called the "Association". [The defined terms in these Articles shall have the meanings set forth in the Declaration (hereinafter defined).]

**ARTICLE II**

**NON-PROFIT STATUS**

The Association is a non-profit corporation.

**ARTICLE III**

**DURATION**

The period of its duration is perpetual.

**ARTICLE IV**

**PURPOSE**

The purpose or purposes for which this Association is organized is to provide for maintenance, preservation of the Common Area and architectural control of the Common Area and Lots (the "Property") described in the

Declaration, and to promote the health, safety, and welfare of the residents within the Property and any additions thereto as may hereafter be brought within the jurisdiction of this Association, and for this purpose to:

(a) exercise all of the powers and privileges and to perform all of the duties and obligations of the Association as set forth in that certain **DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS FOR GRAND HERITAGE**, an addition to the City of Lavon, Collin County, Texas, as same may be amended from time to time, hereinafter called the "Declaration", applicable to the Property and recorded, or to be recorded, in the Real Property Records of Collin County, Texas; and

(b) have and to exercise any and all powers, rights and privileges which a corporation organized under the Texas Non-Profit Corporation Act by law may now or hereafter have or exercise.

## **ARTICLE V**

### **REGISTERED OFFICE AND AGENT**

The street address of the initial registered office of the Association is 4125 Fairway Drive, Suite 128, Carrollton, Texas 75010, and the name of its initial registered agent at such address is Alice Wong.

## **ARTICLE VI**

### **MEMBERSHIP**

The Association shall have Members.

## **ARTICLE VII**

### **INITIAL DIRECTORS**

The number of directors constituting the initial Board of Directors is three (3) and the names and addresses of the persons who are to serve as directors until the first annual meeting of the shareholders, or until their successors are elected and qualified are:

Name	Address
Paul Cheng	4125 Fairway Drive Carrollton, TX 75010
Alice Wong	4125 Fairway Drive Carrollton, TX 75010
Marsha Rodriguez	4125 Fairway Drive Carrollton, TX 75010

**ARTICLE VIII**

**INCORPORATOR**

The name and address of the incorporator is:

Charles W. Spencer  
8111 LBJ Freeway  
Suite 920  
Dallas, Texas 75251

**ARTICLE IX**

**INDEMNITY**

**The Association shall indemnify, defend and hold harmless the Declarant, the Board, the Architectural Control Committee, Covenants Committee, and each director, officer, employee and agent of the Declarant, the Board, the Architectural Control Committee, and Covenants Committee from all judgments, penalties (including excise and similar taxes), fines, settlements and reasonable expenses (including attorneys' fees) incurred by such indemnified person under or in connection with the Declaration or the Properties to the fullest extent permitted by applicable law, such indemnity to**

**include matters arising as a result of the sole or concurrent negligence of the indemnified party, to the extent permitted by applicable law.**

## **ARTICLE X**

### **LIABILITY OF DIRECTORS**

**A director of the Association shall not be liable to the Association or its Members for monetary damages resulting from an act or omission in his or her capacity as a director of the Association, except that this Article X does not authorize the elimination or limitation of the liability of a director to the extent the director is found liable for:**

- 1. a breach of the director's duty of loyalty to the Association or its Members;**
- 2. an act or omission not in good faith that constitutes a breach of duty of the director to the Association or an act or omission that involves intentional misconduct or a knowing violation of the law;**
- 3. a transaction from which the director received an improper benefit (one to which he was not otherwise entitled in a capacity other than as director); or**
- 4. an act or omission for which the liability of a director is expressly provided by an applicable statute.**

**The foregoing elimination of liability to the Association shall not be deemed exclusive of any other rights, limitations of liability or indemnity to which a director may be entitled under any other provision of these Articles of Incorporation, the Bylaws of the Association, a contract or agreement, vote of directors, principle of law, or otherwise. Any repeal or modification of this Article shall be prospective only, and shall not adversely affect any limitation of the personal liability of a director of the Association existing at the time of the repeal or modification. In addition to the circumstances in which a director of the Association is not liable to the full extent permitted by any amendment to the Texas Miscellaneous Corporation Laws Act or the Texas Non-Profit**



Corporation Act hereinafter enacted that further limits the liability of a director.

## ARTICLE XI

### CONSENT IN LIEU OF MEETING

Any action required by the statutes to be taken at any annual or special meeting of members or directors of the Association, or any action that may be taken at any annual or special meeting of the members or directors or of any committee, may be taken without a meeting, if a consent in writing, setting forth the action to be taken, is signed by a sufficient number of members, directors, or committee members as would be necessary to take that action at a meeting at which all of the members, directors, or members of the committee were present and voting.

Prompt notice of the taking of any action by members, directors, or a committee without a meeting shall be given to all members, directors or committee members who did not consent in writing to the action.

A telegram, telex, cablegram, or similar transmission, or a photographic, photostatic, facsimile, or similar reproduction of a writing signed by a director, member or committee member, shall be regarded as signed by such person for the purposes of this Article.

IN WITNESS WHEREOF, I have hereunto set my hand this the 17 th day of August, 2005.

Charles W. Spencer  
Charles W. Spencer,  
Incorporator



20080902001061000 09/02/2008 03:33:50 PM CT 1/16

**CERTIFICATE  
FOR  
RECORDATION OF DEDICATORY INSTRUMENTS  
OF  
LAVON GRAND HERITAGE HOMEOWNERS  
ASSOCIATION, INC.**

**STATE OF TEXAS           §  
  §  
COUNTY OF COLLIN       §**

**KNOW ALL MEN BY THESE PRESENTS:**

**WHEREAS, Section 202.006 of the Texas Property Code requires that "A property owners' association shall file its dedicatory instruments in the real property records of each county in which the property to which the dedicatory instrument relates is located."; and**

**WHEREAS, Lavon Grand Heritage Homeowners Association, Inc, a Texas nonprofit corporation (the "Association") desires to comply with Section 202.006 by filing of record in the real property records of Denton County, Texas, the attached Bylaws of Lavon Grand Heritage Homeowners Association, Inc. duly signed by the Secretary of the Association, said Bylaws being an instrument governing the operation of the Association which have not been heretofore filed of record; and**

**WHEREAS, the Declaration of Covenants, Conditions, Restrictions – Lavon Grand Heritage Homeowners Association Inc. was executed May 15, 2006 and recorded May 16, 2006 as Document No. 2006 0516 000658940 in the Real Property Records of Collin County, Texas by Declarant;**

**NOW, THEREFORE, the undersigned authorized representative of the Association hereby executes this Certificate to effect the recording of the DEDICATORY INSTRUMENT attached hereto on behalf of the Lavon Grand Heritage Homeowners Association**

**EXECUTED effective this the 29<sup>th</sup> day of August, 2008.**

**LAVON GRAND HERITAGE HOMEOWNERS ASSOCIATION, INC.  
a Texas non-profit corporation**

By: *Charles W. Spencer*  
**Charles W. Spencer,  
Authorized Representative**

STATE OF TEXAS       §  
                                  §  
COUNTY OF DALLAS   §

This instrument was acknowledged before me on the 29<sup>th</sup> day of August, 2008, by Charles W. Spencer, authorized representative of Lavon Grand Heritage Homeowners Association, Inc., a Texas non-profit corporation, on behalf of said corporation.



*Carol J. Spencer*  
Notary Public, State of Texas

***AFTER RECORDING RETURN TO:***

***Charles W. Spencer  
7920 Belt Line Road  
Suite 935  
Dallas, TX 75254***

**EXHIBIT "B"**

**BYLAWS  
OF  
LAVON GRAND HERITAGE HOMEOWNERS ASSOCIATION, INC.**

**ARTICLE 1  
NAME, PRINCIPAL OFFICE, DEFINITIONS**

Section 1.1 **Name.** The name of the Association shall be Lavon Grand Heritage Homeowners' Association, Inc. (the "**Association**").

Section 1.2 **Principal Office.** The principal office of the Association in the State of Texas shall be located in Dallas or Collin County. The Association may have such other offices, as the Board may determine or as the affairs of the Association may require.

Section 1.3 **Definitions.** Capitalized terms used herein but not defined shall have the same meaning as set forth in the Declaration of Covenants, Conditions and Restrictions for Grand Heritage recorded in the Records of Collin County, Texas (the "**Declaration**").

**ARTICLE 2  
ASSOCIATION: MEMBERSHIP, MEETINGS, QUORUM, VOTING, PROXIES**

Section 2.1 **Membership.** The Association shall have two classes of membership, as more fully set forth in the Declaration, the terms of which pertaining to membership are specifically incorporated herein by reference.

Section 2.2 **Place of Meeting.** Meetings of the Association shall be held at the principal office of the Association or at such other suitable place convenient to the members as may be designated by the board of directors of the Association (the "**Board**") either within the Property or as convenient thereto as possible and practical.

Section 2.3 **Annual Meetings.** The first meeting of the Association, whether a regular or special meeting, shall be held within one (1) year from the Association's incorporation date. Meetings shall be of the members entitled to vote or their alternates (the "**Voting Members**"). Subsequent regular Annual Meetings shall be set by the Board on a date and at a time so as to occur no more than one hundred and twenty (120) days prior to and no more than one hundred twenty (120) days after the anniversary date of the incorporation of the Association. At the Annual Meetings, the quorum for conducting business shall be ten percent (10%) of the total eligible combined Class A and Class B Members in the Association.

Section 2.4 **Special Meetings.** The President may call special meetings. In addition, it shall be the duty of the President to call a special meeting of the Association if so directed by resolution of a majority of a quorum of the Board or upon a petition signed by Voting Members

representing at least fifty-one percent (51%) of the total Class A votes of the Association. The notice of any special meeting shall state the date, time, and place of such meeting and the purpose thereof. No business shall be transacted at a special meeting except as stated in the notice.

Section 2.5 **Notice of Meetings.** Except as otherwise provided in the Declaration, written or printed notice stating the place, day, and hour of the meeting of the Voting Members shall be delivered, either personally or by mail, to each Voting Member, no less than five (5) or more than sixty (60) days before the date of such meeting, by or at the direction of the President or the Secretary or the officers or persons calling the meeting. In the case of a special meeting or when required by statute or these By-Laws, the purpose or purposes for which the meeting is called shall be stated in the notice. No business shall be transacted at a special meeting except as stated in the notice. If mailed, the notice of a meeting shall be deemed to be delivered when deposited in the United States mail addressed to the Voting Member at his or her address as it appears on the records of the Association, with postage prepaid.

Section 2.6 **Waiver of Notice.** Waiver of notice of a meeting of the Voting Members shall be deemed the equivalent of proper notice. Any Voting Member may, in writing, waive notice of any meeting of the Voting Members, either before or after such meeting. Attendance at a meeting by a Voting Member shall be deemed waiver of notice of the time, date, and place thereof, unless such Voting Member specifically objects to lack of proper notice at the time the meeting is called to order. Attendance at a special meeting shall also be deemed waiver of notice of all business transacted at such meeting unless objection to the calling or convening of the meeting, of which proper notice was not given, is raised before the business is put to a vote.

Section 2.7 **Adjournment of Meetings.** If any meeting of the Association cannot be held because a quorum is not present, a majority of the Voting Members who are present at such meeting, either in person or by alternate, may adjourn the meeting to a time no less than five (5) or more than thirty (30) days from the time the original meeting was called. At the reconvened meeting, a quorum shall constitute five percent (5%) of the total eligible Class A and Class B votes in the Association, and if such number of votes are present, any business which might have been transacted at the meeting originally called may be transacted. If five percent (5%) of the total eligible Class A and Class B votes in the Association are not present at any such reconvened meeting, then a majority of the Voting Members who are present at such reconvened meeting, either in person or by alternate, may adjourn the meeting to a time no less than three (3) or more than ten (10) days from the time the reconvened meeting was called. At the second reconvened meeting, a quorum shall constitute a majority of the Board. If a time and place for reconvening the meeting is not fixed by those in attendance at the original meeting or if for any reason a new date is fixed for reconvening the meeting after an adjournment, notice of the time and place for reconvening the meeting shall be given to Voting Members in the manner prescribed for regular meetings.

Section 2.8 **Voting.** The voting rights of the members shall be as set forth in the Declaration, and such voting rights provisions are specifically incorporated herein. Except as otherwise specifically provided herein or in the Declaration, the vote allocated to each Lot shall be cast only by the Voting Member. Until Turnover the Directors shall be appointed by the Declarant. After Turnover, as that term is defined in Section 4.3 of the Declaration, each

development pod shown on the Grand Heritage land plan shall constitute an "Election District" for the purpose of electing directors to the Board. The Voting Members residing in each Election District will be entitled to elect one director to the Board. If the number of Election Districts should exceed the number of directors provided in Section 3.2 of these Bylaws the number of Board members shall automatically be increased in size to afford each Election District representation by one director. If the number of Election Districts is less than the number of directors provided in Section 3.2 then, after each Election District has elected its representative to the Board the remaining members of the Board will be elected by a majority vote of all Voting Members voting at the meeting in person or by proxy. If a quorum of all Voting Members is present as provided in Section 2.11 below, but a quorum is not present in one or more Election Districts then such lesser number of Voting Members of these Election Districts as are present in person or by proxy shall be entitled to elect the one director from that Election District. If no Voting Members are present from one or more Election Districts then the director then representing each such district shall continue in office until his or her replacement is duly elected as provided herein.

Section 2.9 **Proxies**. Voting Members may vote by proxy as permitted by the Texas Non-Profit Corporation Act.

Section 2.10 **Majority**. As used in these By-Laws, the term "majority" shall mean those votes, Owners, or other group as the context may indicate totaling more than fifty percent (50%) of the total eligible number.

Section 2.11 **Quorum**. The presence in person or by proxy Voting Members representing 10% of the total eligible Class A and Class B votes in the Association shall constitute a quorum at all meetings of the Association.

Section 2.12 **Conduct of Meetings**. The President (or, in his absence, any person so designated by the President) shall preside over all meetings of the Association, and the Secretary shall keep the minutes of the meeting and record in a minute book all resolutions adopted at the meeting, as well as a record of all transactions occurring at the meeting.

Section 2.13 **Action without a Meeting**. Any action required by law to be taken at a meeting of the Voting Members, or any action which may be taken at a meeting of the Voting Members, may be taken without a meeting if written consent setting forth the action so taken is signed by a number of Voting Members sufficient to take such action as if all Voting Members were present and voted on such action.

### ARTICLE 3

#### **BOARD: NUMBER, MEETINGS, POWERS COMPOSITION AND SELECTION**

Section 3.1 **Governing Body; Composition**. The affairs of the Association shall be governed by a Board of directors, each of whom shall have one (1) vote. Except with respect to the initial directors appointed in the Articles of Incorporation, the directors shall be members or spouses of members; provided, however, no person and his or her spouse may serve on the Board

at the same time. In the case of a member which is a corporation or partnership, the person designated in writing to the Secretary of the Association as the representative of such corporation or partnership shall be eligible to serve as a director.

Section 3.2 **Number of Directors.** The number of directors in the Association shall be no less than three (3) or more than five (5) (unless a greater number is required under Section 2.7 of these Bylaws). The initial Board shall consist of three (3) directors as identified in the Articles of Incorporation. The Board may be increased in size by majority vote of the then-existing board and shall be automatically increased as may be necessary to afford one director to represent each Election District as provided in Section 2.8 above.

Section 3.3 **Election and Term of Office.**

(a) At the Turnover Meeting referenced in Section 4.3 of the Declaration, which shall occur within thirty (30) days after the earlier to occur of the date that (1) Declarant sells 80% of its Lots to a Class A Member, or (2) December 31, 2030; or (3) Declarant voluntarily terminates its Class B status, the Voting Members shall elect five (5) directors (or such greater number as may be required under Section 2.8), who shall be Members, to replace the existing three (3) directors appointed by the Declarant. At such election, the two (2) directors receiving the greatest number of votes shall be elected for an initial term of three (3) years, the two (2) directors received the next greatest number of votes shall be elected for an initial term of two (2) years and the one remaining (1) director shall be elected for an initial term of one (1) year. After the expiration of the initial terms, successors shall thereafter be elected each to serve a term of two (2) years. If the election of directors by Election Districts results in a different allocation of staggered terms the Board may set the terms at election so as to have as equal a number of directors being elected at each annual meeting as possible.

(b) Each Voting Member shall be entitled to cast all votes attributable to the Lots which it represents with respect to each vacancy to be filled from each slate on which such Voting Member is entitled to vote. There shall be no cumulative voting. The candidate(s) receiving the most votes shall be elected. The directors elected by the Voting Members shall hold office until their respective successors have been elected by the Association. Directors may be elected to serve any number of consecutive terms.

Section 3.4 **Removal of Directors and Vacancies.** Any director elected by the Voting Members may be removed, with or without cause, by a majority of both the Class A votes and the Class B votes of the Association. If the director was elected solely by an Election District then such director will be removed solely by the votes of that Election District and the Class B votes. Any director whose removal is sought shall be given notice prior to any meeting called for that purpose. Upon removal of a director, a successor shall then and there be elected by the remaining directors unless the Voting Members of the Election District represented by the removed director and the Class B Member elect to replace said director for the remainder of his or her term with another director.

Any director elected by the Voting Members who has three (3) consecutive unexcused absences from Board meetings or who is delinquent in the payment of any Assessment or other charge due the Association for more than thirty (30) days may be removed by a majority of the

directors present at a regular or special meeting at which a quorum is present, and a successor may be appointed by the Board to fill the vacancy for the remainder of the term. In the event of the death, disability, or resignation of a director, a vacancy may be declared by the Board, and it may appoint a successor to fill the vacancy for the remainder of the term.

## MEETINGS

Section 3.5 **Organizational Meetings.** The first meeting of the Board following each annual meeting of the membership shall be held within sixty (60) days thereafter at such time and place as shall be fixed by the Board.

Section 3.6 **Regular Meetings.** Regular meetings of the Board may be held at such time and place as shall be determined from time to time by a majority of the directors, but at least one (1) such meeting shall be held during each fiscal year. Notice of the time and place of the meeting shall be communicated to directors no less than five (5) days prior to the meeting; provided, however, notice of a meeting need not be given to any director who has signed a waiver of notice or a written consent to the holding of such meeting.

Section 3.7 **Special Meetings.** Special meetings of the Board shall be held when called by written notice signed by the President of the Association or by any two (2) directors. The notice shall specify the time and place of the meeting. The notice shall be given to each director by one of the following methods: (a) by personal delivery; (b) written notice by first class mail, postage prepaid; (c) electronic mail; or (d) by fax, charges prepaid. Notices sent by first class mail shall be deposited into a United States mailbox at least five (5) days before the time set for the meeting. Notices given by personal delivery, telephone, email or fax, shall be delivered, telephoned or faxed at least seventy-two (72) hours before the time set for the meeting.

Section 3.8 **Waiver of Notice.** The transactions of any meeting of the Board, however called and noticed or wherever held, shall be as valid as though taken at a meeting duly held after regular call and notice if (a) a quorum is present, or (b) either before or after the meeting each of the directors not present signs a written waiver of notice, a consent to holding the meeting, or an approval of the minutes. The waiver of notice or consent need not specify the purpose of the meeting. Notice of a meeting shall also be deemed given to any director who attends the meeting without protesting before or at its commencement about the lack of adequate notice.

Section 3.9 **Quorum of Board.** At all meetings of the Board, a majority of the directors shall constitute a quorum for the transaction of business, and the votes of a majority of the directors present at a meeting at which a quorum is present shall constitute the decision of the Board. If any meeting of the Board cannot be held because a quorum is not present, a majority of the directors who are present at such meeting may adjourn the meeting to a time no less than five (5) or more than thirty (30) days from the date the original meeting was called. At the reconvened meeting, if a quorum is present, any business which might have been transacted at the meeting originally called may be transacted without further notice.

Section 3.10 **Compensation.** No director shall receive any compensation from the Association for acting as such unless approved by Voting Members representing a majority of



the total votes of the Association at a regular or special meeting of the Association; provided any director may be reimbursed for expenses incurred on behalf of the Association upon approval of a majority of the other directors.

Section 3.11 **Conduct of Meetings**. The President shall preside over all meetings of the Board, and the Secretary shall keep a minute book of meetings of the Board, recording therein all resolutions adopted by the Board and all transactions and proceedings occurring at such meetings.

Section 3.12 **Action Without a Formal Meeting**. Any action to be taken at a meeting of the directors or any action that may be taken at a meeting of the directors may be taken without a meeting if a consent in writing, setting forth the action so taken, shall be signed by a number of directors sufficient to take such action if all directors were present and voted on such action.

### **POWERS AND DUTIES**

Section 3.13 **Powers**. The Board shall be responsible for the affairs of the Association and shall have all of the powers and duties necessary for the administration of the Association's affairs and, as provided by law, may do or cause to be done all acts and things as are not directed to be done and exercised exclusively by the Voting Members or the membership generally by the Declaration, Articles of Incorporation, or these By-Laws.

The Board shall delegate to one of its members the authority to act on behalf of the Board on all matters relating to the duties of the managing agent or manager, if any, which might arise between meetings of the Board.

Section 3.14 **Management**. The Board may employ for the Association a professional management agent or agents at a compensation established by the Board to perform such duties and services as the Board shall authorize. The Board may delegate to the managing agent or manager, subject to the Board's supervision, all of the powers granted to the Board by these By-Laws that can properly be delegated. Declarant, or an affiliate of the Declarant, may be employed as managing agent or manager. Management contracts shall contain a clause allowing termination by the Board with or without cause upon 90 days prior written notice.

Section 3.15 **Accounts and Reports**. The following management standards of performance shall be followed unless the Board by resolution specifically determines otherwise:

- (a) accrual accounting, as defined by generally accepted accounting principles, shall be employed;
- (b) accounting and controls should conform to generally accepted accounting principles;
- (c) cash accounts of the Association shall not be commingled with any other accounts;

(d) no remuneration shall be accepted by the managing agent from vendors, independent contractors, or others providing goods or services to the Association, whether in the form of commissions, finder's fees, service fees, prizes, gifts, or otherwise; anything of value received shall benefit the Association;

(e) any financial or other interest which the managing agent may have in any firm providing goods or services to the Association shall be disclosed promptly to the Board;

(f) financial reports shall be prepared for the Association at least annually containing:

(1) an income statement reflecting all income and expense activity for the preceding period on an accrual basis;

(2) a statement reflecting all cash receipts and disbursements for the preceding period;

(3) a variance report reflecting the status of all accounts in an "actual" versus "approved" budget format;

(4) a balance sheet as of the last day of the preceding period;

and

(5) a delinquency report listing all Owners who are delinquent in paying any Assessments at the time of the report and describing the status of any action to collect such Assessments which remain delinquent (any Assessment or installment thereof shall be considered to be delinquent on the (30th) day following the due date unless otherwise determined by the Board); and

(g) an annual report consisting of at least the following shall be available to all members within one hundred twenty (120) days after the close of the fiscal year: (1) a balance sheet; (2) an operating (income) statement; and (3) a statement of changes in financial position for the fiscal year.

**Section 3.16 Borrowing.** The Board shall have the power to borrow money for the purpose of maintenance, repair or restoration of Common Area without the approval of the Voting Members. The Board shall also have the power to borrow money for other purposes; provided, the Board shall obtain Voting Member approval in the same manner provided in the Declaration for Special Assessments in the event that the proposed borrowing is for the purpose of modifying, improving, or adding amenities and the total amount of such borrowing exceeds or would exceed five percent (5%) of the budgeted gross expenses of the Association for that fiscal year.

**Section 3.17 Rights of the Association.** With respect to the Common Area, and in accordance with the Articles of Incorporation and the Declaration, the Association shall have the

right to contract with any person for the performance of various duties and functions. Such agreements shall require the consent of a majority of the total number of directors of the Association.

Section 3.18 **Enforcement.** The Board shall have the power to impose reasonable fines (which shall not exceed Five Hundred And No/100 Dollars (\$500.00) per occurrence), which shall constitute a lien upon the Lot of the violating Owner as provided in Article IV of the Declaration, and to suspend an Owner's right to vote or any person's right to use the Common Area for violation of any duty, covenant, restriction or obligation imposed under the Declaration, these By-Laws, or any rules and regulations duly adopted by the Association's Board of Directors. If any occupant, guest or invitee of a Lot violates the Declaration, By-Laws, or a rule or regulation adopted by the Board of Directors of the Association, and a fine is imposed, the fine shall first be assessed against the occupant; provided, however, if the fine is not paid by such occupant, guest or invitee within the time period designated by the Board, the Owner shall pay the fine upon demand from the Association. The failure of the Board to enforce any provision of the Declaration, By-Laws, or any rule or regulation duly adopted by the Board of Directors of the Association shall not be a waiver of the right of the Board to do so thereafter.

(a) **Notice.** Prior to the imposition of any sanction hereunder, the Board or its delegate shall serve the alleged violator with written notice (the "Notice of Violation") setting forth the following:

- (i) Describe the nature, description and location of the alleged violation and notification that if the violation is corrected within fifteen (15) days from the date of the Notice of Violation, no further action will be taken;
- (ii) Notification that if the violation is not corrected or eliminated within fifteen (15) days from the date of the Notice of Violation, a fine may be imposed and that any attorneys' fees incurred by the Association in eliminating or abating the violation will be charged to the violator's account;
- (iii) The recipient must cease all work which has been deemed a violation and, within fifteen (15) days from the date of the Notice of Violation, must submit the plans and specifications for any such work to the ACC for approval;
- (iv) Failure to cease work which is the subject of the Notice of Violation shall permit the Association to pursue any one or more of the remedies available by law, under the Declaration or these By-Laws; and
- (v) The Notice of Violation shall be sent to the violator by certified mail, return receipt requested, and shall advise the violator that he or she has the right to request a hearing on

or before the thirtieth (30<sup>th</sup>) day after the date the violator receives the Notice of Violation. The hearing, if one is requested in a timely manner, will be held before the Covenants Committee (defined below, if appointed by the Board) or the Board of Directors. In the event a Covenants Committee has been appointed by the Board of Directors, the Notice of Violation shall also advise the violator that the Covenants Committee's decision may be appealed to the Board of Directors by written notice of appeal as set forth below.

(b) **Hearing.** If a written request for hearing is received by the manager, if any, President or Secretary of the Association on or before the thirtieth (30<sup>th</sup>) day after the date the violator receives the Notice of Violation, the Covenants Committee, if one is appointed, or the Board of Directors, shall hold a hearing not later than the thirtieth (30<sup>th</sup>) day after the date of receipt of the written request for hearing. The Covenants Committee or the Board of Directors, as appropriate, shall notify the violator of the date, time and place of the hearing not later than the tenth (10<sup>th</sup>) day before the date of the hearing. Any notice requirements set forth herein shall be satisfied if a copy of the Notice of Violation, with a statement as to the date and method of delivery, is entered in the minutes of the meeting or, alternatively, if the alleged violator appears at the hearing. The Covenants Committee, the Board or the violator may request a postponement and, if requested, a postponement shall be granted for a period of not more than ten (10) days. Additional postponements may be granted by agreement of the parties. The violator's presence is not required to hold a hearing.

(c) **Appeal.** In the event a hearing has been conducted before the Covenants Committee, the violator shall have the right to appeal the decision to the Board of Directors. In order to perfect this right, a written notice of appeal must be received by the manager, if any, President or Secretary of the Association within ten (10) days after the day written notice of the Covenants Committee's decision is sent to the violator.

(d) **Repeated Violation of the Same Provision of the Declaration, Bylaws or Rules and Regulations of the Association.** Whenever an Owner or occupant, who has previously cured or eliminated a violation after receipt of a Notice of Violation, commits a separate violation of the same provision of the Declaration, By-Laws or rules and regulations of the Association within six (6) months from the date of the first Notice of Violation, the Board shall reinstate the violation and pursue the procedures set forth herein as if the violation had never been cured or eliminated. For purposes of illustration only, in the event an Owner or occupant has cured a violation after having received a Notice of Violation, the second violation of the same provision shall prompt the Board to send notice to the Owner or occupant that a violation fine has been imposed.

(e) **Enforcement Policy.** The Association has adopted an enforcement policy which reiterates much of the above provisions. The Enforcement Policy shall govern the procedure for enforcement of the covenants, restrictions, conditions, and rules of the Association and, in event of conflict with the provisions of this Section 3.18, the provisions of the Enforcement Policy shall govern. The Enforcement Policy may be modified from time to time

by the Board as it may deem necessary for the betterment of the governance of the Association or to comply with changes in applicable law.

Section 3.19 **Additional Enforcement Rights.** The Association, acting through the Board, may elect to enforce any provision of the Declaration, these By-Laws, or the rules and regulations of the Association by self-help or by suit at law or in equity to enjoin any violation or to recover monetary damages or both or an action to foreclose the lien against any Lot without the necessity of compliance with the procedure set forth above. In any such action, to the maximum extent permissible, the Owner or occupant responsible for the violation of which abatement is sought shall pay all costs, including reasonable attorneys' fees and expenses actually incurred.

#### **ARTICLE 4** **OFFICERS**

Section 4.1 **Officers.** The officers of the Association shall be a President, Vice President, Secretary, and Treasurer, to be elected from among the members of the Board. The Board may appoint such other officers, including one or more Assistant Secretaries and one or more Assistant Treasurers, as it shall deem desirable, such officers to have the authority and perform the duties prescribed from time to time by the Board. Any two (2) or more offices may be held by the same person, except the offices of President and Secretary.

Section 4.2 **Election, Term of Office, and Vacancies.** The officers of the Association shall be elected annually by the Board at the first meeting of the Board following each annual meeting of the Voting Members. A vacancy in any office arising because of death, resignation, removal, or otherwise may be filled by the Board for the unexpired portion of the term.

Section 4.3 **Removal.** Any officer may be removed by majority vote of the Board whenever, in the Board's judgment, the best interests of the Association shall be served thereby.

Section 4.4 **Powers and Duties.** The officers of the Association shall each have such powers and duties as generally associated with their respective offices, as well as such powers and duties as may from time to time specifically be conferred or imposed by the Board. The President shall be the chief executive officer of the Association. The Treasurer shall have primary responsibility for the preparation of the budget and reports as provided for herein and may delegate all or part of the preparation and notification duties to a finance committee, management agent, or both.

Section 4.5 **Resignation.** Any officer may resign at any time by giving written notice to the Board, the President, or the Secretary. Such resignation shall take effect on the date of the receipt of such notice or at any later time specified therein, and unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective.

Section 4.6 **Agreements, Contracts, Deeds, Leases, Checks, Etc.** All agreements, contracts, deeds, leases, checks, and other instruments of the Association shall be executed by at

least two (2) officers or by such other person or persons as may be designated by resolution of the Board.

## **ARTICLE 5** **COMMITTEES**

Section 5.1 **General**. The Board is authorized to establish committees to perform such tasks and to serve for such periods as may be designated by a resolution adopted by a majority of the directors present at a meeting at which a quorum is present. Each committee established by the Board shall operate in accordance with the terms of the resolution of the Board designating the committee and such rules as are adopted by the Board.

Section 5.2 **Covenants Committee**. The Board may appoint a "**Covenants Committee**" consisting of at least five (5) and no more than seven (7) Voting Members, who shall be appointed to serve a term of one (1) year and may, in the discretion of the Board, be appointed for any number of consecutive terms of one (1) year each. Acting in accordance with the provisions of the Declaration, these By-Laws, and resolutions the Board may adopt, the Covenants Committee, if established, shall be the hearing tribunal of the Association and shall conduct all hearings held pursuant to Section 3.18. As long as the Declarant appoints the members of the Architectural Review Committee under the Declaration it shall also appoint the members to the Covenants Committee.

## **ARTICLE 6** **MISCELLANEOUS**

Section 6.1 **Fiscal Year**. The fiscal year of the Association shall be set by resolution of the Board. In the absence of a resolution, the fiscal year shall be equal to the calendar year.

Section 6.2 **Parliamentary Rules**. Except as may be modified by Board resolution, *Robert's Rules of Order* (current edition) shall govern the conduct of Association proceedings when not in conflict with Texas law, the Articles of Incorporation, the Declaration, or these By-Laws.

Section 6.3 **Conflicts**. If there are conflicts between the provisions of Texas law, the Articles of Incorporation, the Declaration, and/or these By-Laws, then the provisions of Texas law, the Declaration, the Articles of Incorporation, and the By-Laws (in that order) shall prevail.

Section 6.4 **Books and Records**.

(a) **Inspection by Members and Mortgagees**. The Declaration, By-Laws, Articles of Incorporation, any amendments to the foregoing, the rules and regulations of the Association, the membership register, books of account, and the minutes of meetings of the members, the Board, and committees shall be made available for inspection and copying by any Owner, or any holder, insurer or guarantor of a first mortgage on a Lot at any reasonable time during reasonable business hours and for a purpose reasonably related to his or her interest in the Lot at the office of the Association or at such other place within the Property as the Board shall

prescribe. Any such request must be in writing and shall state the purpose for which the inspection is requested. The Board may impose a reasonable fee for costs of copying any such information, which shall be payable in advance.

(b) **Rules for Inspection.** The Board shall establish reasonable rules with respect to: (1) notice to be given to the custodian of the records; (2) hours and days of the week when such an inspection may be made; and (3) payment of the cost of reproducing copies of documents requested. An effort will be made to protect the privacy of members against invasion by such requests insofar as is allowed by Texas law.

(c) **Inspection by Directors.** Every director shall have the absolute right at any reasonable time to inspect all books, records, and documents of the Association and the physical properties owned or controlled by the Association. The right of inspection by a director includes the right to make extracts and a copy of relevant documents at the reasonable expense of the Association.

Section 6.5 **Notices.** Unless otherwise provided in these By-Laws, all notices, demands, bills, statements, or other communications under these By-Laws shall be in writing and shall be deemed to have been duly given if delivered personally or if sent by United States Mail, first class postage prepaid:

(a) if to a member or Voting Member, at the address which the member or Voting Member has designated in writing and filed with the Secretary or, if no such address has been designated, at the address of the Lot of such member or Voting Member; or

(b) if to the Association, the Board, or the managing agent, at the principal office of the Association or the managing agent, if any, or at such other address as shall be designated by notice in writing to the members pursuant to this Section.

Notices may also be given by facsimile transmission or electronic mail and shall be deemed delivered when actually received.

Section 6.6 **Amendment.** The Declaration may only be amended pursuant to the provisions thereof. Except as otherwise specifically provided above and elsewhere in these By-Laws, these By-Laws may be amended only by the affirmative vote or written consent, or combination thereof, of Voting Members representing fifty-one (51%) of the total votes of those members present, in person or by proxy, at a duly convened meeting of the Members of the Association at which a quorum is in attendance. Notwithstanding the above, the percentage of votes or other approval necessary to amend a specific clause shall not be less than the prescribed percentage of affirmative votes or other approval required for action to be taken under that clause. In addition, so long as the Class B membership provided for in Section 3.03(b) of the Declaration exists, Declarant may determine whether any amendment to these By-Laws shall require the prior written approval of HUD or VA or any other lender or authority. If an Owner consents to an amendment to these By-Laws, it will be conclusively presumed that such Owner has the authority to so consent and no contrary provision in any mortgage or contract between Owner and a third party will affect the validity of such amendment.

Section 6.7 **Legal Authorities Governing Construction of Bylaws.** The Bylaws shall be construed in accordance with the laws of the State of Texas. All references in the Bylaws of statutes, regulations, or other sources of legal authority shall refer to the authorities cited, or their successors, as they may be amended from time to time.

Section 6.8 **Legal Construction.** If any Bylaw provision is held to be invalid, illegal, or unenforceable in any respect, the invalidity, illegality, or unenforceability shall not affect any other provision and the Bylaws shall be construed as if the invalid, illegal, or unenforceable provision had not been included in the Bylaws.

Section 6.9 **Headings.** The headings used in the Bylaws are used for convenience and shall not be considered in construing the terms of the Bylaws.

Section 6.10 **Gender.** Wherever the context requires, all words in the Bylaws in the male gender shall be deemed to include the female or neuter gender, all singular words shall include the plural, and all plural words shall include the singular.

Section 6.11 **Power of Attorney.** A person may execute any instrument related to the Corporation by means of a power of attorney if an original executed copy of the power of attorney is provided to the secretary of the Corporation to be kept with the Corporation records.

Section. **Parties Bound.** The Bylaws shall be binding upon and inure to the benefit of the directors, officers, committee members, employees and agents of the Corporation and their respective heirs, executors, administrators, legal representatives, successors, and assigns except as otherwise provided in the Bylaws.

Executed to be effective the \_\_\_ day of \_\_\_\_\_, 2006.

\_\_\_\_\_  
Paul Cheng, Director

\_\_\_\_\_  
Alice Wong, Director

\_\_\_\_\_  
Marsha Rodriguez, Director



\*\*\*

I certify that the foregoing is a true and correct copy of the Bylaws of Lavon Grand Heritage Homeowners Association, Inc. adopted by the Directors of said corporation on the 15<sup>th</sup> day of May, 2006

  
\_\_\_\_\_  
Alice Wong, Secretary

**ACKNOWLEDGMENT**

STATE OF TEXAS

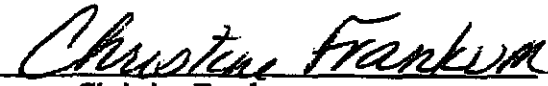
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§  
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COUNTY OF COLLIN

BEFORE ME, the undersigned authority, on this day personally appeared Alice Wong, Secretary of Lavon Grand Homeowners Association, Inc., known to me to be the person whose name is subscribed to the foregoing instrument and acknowledged to me that (s)he executed the same for the purposes and consideration therein expressed on behalf of said corporation.

SUBSCRIBED AND SWORN TO BEFORE ME on this 16th day of July, 2008.



  
Christine Frankum  
Notary Public  
State of Texas  
My Commission Expires: 10-5-08

AFTER RECORDING RETURN TO:

Christine Frankum  
American HOA Management  
2745 N. Dallas Parkway, Suite 600A  
Plano, TX 75093

Filed and Recorded  
Official Public Records  
Stacey Kemp, County Clerk  
Collin County, TEXAS  
09/02/2008 03:33:50 PM  
\$78.00 BPETERSON  
20080902001061000





**EXHIBIT "C"**

**LEGAL DESCRIPTION OF THE PROPERTY**

**PROPERTY DESCRIPTION-WEST A – GRAND HERITAGE CLUB**

**ALL OF GRAND HERITAGE CLUB, AN ADDITION TO THE CITY OF LAVON, COLLIN COUNTY, TEXAS, ACCORDING TO THE PLAT RECORDED IN CABINET 2006 PAGES 211 AND 212 OFFICIAL PUBLIC RECORDS, COLLIN COUNTY, TEXAS**

EXHIBIT "C"

PROPERTY DESCRIPTION-WEST B

BEING A 105.568 ACRE TRACT OF LAND SITUATED IN THE BOHANNON SURVEY, ABSTRACT NO. 121, AND THE D. ANGLIN SURVEY, ABSTRACT NO. 2, COLLIN COUNTY, TEXAS IN THE CITY OF LAVON AND BEING A PORTION OF A TRACT OF LAND DESCRIBED IN DEED TO ROBERT BROWN McGAUGHEY, RECORDED IN VOLUME 211, PAGE 215 OF THE DEED RECORDS OF COLLIN COUNTY, TEXAS (D.R.C.C.T.) BASIS OF BEARINGS FOR THIS SURVEY IS GEODETIC NORTH, SAID 105.568 ACRE TRACT BEING MORE PARTICULARLY DESCRIBED BY METES AND BOUNDS AS FOLLOWS:

BEGINNING AT A P.K. NAIL SET AT THE INTERSECTION OF THE APPROXIMATE CENTER LINE OF COUNTY ROAD NO. 484 (RAY SMITH ROAD, A VARIABLE WIDTH PRESCRIPTIVE R.O.W.), AND THE SOUTH RIGHT-OF-WAY (R.O.W.) LINE OF STATE HIGHWAY NO. 78, SAID POINT BEING THE EAST LINE OF SAID McGAUGHEY TRACT AND THE COMMON WEST LINE OF A TRACT OF LAND DESCRIBED IN DEED TO MALCOLM GEREN, RECORDED IN VOLUME 362, PAGE 10, D.R.C.C.T.;

THENCE SOUTH 00 DEGREES 08 MINUTES 31 SECONDS WEST, ALONG THE APPROXIMATE CENTER LINE OF SAID COUNTY ROAD NO. 484 AND THE EAST LINE OF SAID McGAUGHEY TRACT, A DISTANCE OF 1694.96 FEET TO A 5/8" IRON ROD WITH YELLOW PLASTIC CAP STAMPED "CARTER BURGESS" SET FOR THE SOUTHEAST CORNER OF SAID McGAUGHEY TRACT;

THENCE NORTH 89 DEGREES 51 MINUTES 29 SECONDS WEST, ALONG THE APPROXIMATE CENTER LINE OF SAID COUNTY ROAD NO. 484, AND THE SOUTH LINE OF SAID McGAUGHEY TRACT A DISTANCE OF 644.07 FEET TO A 5/8" IRON ROD WITH YELLOW PLASTIC CAP STAMPED "HCE" FOUND FOR THE SOUTHEAST CORNER OF A TRACT OF LAND DESCRIBED IN DEED TO NORTH TEXAS MUNICIPAL WATER DISTRICT ("N.T.M.W.D."), RECORDED IN VOLUME 3078, PAGE 601, D.R.C.C.T., IN THE NORTH LINE OF A TRACT OF LAND DESCRIBED IN DEED TO LAVON WINDMILL ESTATES, RECORDED IN VOLUME 4959, PAGE 2938, D.R.C.C.T.

THENCE NORTH 00 DEGREES 08 MINUTES 31 SECONDS EAST, ALONG THE WEST LINE OF SAID N.T.M.W.D. TRACT, A DISTANCE OF 450.00 FEET TO A 5/8" IRON ROD WITH YELLOW PLASTIC CAP STAMPED "CARTER BURGESS" SET FOR THE NORTHEAST CORNER OF SAID N.T.M.W.D. TRACT;

THENCE NORTH 89 DEGREES 51 MINUTES 29 SECONDS WEST, ALONG THE NORTH LINE OF SAID N.T.M.W.D. TRACT, A DISTANCE OF 553.17 FEET TO A 5/8" IRON ROD WITH YELLOW PLASTIC CAP STAMPED "CARTER BURGESS" SET FOR THE NORTHWEST CORNER OF SAID N.T.M.W.D. TRACT;

THENCE SOUTH 00 DEGREES 08 MINUTES 31 SECONDS WEST, A DISTANCE OF 341.90 FEET TO A 5/8" IRON ROD WITH YELLOW PLASTIC CAP STAMPED "CARTER BURGESS" SET FOR THE CORNER IN THE SOUTH LINE OF SAID McGAUGHEY TRACT, SAID POINT BEING SOUTH 00 DEGREES 08 MINUTES 31 SECONDS WEST, A DISTANCE OF 108.10 FEET FROM A 5/8" IRON ROD WITH YELLOW PLASTIC CAP STAMPED "HCE" FOUND FOR THE SOUTHWEST CORNER OF SAID N.T.M.W.D. TRACT;

THENCE SOUTH 89 DEGREES 23 MINUTES 05 SECONDS WEST, ALONG THE SOUTH LINE OF SAID McGAUGHEY TRACT, PASSING AT A DISTANCE OF 5.57 FEET A FENCE POST FOUND FOR THE NORTHEAST CORNER OF A TRACT OF LAND DESCRIBED IN DEED TO CHARLES STANLEY, RECORDED IN VOLUME 755, PAGE 47, D.R.C.C.T., CONTINUING ALONG THE SOUTH LINE OF SAID McGAUGHEY TRACT AND THE COMMON NORTH LINE OF SAID STANLEY TRACT, PASSING AT A DISTANCE OF 1314.06 FEET A 3/8" IRON ROD FOUND FOR THE NORTHWEST CORNER OF SAID STANLEY TRACT AND THE COMMON NORTHEAST CORNER OF A TRACT OF LAND DESCRIBED IN DEED TO D. P. BROWN, RECORDED IN VOLUME 341, PAGE 638, D.R.C.C.T., CONTINUING ALONG THE SOUTH LINE OF SAID McGAUGHEY TRACT AND THE COMMON NORTH LINE OF SAID BROWN TRACT, A TOTAL DISTANCE OF 2044.85 FEET TO A 5/8" IRON ROD WITH YELLOW PLASTIC CAP STAMPED "CARTER BURGESS" SET IN THE EAST R.O.W. LINE OF STATE HIGHWAY NO. 205, SAID

POINT BEING NORTH 01 DEGREES 13 MINUTES 03 SECONDS EAST, A DISTANCE OF 47.81 FEET FROM A CONCRETE MONUMENT FOUND;

THENCE NORTH 01 DEGREES 13 MINUTES 03 SECONDS EAST ALONG THE EAST R.O.W. LINE OF SAID STATE HIGHWAY NO. 205 A DISTANCE OF 655.15 FEET TO A 5/8" IRON ROD WITH YELLOW PLASTIC CAP STAMPED "CARTER BURGESS" SET FOR CORNER;

THENCE OVER AND ACROSS SAID McGAUGHEY TRACT THE FOLLOWING COURSES AND DISTANCES:

SOUTH 88 DEGREES 46 MINUTES 57 SECONDS EAST, A DISTANCE OF 350.00 FEET TO A 5/8" IRON ROD WITH YELLOW PLASTIC CAP STAMPED "CARTER BURGESS" SET FOR CORNER;

NORTH 01 DEGREES 13 MINUTES 03 SECONDS EAST, A DISTANCE OF 600.00 FEET TO A 5/8" IRON ROD WITH YELLOW PLASTIC CAP STAMPED "CARTER BURGESS" SET FOR CORNER IN THE SOUTH LINE OF A TRACT OF LAND DESCRIBED IN DEED TO HWY NO. 205/78 L.P., RECORDED IN COUNTY CLERK'S FILE NO. 2000-0103656 D.R.C.C.T.;

THENCE SOUTH 89 DEGREES 33 MINUTES 54 SECONDS EAST, ALONG THE SOUTH LINE OF SAID HWY NO 205/78 L.P. TRACT PASSING AT A DISTANCE OF 90.49 FEET A 1/2" IRON ROD FOUND FOR THE SOUTHEAST CORNER OF SAID HWY NO 205/78 L.P. TRACT CONTINUING OVER AND ACROSS SAID McGAUGHEY TRACT A TOTAL DISTANCE OF 405.51 FEET TO A 5/8" IRON ROD WITH YELLOW PLASTIC CAP STAMPED "CARTER BURGESS" SET FOR CORNER;

THENCE NORTH 01 DEGREES 28 MINUTES 04 SECONDS EAST, CONTINUING OVER AND ACROSS SAID McGAUGHEY TRACT A DISTANCE OF 413.49 FEET TO A 5/8" IRON ROD WITH YELLOW PLASTIC CAP STAMPED "CARTER BURGESS" SET IN THE SOUTH R.O.W. LINE OF SAID HIGHWAY NO. 78 FROM WHICH A 1/4" IRON ROD FOUND OF THE NORTHEAST CORNER OF SAID HWY 205/78 L.P. TRACT BEARS NORTH 88 DEGREES 47 MINUTES 20 SECONDS WEST A DISTANCE OF 315.00 FEET;

THENCE SOUTH 88 DEGREES 47 MINUTES 20 SECONDS EAST, ALONG THE SOUTH R.O.W. LINE OF SAID STATE HIGHWAY NO. 78, PASSING AT A DISTANCE OF 1251.07 FEET A CONCRETE MONUMENT FOUND, CONTINUING ALONG THE SOUTH R.O.W. LINE OF SAID STATE HIGHWAY NO. 78, PASSING AT A DISTANCE OF 2262.33 FEET A CONCRETE MONUMENT FOUND, CONTINUING ALONG THE SOUTH R.O.W. LINE OF SAID STATE HIGHWAY NO. 78 AT TOTAL DISTANCE OF 2453.77 FEET TO THE POINT OF BEGINNING AND CONTAINING 105.568 ACRES OF LAND, MORE OR LESS.

EXHIBIT "C"

PROPERTY DESCRIPTION-WEST C

BEING A 55.171 ACRE TRACT OF LAND SITUATED IN THE W.S. BOHANNON SURVEY, ABSTRACT NO. 121, IN THE CITY OF LAVON, COLLIN COUNTY, TEXAS AND BEING A PORTION OF A TRACT OF LAND DESCRIBED IN DEED TO D.P. BROWN, RECORDED IN VOLUME 226, PAGE 175 OF THE DEED RECORDS OF COLLIN COUNTY, TEXAS (D.R.C.C.T.) BASIS OF BEARINGS FOR THIS SURVEY IS GEODETIC NORTH. SAID 55.171 ACRE TRACT BEING MORE PARTICULARLY DESCRIBED BY METES AND BOUNDS AS FOLLOWS:

BEGINNING AT 5/8" IRON ROD WITH YELLOW PLASTIC CAP STAMPED "CARTER & BURGESS" SET IN THE SOUTH LINE OF SAID BROWN TRACT AND THE COMMON NORTH LINE OF A TRACT OF LAND DESCRIBED IN DEED TO BETTY BOYD SKELTON RECORDED IN COUNTY CLERKS FILE NO. 2001-0111458, D.R.C.C.T. FROM WHICH A 3/8" IRON ROD FOUND IN THE SOUTH LINE OF SAID BROWN TRACT, AT THE NORTHEAST CORNER OF SAID BETTY BOYD SKELTON TRACT AND IN THE WEST RIGHT-OF-WAY (R.O.W.) LINE OF STATE HIGHWAY NO. 205 (100' R.O.W.) BEARS SOUTH 88 DEGREES 17 MINUTES 02 SECONDS EAST, A DISTANCE OF 200.00 FEET;

THENCE NORTH 88 DEGREES 17 MINUTES 02 SECONDS WEST, ALONG THE SOUTH LINE OF SAID BROWN TRACT AND THE COMMON NORTH LINE OF SAID SKELTON TRACT A DISTANCE OF 1120.95 FEET TO A WOODEN FENCE CORNER POST FOUND FOR THE SOUTHWEST CORNER OF SAID BROWN TRACT;

THENCE NORTH 00 DEGREES 28 MINUTES 03 SECONDS EAST, PASSING AT A DISTANCE OF 9.46 FEET A FENCE CORNER FOUND FOR THE SOUTHEAST CORNER OF A TRACT OF LAND DESCRIBED IN DEED TO JAMES E. POTTER RECORDED IN VOLUME 2363, PAGE 963, D.R.C.C.T., CONTINUING ALONG THE WEST LINE OF SAID BROWN TRACT AND THE COMMON EAST LINE OF SAID POTTER TRACT A DISTANCE OF 1812.76 FEET TO A 5/8" IRON ROD WITH YELLOW PLASTIC CAP STAMPED "CARTER & BURGESS" SET IN THE SOUTH R.O.W. LINE OF STATE HIGHWAY NO. 78 (120' R.O.W.) BEARS NORTH 00 DEGREES 28 MINUTES 03 SECONDS EAST A DISTANCE OF 220.95 FEET, AND A 1/2" IRON ROD FOUND IN THE NORTH R.O.W. LINE OF SAID STATE HIGHWAY NO. 78 BEARS NORTH 00 DEGREES 28 MINUTES 03 SECONDS EAST A DISTANCE OF 341.39 FEET;

THENCE OVER AND ACROSS SAID BROWN TRACT THE FOLLOWING COURSES AND DISTANCES:

NORTH 84 DEGREES 14 MINUTES 47 SECONDS EAST, A DISTANCE OF 235.35 FEET TO A 5/8" IRON ROD WITH YELLOW PLASTIC CAP STAMPED "CARTER & BURGESS" SET FOR CORNER;

NORTH 00 DEGREES 46 MINUTES 02 SECONDS WEST, A DISTANCE OF 220.48 FEET TO A 5/8" IRON ROD WITH YELLOW PLASTIC CAP STAMPED "CARTER & BURGESS" SET FOR CORNER IN THE SOUTH R.O.W. LINE OF STATE HIGHWAY NO. 78 (120' R.O.W.)

THENCE NORTH 84 DEGREES 14 MINUTES 47 SECONDS EAST, ALONG THE SOUTH R.O.W. LINE OF SAID STATE HIGHWAY NO. 78, A DISTANCE OF 500.00 FEET TO A 5/8" IRON ROD WITH YELLOW PLASTIC CAP STAMPED "CARTER & BURGESS" SET FOR CORNER FROM WHICH A WOODEN HIGHWAY MONUMENT FOUND BEARS NORTH 84 DEGREES 14 MINUTES 47 SECONDS EAST, A DISTANCE OF 362.61 FEET;

THENCE OVER AND ACROSS SAID BROWN TRACT THE FOLLOWING COURSES AND DISTANCES:

SOUTH 00 DEGREES 46 MINUTES 02 SECONDS EAST, A DISTANCE OF 220.48 FEET TO A 5/8" IRON ROD WITH YELLOW PLASTIC CAP STAMPED "CARTER & BURGESS" SET FOR CORNER;

NORTH 84 DEGREES 14 MINUTES 47 SECONDS EAST, A DISTANCE OF 400.03 FEET TO A ½" IRON ROD WITH PLASTIC CAP STAMPED "RSCI" FOUND AT THE SOUTHWEST CORNER OF A TRACT OF LAND DESCRIBED IN DEED TO JOE R. DUNCAN RECORDED IN COUNTY CLERKS FILE NO. 2002-0037396 D.R.C.C.T., FROM WHICH A ½" IRON ROD WITH PLASTIC CAP STAMPED "RSCI" FOUND FOR THE NORTHWEST CORNER OF SAID DUNCAN TRACT BEARS NORTH 00 DEGREES 46 MINUTES 02 SECONDS WEST, A DISTANCE OF 210.56 FEET AND A PK NAIL SET IN THE SOUTH R.O.W. LINE OF SAID STATE HIGHWAY NO. 78 BEARS NORTH 00 DEGREES 46 MINUTES 02 SECONDS WEST A DISTANCE OF 220.10 FEET;

THENCE SOUTH 88 DEGREES 36 MINUTES 33 SECONDS EAST, ALONG THE SOUTH LINE OF SAID JOE R. DUNCAN TRACT, A DISTANCE OF 39.26 FEET TO A 5/8" IRON ROD WITH YELLOW PLASTIC CAP STAMPED "CARTER & BURGESS" SET FOR CORNER FROM WHICH A ½" IRON ROD STAMPED "RSCI" FOUND AT THE SOUTHEAST CORNER OF SAID JOE R. DUNCAN TRACT IN THE WEST R.O.W. LINE OF SAID STATE HIGHWAY NO. 205 BEARS SOUTH 88 DEGREES 36 MINUTES 33 SECONDS EAST, A DISTANCE OF 200.74 FEET;

THENCE OVER AND ACROSS SAID BROWN TRACT THE FOLLOWING COURSES AND DISTANCES:

SOUTH 01 DEGREES 13 MINUTES 03 SECONDS WEST, A DISTANCE OF 641.34 FEET TO A 5/8" IRON ROD WITH YELLOW PLASTIC CAP STAMPED "CARTER & BURGESS" SET FOR CORNER;

SOUTH 88 DEGREES 46 MINUTES 57 SECONDS EAST, A DISTANCE OF 200.00 FEET TO A 5/8" IRON ROD WITH YELLOW PLASTIC CAP STAMPED "CARTER & BURGESS" SET FOR CORNER IN THE EAST LINE OF SAID BROWN TRACT AND THE COMMON WEST R.O.W LINE OF SAID STATE HIGHWAY NO. 205 FROM WHICH SAID 1/2" IRON ROD STAMPED "RSCI" FOUND AT THE SOUTHEAST CORNER OF SAID JOE R. DUNCAN TRACT BEARS NORTH 01 DEGREES 13 MINUTES 03 SECONDS EAST, A DISTANCE OF 640.74 FEET;

THENCE SOUTH 01 DEGREES 13 MINUTES 03 SECONDS WEST, ALONG THE EAST LINE OF SAID BROWN TRACT AND THE COMMON WEST LINE OF STATE HIGHWAY NO. 205, A DISTANCE OF 600.00 FEET TO A 5/8" IRON ROD WITH YELLOW PLASTIC CAP STAMPED "CARTER & BURGESS" SET FOR CORNER FROM WHICH A CONCRETE MONUMENT FOUND FOR CORNER IN THE EAST LINE OF SAID BROWN TRACT AND THE COMMON WEST R.O.W. LINE OF STATE HIGHWAY NO. 205 BEARS SOUTH 01 DEGREES 13 MINUTES 03 SECONDS WEST, A DISTANCE OF 225.19 FEET;

THENCE OVER AND ACROSS SAID BROWN TRACT THE FOLLOWING COURSES AND DISTANCES:

NORTH 88 DEGREES 46 MINUTES 57 SECONDS WEST, A DISTANCE OF 200.00 FEET TO A 5/8" IRON ROD WITH YELLOW PLASTIC CAP STAMPED "CARTER & BURGESS" SET FOR CORNER;

SOUTH 02 DEGREES 56 MINUTES 28 SECONDS WEST, A DISTANCE OF 719.02 FEET TO THE POINT OF BEGINNING AND CONTAINING 55.171 ACRES OR 2,403,248 SQ. FT. OF LAND.

EXHIBIT "C"

PROPERTY DESCRIPTION-WEST D

BEING A 32.116 ACRE TRACT OF LAND SITUATED IN THE DRURY ANGLIN SURVEY, ABSTRACT NO. 2-3, COLLIN COUNTY, TEXAS AND BEING ALL OF A TRACT OF LAND DESCRIBED AS TRACT 2 IN DEED CONVEYED TO LAVON REALTY PARTNERS, LTD., RECORDED IN VOLUME 5298, PAGE 4958, DEED RECORDS, COLLIN COUNTY, TEXAS (D.R.C.C.T.), SAID 35.116 ACRE TRACT OF LAND BEING MORE PARTICULARLY DESCRIBED BY METES AND BOUNDS AS FOLLOWS:

BEGINNING AT A 5/8 INCH IRON ROD FOUND FOR THE NORTHWEST CORNER OF SAID TRACT 2 SAME POINT BEING AT THE SOUTHWEST CORNER OF A TRACT OF LAND CONVEYED TO NORTH TEXAS MUNICIPAL WATER DISTRICT, RECORDED IN VOLUME 3078, PAGE 604 D.R.C.C.T. AND IN THE EAST LINE OF A TRACT OF LAND DESCRIBED IN DEED TO CHARLES STANLEY, RECORDED IN VOLUME 775, PAGE 47 D.R.C.C.T.;

THENCE S 89 DEGREES 51 MINUTES 28 SECONDS E, ALONG THE NORTH LINE OF SAID TRACT 2, AND THE COMMON SOUTH LINE OF SAID NORTH TEXAS MUNICIPAL WATER DISTRICT TRACT AND GENERALLY ALONG THE CENTER OF COUNTY ROAD NO. 484 (RAY SMITH ROAD-A VARIABLE WIDTH PRESCRIPTIVE R.O.W.), A DISTANCE OF 553.19 FEET TO A 5/8 INCH IRON ROD FOUND AT THE SOUTHEAST CORNER OF SAID NORTH TEXAS MUNICIPAL WATER DISTRICT TRACT AND AT AN ANGLE POINT IN THE SOUTH LINE OF A TRACT OF LAND CONVEYED TO BEAR CREEK COMMERCIAL PROPERTIES, L.P., RECORDED IN VOLUME 5376, PAGE 5572 D.R.C.C.T.;

THENCE S 89 DEGREES 25 MINUTES 32 SECONDS E, CONTINUING ALONG THE NORTH LINE OF SAID TRACT 2 AND THE COMMON SOUTH LINE OF SAID BEAR CREEK COMMERCIAL PROPERTIES, L.P., TRACT AND GENERALLY ALONG THE CENTER OF SAID COUNTY ROAD NO. 484, A DISTANCE OF 116.44 FEET TO A POINT FOR CORNER TO A 5/8 INCH IRON ROD FOUND CAPPED "H.G.E." AT THE NORTHEAST CORNER OF SAID TRACT 2 AND THE COMMON NORTHWEST CORNER OF A TRACT OF LAND CONVEYED TO JOHN A. SVENSON AND CHARLES O. SVENSON RECORDED IN VOLUME 3254, PAGE 256, AND VOLUME 3254, PAGE 258 D.R.C.C.T.;

THENCE S 00 DEGREES 46 MINUTES 12 SECONDS W, ALONG THE EAST LINE OF SAID TRACT 2 AND THE COMMON WEST LINE OF SAID SVENSON TRACT, A DISTANCE OF 2051.67 FEET TO A 5/8 INCH IRON ROD WITH YELLOW PLASTIC CAP STAMPED "CARTER & BURGESS" SET AT THE SOUTHEAST CORNER OF SAID TRACT 2 IN THE CENTER OF BEAR CREEK AND IN THE NORTH LINE OF A TRACT OF LAND CONVEYED TO JOHN DAVID SANDERS, RECORDED IN VOLUME 4589, PAGE 1490 D.R.C.C.T.;

THENCE CONTINUING ALONG THE SOUTH LINE OF SAID TRACT 2 AND THE COMMON NORTH LINE OF SAID JOHN DAVID SANDERS TRACT AND THE CENTER OF BEAR CREEK THE FOLLOWING COURSES AND DISTANCES:

N 54 DEGREES 32 MINUTES 11 SECONDS W, A DISTANCE OF 69.19 FEET TO A 5/8 INCH IRON ROD WITH YELLOW PLASTIC CAP STAMPED "CARTER & BURGESS" SET FOR CORNER;

S 69 DEGREES 43 MINUTES 56 SECONDS W, A DISTANCE OF 447.06 FEET TO A 5/8 INCH IRON ROD WITH YELLOW PLASTIC CAP STAMPED "CARTER & BURGESS" SET FOR CORNER;

N 70 DEGREES 04 MINUTES 27 SECONDS W, A DISTANCE OF 200.24 FEET TO A 60D NAIL SET FOR THE SOUTHWEST CORNER OF SAID TRACT 2 AND IN THE EAST LINE OF A TRACT OF LAND CONVEYED TO ROBERT ALAN YORK, RECORDED IN VOLUME 2003, PAGE 941 D.R.C.C.T.;

THENCE ALONG THE WEST LINE OF SAID TRACT 2 AND GENERALLY ALONG SAID COUNTY ROAD NO. 484, THE FOLLOWING COURSES AND DISTANCES:

N 00 DEGREES 16 MINUTES 27 SECONDS E, A DISTANCE OF 221.19 FEET TO A 5/8 INCH IRON ROD WITH YELLOW PLASTIC CAP STAMPED "CARTER & BURGESS" SET FOR CORNER;

N 00 DEGREES 44 MINUTES 55 SECONDS E, A DISTANCE OF 323.30 FEET TO A 1/2 INCH IRON ROD FOUND FOR CORNER;

N 00 DEGREES 51 MINUTES 51 SECONDS E, A DISTANCE OF 448.46 FEET TO A 1/2 INCH IRON ROD FOUND FOR CORNER;

N 00 DEGREES 16 MINUTES 24 SECONDS E, A DISTANCE OF 676.08 FEET TO A 5/8 INCH ROD FOUND FOR CORNER;

N 00 DEGREES 53 MINUTES 05 SECONDS E, A DISTANCE OF 431.62 FEET TO THE POINT OF BEGINNING, AND CONTAINING 32.116 ACRES OF LAND, MORE OR LESS.



EXHIBIT "C"

PROPERTY DESCRIPTION-WEST E

BEING A 28.643 ACRE TRACT OF LAND SITUATED IN THE DRURY ANGLIN SURVEY, ABSTRACT NO. 2-3, COLLIN COUNTY, TEXAS AND BEING A PORTION OF A 59.56 ACRE TRACT OF LAND CONVEYED TO LAVON REALTY PARTNERS, LTD., RECORDED IN VOLUME 5298, PAGE 4958, DEED RECORDS, COLLIN COUNTY, TEXAS (D.R.C.C.T.). SAID 28.643 ACRE TRACT OF LAND BEING MORE PARTICULARLY DESCRIBED BY METES AND BOUNDS AS FOLLOWS:

BEGINNING AT A 5/8 INCH IRON ROD WITH YELLOW PLASTIC CAP STAMPED "CARTER & BURGESS" SET FOR CORNER FOR THE SOUTHEAST CORNER OF WINDMILL ESTATES, RECORDED IN CABINET N, SLIDE 542 PLAT RECORDS OF COLLIN COUNTY, TX (P.R.C.C.T.) AND IN THE WEST LINE OF MUSTANG ESTATES, RECORDED IN CABINET S, SLIDE 1640 P.R.C.C.T.:

THENCE S 00 DEGREES 47 MINUTES 50 SECONDS W, ALONG THE EAST LINE OF SAID 59.56 ACRE TRACT AND THE COMMON WEST LINE OF SAID MUSTANG ESTATES AND THE COMMON WEST LINE OF A TRACT OF LAND CONVEYED TO KENNETH BLACK, RECORDED IN VOLUME 5153, PAGE 124 D.R.C.C.T, A DISTANCE OF 1541.93 FEET TO A 5/8 INCH IRON ROD WITH YELLOW PLASTIC CAP STAMPED "CARTER & BURGESS" SET FOR THE SOUTHEAST CORNER OF SAID 59.56 ACRE TRACT;

THENCE ALONG THE SOUTH LINE OF SAID 59.56 ACRE TRACT THE FOLLOWING COURSES AND DISTANCES:

S 81 DEGREES 06 MINUTES 33 SECONDS W, A DISTANCE OF 142.44 FEET TO A 5/8 INCH IRON ROD WITH YELLOW PLASTIC CAP STAMPED "CARTER & BURGESS" SET FOR CORNER;

S 77 DEGREES 46 MINUTES 33 SECONDS W, A DISTANCE OF 115.00 FEET TO A 5/8 INCH IRON ROD WITH YELLOW PLASTIC CAP STAMPED "CARTER & BURGESS" SET FOR CORNER;

S 65 DEGREES 46 MINUTES 33 SECONDS W, A DISTANCE OF 105.00 FEET TO A 5/8 INCH IRON ROD WITH YELLOW PLASTIC CAP STAMPED "CARTER & BURGESS" SET FOR CORNER;

S 68 DEGREES 56 MINUTES 33 SECONDS W, A DISTANCE OF 102.00 FEET TO A 5/8 INCH IRON ROD WITH YELLOW PLASTIC CAP STAMPED "CARTER & BURGESS" SET FOR CORNER;

S 73 DEGREES 46 MINUTES 33 SECONDS W, A DISTANCE OF 150.00 FEET TO A 5/8 INCH IRON ROD WITH YELLOW PLASTIC CAP STAMPED "CARTER & BURGESS" SET FOR CORNER;

S 63 DEGREES 46 MINUTES 33 SECONDS W, A DISTANCE OF 82.84 FEET TO A 5/8 INCH IRON ROD WITH YELLOW PLASTIC CAP STAMPED "CARTER & BURGESS" SET FOR CORNER;

S 52 DEGREES 56 MINUTES 33 SECONDS W, A DISTANCE OF 119.37 FEET TO A 5/8 INCH IRON ROD WITH YELLOW PLASTIC CAP STAMPED "CARTER & BURGESS" SET FOR THE SOUTHWEST CORNER OF SAID 59.56 ACRE TRACT AND IN THE EAST LINE OF A TRACT OF LAND CONVEYED TO JOHN A. SVENSON AND CHARLES O. SVENSON, RECORDED IN VOLUME 3254, PAGE 256 AND VOLUME 3254, PAGE 258 D.R.C.C.T.;

THENCE N 00 DEGREES 46 MINUTES 12 SECONDS E, ALONG THE WEST LINE OF SAID 59.56 ACRE TRACT AND THE COMMON EAST LINE OF SAID SVENSON TRACT, A DISTANCE OF 1832.05 FEET TO A 5/8 INCH IRON ROD WITH YELLOW PLASTIC CAP STAMPED "CARTER & BURGESS" SET FOR THE NORTHWEST CORNER OF SAID 59.56 ACRE TRACT AND THE COMMON NORTHEAST CORNER OF SAID SVENSON TRACT AND IN THE SOUTH RIGHT-OF-WAY (R.O.W.) LINE OF WINDMILL DRIVE (A 50 FOOT R.O.W.), RECORDED IN CABINET N, SLIDE 542 P.R.C.C.T., SAME BEING THE SOUTH LINE OF SAID WINDMILL ESTATES;

THENCE S 88 DEGREES 58 MINUTES 14 SECONDS E, ALONG THE SOUTH R.O.W. LINE OF SAID WINDMILL DRIVE AND THE SOUTH LINE OF SAID WINDMILL ESTATES, A DISTANCE OF 754.62 FEET TO THE POINT OF BEGINNING, AND CONTAINING 28.643 ACRES OF LAND, MORE OR LESS.

EXHIBIT "C"

PROPERTY DESCRIPTION- EAST A

WHEREAS WORLD LAND DEVELOPERS, L.P., LENNAR HOMES OF TEXAS LAND AND CONSTRUCTION, LTD., AND AMERICAN NATIONAL BANK OF TEXAS ARE THE SOLE OWNERS OF A 49.275 ACRE TRACT OF LAND SITUATED IN THE DRURY ANGLIN SURVEY, ABSTRACT NO. 2, COLLIN COUNTY, TEXAS AND BEING A PORTION OF A TRACT OF LAND DESCRIBED IN DEED TO WORLD LAND DEVELOPERS, RECORDED IN VOLUME 5404, PAGE 7461, VOLUME 5988, PAGE 4820 AND VOLUME 6055, PAGE 5733 DEED RECORDS, COLLIN COUNTY, TEXAS (D.R.C.C.T), AND ALL OF A TRACT OF LAND DESCRIBED IN DEED TO LENNAR HOMES OF TEXAS LAND AND CONSTRUCTION, LTD., RECORDED IN VOLUME 5987, PAGE 2980 D.R.C.C.T., SAID 49.275 ACRE TRACT OF LAND BEING MORE PARTICULARLY DESCRIBED BY METES AND BOUNDS AS FOLLOWS:

**BEGINNING** AT A 3/8" IRON ROD FOUND FOR THE NORTHEAST CORNER OF A TRACT OF LAND DESCRIBED IN DEED TO L.E. BUCKLEY AND WIFE, DORIS BUCKLEY RECORDED IN VOLUME 598, PAGE 517, D.R.C.C.T., SAID POINT BEING IN THE SOUTH RIGHT-OF-WAY LINE OF SAID F.M. HWY. 2755 (A VARIABLE WIDTH R.O.W.)

**THENCE** ALONG SAID SOUTH RIGHT-OF-WAY LINE THE FOLLOWING COURSES AND DISTANCES;

S 89°16'38" E, A DISTANCE OF 204.39 FEET TO A 2" IRON PIPE FOUND;

S 89°28'05" E, A DISTANCE OF 667.17 FEET TO A 5/8" IRON ROD WITH YELLOW PLASTIC CAP STAMPED "CARTER & BURGESS" SET FOR THE NORTHEAST CORNER OF A TRACT OF LAND DESCRIBED IN DEED TO JERRY O. CASS RECORDED IN COUNTY CLERKS FILE NUMBER 94-0079783, D.R.C.C.T.;

**THENCE** S 00°03'44" W, ALONG WEST LINE OF SAID CASS TRACT, A DISTANCE OF 553.86 FEET TO A 1/2" IRON ROD FOUND FOR THE SOUTHWEST CORNER OF SAID TRACT;

**THENCE** N 85°44'09" E, ALONG THE SOUTH LINE OF SAID CASS TRACT, A DISTANCE OF 446.94 FEET TO A 1/2" IRON ROD FOUND FOR THE SOUTHEAST CORNER OF SAID TRACT;

**THENCE** N 04°44'43" W, ALONG THE EAST LINE OF SAID CASS TRACT, A DISTANCE OF 493.05 FEET TO A 1/2" IRON ROD FOUND FOR THE NORTHEAST CORNER OF SAID TRACT AND IN THE SOUTH RIGHT-OF-WAY (R.O.W.) LINE OF SAID F.M. HWY. NO. 2755;

**THENCE** ALONG SAID SOUTH RIGHT-OF-WAY LINE THE FOLLOWING COURSES AND DISTANCES;

S 88°40'56" E, A DISTANCE OF 2.28 FEET TO A WOODEN MONUMENT FOUND FOR CORNER;

S 88°45'56" E, A DISTANCE OF 24.23 FEET TO A 1/2" IRON ROD FOUND FOR CORNER;

S 85°53'56" E, A DISTANCE OF 100.13 FEET TO A 5/8" IRON ROD WITH YELLOW PLASTIC CAP STAMPED "CARTER BURGESS" SET FOR CORNER;

S 88°44'22" E, A DISTANCE OF 180.90 FEET TO A 1/2" IRON ROD FOUND FOR THE NORTHWEST CORNER OF A TRACT OF LAND DESCRIBED IN DEED TO GARY RONALD DEAN, SR. AND BOBBIE N, ST. JOHN RECORDED IN VOLUME 4059, PAGE 236, D.R.C.C.T.;

**THENCE**

S 00°14'03" W, ALONG THE WEST LINE OF SAID GARY RONALD DEAN, SR., AND BOBBIE N. ST. JOHN TRACT A DISTANCE OF 1288.84 FEET TO A 5/8" IRON ROD WITH YELLOW PLASTIC CAP STAMPED "CARTER BURGESS" SET FOR THE SOUTHWEST CORNER OF SAID GARY RONALD DEAN, SR. AND BOBBIE N. ST. JOHN TRACT;

**THENCE**

OVER AND ACROSS SAID WORLD LAND DEVELOPERS, L.P., TRACTS AND SAID LENNAR HOMES OF TEXAS LAND AND CONSTRUCTION, LTD., TRACT THE FOLLOWING COURSES AND DISTANCES;

S 03°23'43" E, A DISTANCE OF 77.87 FEET TO A 5/8" IRON ROD WITH YELLOW PLASTIC CAP STAMPED "CARTER BURGESS" SET FOR CORNER;

N 89°12'26" W, A DISTANCE OF 123.70 FEET TO A 5/8" IRON ROD WITH YELLOW PLASTIC CAP STAMPED "CARTER BURGESS" SET FOR CORNER;

S 00°47'34" W, A DISTANCE OF 24.83 FEET TO A 5/8" IRON ROD WITH YELLOW PLASTIC CAP STAMPED "CARTER BURGESS" SET FOR CORNER;

N 89°12'26" W, A DISTANCE OF 50.00 FEET TO A 5/8" IRON ROD WITH YELLOW PLASTIC CAP STAMPED "CARTER BURGESS" SET FOR CORNER;

N 00°47'34" E, A DISTANCE OF 10.00 FEET TO A 5/8" IRON ROD WITH YELLOW PLASTIC CAP STAMPED "CARTER BURGESS" SET FOR CORNER;

N 84°13'21" W, A DISTANCE OF 98.24 FEET TO A 5/8" IRON ROD WITH YELLOW PLASTIC CAP STAMPED "CARTER BURGESS" SET FOR CORNER;

N 85°01'49" W, A DISTANCE OF 107.42 FEET TO A 5/8" IRON ROD WITH YELLOW PLASTIC CAP STAMPED "CARTER BURGESS" SET FOR CORNER;

N 86°37'52" W, A DISTANCE OF 58.58 FEET TO A 5/8" IRON ROD WITH YELLOW PLASTIC CAP STAMPED "CARTER BURGESS" SET FOR CORNER;

N 89°00'53" W, A DISTANCE OF 57.28 FEET TO A 5/8" IRON ROD WITH YELLOW PLASTIC CAP STAMPED "CARTER BURGESS" SET FOR CORNER;

N 89°12'26" W, A DISTANCE OF 489.20 FEET TO A 5/8" IRON ROD WITH YELLOW PLASTIC CAP STAMPED "CARTER BURGESS" SET FOR CORNER;

S 00°47'34" W, A DISTANCE OF 100.00 FEET TO A 5/8" IRON ROD WITH YELLOW PLASTIC CAP STAMPED "CARTER BURGESS" SET FOR CORNER;

S 44°12'26" E, A DISTANCE OF 14.14 FEET TO A 5/8" IRON ROD WITH YELLOW PLASTIC CAP STAMPED "CARTER BURGESS" SET FOR CORNER;

S 89°12'26" E, A DISTANCE OF 10.00 FEET TO A 5/8" IRON ROD WITH YELLOW PLASTIC CAP STAMPED "CARTER BURGESS" SET FOR CORNER;

S 00°47'34" W, A DISTANCE OF 50.00 FEET TO A 5/8" IRON ROD WITH YELLOW PLASTIC CAP STAMPED "CARTER BURGESS" SET FOR CORNER;

N 89°12'26" W, A DISTANCE OF 10.00 FEET TO A 5/8" IRON ROD WITH YELLOW PLASTIC CAP STAMPED "CARTER BURGESS" SET FOR CORNER;

S 45°47'34" W, A DISTANCE OF 14.14 FEET TO A 5/8" IRON ROD WITH YELLOW PLASTIC CAP STAMPED "CARTER BURGESS" SET FOR CORNER;

S 00°47'34" W, A DISTANCE OF 110.00 FEET TO A 5/8" IRON ROD WITH YELLOW PLASTIC CAP STAMPED "CARTER BURGESS" SET FOR CORNER;

N 89°12'26" W, A DISTANCE OF 100.00 FEET TO A 5/8" IRON ROD WITH YELLOW PLASTIC CAP STAMPED "CARTER BURGESS" SET FOR CORNER;

N 00°47'34" E, A DISTANCE OF 10.00 FEET TO A 5/8" IRON ROD WITH YELLOW PLASTIC CAP STAMPED "CARTER BURGESS" SET FOR CORNER;

N 89°12'26" W, A DISTANCE OF 515.00 FEET TO A 5/8" IRON ROD WITH YELLOW PLASTIC CAP STAMPED "CARTER BURGESS" SET FOR CORNER IN EAST LINE OF MUSTANG ESTATES, AN ADDITION TO THE CITY OF LAVON, COLLIN COUNTY, TEXAS RECORDED IN CABINET S, SLIDE 1640, PLAT RECORDS COLLIN COUNTY, TEXAS (P.R.C.C.T.);

**THENCE**

N 00°47'34" E, ALONG THE EAST LINE OF SAID MUSTANG ESTATES, A DISTANCE OF 1484.80 FEET TO A 1/2" IRON ROD FOUND FOR THE NORTHEAST CORNER OF SAID MUSTANG ESTATES AND THE COMMON SOUTHEAST CORNER OF SAID BUCKLEY TRACT;

**THENCE**

N 00°14'09" W, ALONG THE EAST LINE OF SAID BUCKLEY TRACT, A DISTANCE OF 175.16 FEET TO THE POINT OF BEGINNING, AND CONTAINING 49.275 ACRES OF LAND, MORE OR LESS.

## EXHIBIT "D"

### DISPUTE RESOLUTION PROCEDURES

**Dispute Resolution Procedures.** (a) The parties will attempt in good faith to resolve promptly by negotiation any and all decisions, controversies and disputes arising under, out of or relating to this Declaration or the relationships contemplated hereby. If such negotiation is unsuccessful, any party by written demand on the other party may request that the dispute be mediated, and all parties agree to participate in good faith in such mediation. The mediation shall be scheduled within seven (7) days after the requesting party's written demand. The mediation shall take place in Dallas, Texas, and the mediator shall be an attorney practicing mediation in Dallas, Texas. If the parties are unable to jointly select a mediator, one shall be appointed by the Attorney-Mediators Institute. The parties shall share equally any mediation fees and expenses. If such mediation does not result in a resolution of the decision, controversy or dispute, such decision, controversy or dispute shall be settled by binding arbitration in accordance with the procedures and conditions set further herein.

(b) Except as modified herein, the Federal Arbitration Act, 9 U.S.C. § 1, et seq., shall apply to any arbitration hereunder.

(c) Any arbitration proceedings hereunder shall be conducted in the City of Dallas, Texas; provided, however, the location of any depositions conducted in connection with any arbitration proceeding hereunder shall be governed by the Federal Rules of Civil Procedure as provided in Paragraph (h) hereof. The arbitration shall be administered pursuant to the expedited procedures (irrespective of the amount in controversy) of the then-prevailing Commercial Arbitration Rules (the "Rules") of the American Arbitration Association ("AAA"), or its successor, subject to the limitations and modifications set forth herein.

(d) Notice of a demand for arbitration pursuant to this Procedure (the "Notice to Arbitrate") shall be made in writing and delivered to the other party by personal delivery or by certified or registered mail, return receipt requested. The Notice to Arbitrate shall be accompanied by a short and plain statement of the party's claim(s), the grounds for same and the relief sought. Within seven (7) days of receipt of the Notice to Arbitrate, the other party shall set forth in writing and deliver to the other party by personal delivery or certified or registered mail, return receipt requested, an answer setting forth its response to the claim for relief, as well as any affirmative defenses and counterclaims.

(e) The arbitration shall be before one neutral arbitrator (the "Arbitrator") to be selected in accordance with the Rules (as modified herein). In the event the parties cannot agree upon an Arbitrator within ten (10) business days from receipt of the Notice to Arbitrate, the Arbitrator shall be selected in the following manner:

(i) The AAA shall submit to the parties an initial (or if needed subsequent) list of five (5) proposed arbitrators drawn from the AAA National Panel of Commercial Arbitrators. Each party may, within five (5) business days, exercise challenges for cause and up to two (2) peremptory strikes of the names appearing on the list.

(ii) In the event more than one name remains after the exercise of all strikes and challenges for cause, the AAA shall select the Arbitrator from among the remaining names.

(iii) In any event, no person shall serve as Arbitrator who has a bias, or financial or personal interest, in the result of the arbitration or any past or present relationship with the parties or their representatives, parents, subsidiaries or related entities, unless such relationship is disclosed in writing to the parties and all parties nevertheless approve in writing such person as Arbitrator.

(f) It is the express intention of the parties hereto that, except as otherwise expressly provided herein and subject to the terms and provisions of this Declaration, the Arbitrator shall be authorized and empowered to award any and all relief, at law or in equity, that could be granted by a court of competent jurisdiction. By way of example and not limitation, the Arbitrator may order or grant damages, specific performance of any obligation of a party, injunctive relief, pre- and post-judgment interest, attorneys' fees, costs and/or sanctions for abuse or frustration of the arbitration process.

(g) It shall be the responsibility of each party to timely comply with the Arbitrator's requests for payment of his or her fees. Any party who has not complied with any such request within ten (10) calendar days thereof shall be deemed in default of this Declaration and the Arbitrator may enter a default judgment against such party on the merits.

(h) The parties shall have the right to conduct and enforce pre-hearing discovery in accordance with the Federal Rules of Civil Procedure then in effect for the Northern District of Texas, including any Local Rules (collectively, the "Court Rules"), subject to the following:

(i) The parties shall make the voluntary disclosures described in the Court Rules (except those applicable to expert witnesses) within thirty (30) days after the appointment of the Arbitrator. The identity and report of each expert witness, as well as all other disclosures described in the Court Rules, shall be disclosed to the other party no later than forty-five (45) days after the appointment of the Arbitrator.

(ii) Each party may serve a request for production of tangible and documentary evidence. Responses to a request for production shall be due fifteen (15) days after receipt.

(iii) Each party may serve no more than one set of interrogatories limited to no more than thirty (30) questions, including subparts. Answers to interrogatories shall be due fifteen (15) days after receipt.

(iv) Each party may depose each expert witness and up to, but no more than, three (3) other witnesses; provided, however, each party will be limited to no more than a total of eighteen (18) hours of deposition time in the aggregate for non-expert witnesses.

(v) All discovery must be completed within forty-five (45) days after appointment of the Arbitrator (the "Discovery Deadline").

(vi) The Arbitrator, for good cause shown, may, upon motion and three (3) days' notice to all parties, extend any of the discovery deadlines set forth herein for a period not to exceed fourteen (14) days.

(vii) The Arbitrator shall have the right and authority to decide any and all discovery disputes. The Arbitrator shall be empowered to issue subpoenas and any and all process and orders permitted under the Rules to compel cooperation in the discovery and otherwise enforce the discovery rights and obligations of the parties.

(i) The Arbitrator, within ten (10) days of his or her appointment, shall conduct a pre-hearing conference (the "Pre-Hearing Conference"). The parties shall be prepared to discuss discovery matters, schedule the Additional Conference and Arbitration Hearing, decide procedural matters and address all other questions that may be presented.

(j) Within ten (10) days after the Discovery Deadline, the Arbitrator shall hold an additional conference (the "Additional Conference") to set dates for the exchange of witness and exhibit lists, deposition testimony designations, testimony summaries and arbitration briefs, determine the length of the Arbitration Hearing, and address any and all other questions that may be presented.

(k) The arbitration hearing (the "Arbitration Hearing") shall commence within twenty (20) days after the date of the Additional Conference, unless otherwise agreed by the parties. For good cause shown, the Arbitrator may grant no more than one (1) continuance per party of a duration not to exceed twenty (20) days each. Unless otherwise agreed by the parties or ordered by the Arbitrator for good cause shown, the Arbitration Hearing shall continue from day-to-day for such period of time (not to exceed five (5) days) as may be set by the Arbitrator. Each party shall have equal time for presentation and rebuttal, unless otherwise agreed by the parties. The parties may present evidence, at their option, in the form of testimony (live and/or by deposition), documents and other tangible evidence, or testimony summaries, or any combination thereof, provided, however, that the testimony of expert witnesses (other than rebuttal testimony) shall be presented solely in the form of written reports. The Arbitrator shall, upon timely request by a party or if otherwise required by law, require witnesses to testify under oath administered by a duly qualified person. Any party may, at its own cost and three (3) days notice to all other parties, arrange for a stenographic record of the proceedings. Such record shall be made available for inspection and copying by all other parties and the Arbitrator.

(l) The Arbitrator shall issue and deliver to each party a written and signed award (the "Arbitration Award") within fourteen (14) days after the conclusion of the Arbitration Hearing. The arbitration Award shall contain the factual and legal basis for such award. The Arbitration Award shall, in addition to the relief granted therein, award attorneys' fees and costs to the prevailing party as the Arbitrator may determine in light of all of the circumstances. The term "costs" shall include, but is not necessarily limited to, court costs, the Arbitrator's fees, administrative fees, travel expenses and out-of-pocket expenses such as copying charges, telephone expenses and witness fees (including expert witness fees). The Arbitration Award shall be binding upon the parties in accordance with its terms provided that the Arbitration



Award is rendered, and the Arbitration proceedings are conducted, in accordance with the terms and provisions of this Declaration.

(m) The Arbitration Award shall be presented by any party to the United States District Court for the Northern District of Texas for entry of a judgment thereon, or to vacate all or any portion thereof, in accordance with the Federal Arbitration Act. In the event that the Arbitration Award is vacated in part or in whole, then the parties each agree to promptly resubmit such vacated matters to the Arbitrator who issued the original Arbitration Award, provided, however, that if a basis for such vacatur is the Arbitrator's partiality, corruption or failure to follow the terms and provisions of this Declaration, or if the original Arbitrator is not able to continue to serve, then the parties shall select a new Arbitrator in the manner provided in Paragraph (e) hereof.

**EXHIBIT "E"**

**LAVON GRAND HERITAGE HOMEOWNERS ASSOCIATION, INC.  
PROFORMA BUDGET**

[See attached]

**2006 / 2007 BUDGET**

**LAVON GRAND HERITAGE HOMEOWNERS ASSOCIATION, INC.**

	6-May	6-Jun	6-Jul	6-Aug	6-Sep	6-Oct	6-Nov	6-Dec	Jan-07	7-Feb	7-Mar	7-Apr	Total
<b>Revenue</b>													
<i>Builder's lot Count</i>	35	60	85	110	135	160	185	210	235	260	285	310	
Assessment Revenues	1,680	2,880	4,080	5,280	6,480	7,680	8,880	10,080	11,280	12,480	13,680	14,880	99,360
Working Capital	-	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	22,000
Other Revenue													-
Developer Subsidy	70,000	-	-	90,000	-	-	90,000	-	-	95,000	-	-	345,000
<b>TOTAL REVENUE</b>	<b>71,680</b>	<b>4,880</b>	<b>6,080</b>	<b>97,280</b>	<b>8,480</b>	<b>9,680</b>	<b>100,880</b>	<b>12,080</b>	<b>13,280</b>	<b>109,480</b>	<b>15,680</b>	<b>16,880</b>	<b>466,360</b>
<b>Administrative:</b>													
Onsite Salaries & Empl Benefits	4,950	4,950	8,800	8,800	8,800	8,800	8,800	8,800	12,463	12,463	12,463	12,463	112,552
Management Fees	3,000	3,000	4,500	4,500	4,500	4,500	4,500	4,500	5,000	5,000	5,000	5,000	53,000
Professional Fees	231	2,538	707	225	506	388	269	525	624	2,845	959	309	10,126
Supplies (note 1)	1,000	106	840	120	128	396	142	150	550	550	550	550	5,082
Insurance	1,562	1,608	1,654	1,700	1,745	1,791	1,837	1,778	1,810	1,843	1,876	1,909	21,113
Interest Payments	-	467	467	467	1,067	1,067	1,067	1,667	1,667	1,667	2,213	2,213	14,027
Taxes	100							100		40			240
Other Miscellaneous	70	92	128	164	200	236	272	308	324	360	396	432	2,982
Community Activities				500	500	1,000	500	1,000	682	721	1,030	515	6,448
Landscape & Common Area													-
Utilities	2,165	4,104	4,104	4,104	3,500	1,500	1,500	1,500	748	-	-	-	23,225
General Maintenance	-	3,010	3,010	3,010	3,010	3,010	3,010	3,010	3,100	3,100	3,100	3,100	33,470
Entry Fountains	43	43	43	43	43	43	43	43	60	60	60	60	584
Irrigation Maintenance / Repair			94			94					150	-	338
Clubhouse													-
Utilities	4,300	4,300	4,300	4,300	4,300	4,300	4,300	4,300	4,650	4,650	4,650	4,650	53,000
General Maintenance (note 2)	-	1,030	1,030	1,030	1,030	1,030	6,030	1,030	1,082	1,082	5,000	-	19,374
Pool & Pool house													-
Utilities	-	5,000	2,500	2,500	2,500	2,500	2,500	2,500	2,750	2,750	2,750	2,750	31,000
General Maintenance	-	-	9,002	9,002	9,002	9,002	1,700	1,700	1,785	1,785	1,785	1,785	46,548
Building Maintenance													-
Building M&R Supplies	500	20	20	20	20	20	20	20	100	100	100	100	1,040
Building M & R	70	70	70	70	70	70	70	70	200	200	200	200	1,360
Lakes	138	138	138	138	138	138	138	138	142	142	-	-	1,388
Playground		300			300			300	-	-	-	-	900
Reserve Funding	2,374	2,377	2,380	2,383	2,386	2,389	2,392	2,395	2,398	2,401	2,404	2,407	28,686
<b>TOTAL EXPENSES</b>	<b>20,503</b>	<b>33,153</b>	<b>43,787</b>	<b>43,076</b>	<b>43,745</b>	<b>42,274</b>	<b>39,090</b>	<b>35,834</b>	<b>40,135</b>	<b>41,759</b>	<b>44,686</b>	<b>38,443</b>	<b>466,483</b>
<b>NET INCOME PER BUDGET</b>	<b>51,177</b>	<b>(28,273)</b>	<b>(37,707)</b>	<b>54,204</b>	<b>(35,265)</b>	<b>(32,594)</b>	<b>61,790</b>	<b>(23,754)</b>	<b>(26,855)</b>	<b>67,721</b>	<b>(29,006)</b>	<b>(21,563)</b>	<b>(123)</b>

Projected HOA Quarterly Assessment: \$ 144.00

EXHIBIT "F"

LAVON GRAND HERITAGE  
HOMEOWNERS ASSOCIATION, INC.  
ENFORCEMENT POLICY

WHEREAS, there is a need to establish orderly procedures for the enforcement of the Rules & Regulations of the Association, the Design Guidelines of the Association and the restrictive covenants set forth in the Declaration of Covenants, Conditions and Restrictions for Grand Heritage (hereinafter referred to, collectively, as the "**Grand Heritage Governing Documents**") against violating owners;

NOW, THEREFORE, the following procedures and practices are established for the enforcement of the Grand Heritage Governing Documents and for the elimination of violations of such provisions found to exist in, on and about the property subject to the Grand Heritage Governing Documents (to be referred to herein as the "**Enforcement Policy**").

1. **Establishment of Violation.** Any condition, use, activity or improvement which does not comply with the provisions of the Grand Heritage Governing Documents, shall constitute a "**Violation**" under this Policy for all purposes.

2. **Report of Violation.** The existence of a Violation will be verified by a field observation conducted by the Board or its delegate. For the purpose of this Enforcement Policy, the delegate of the Board may include Management, an officer or member of the Board, or a member of any committee established by the Board for this purpose. A timely written report shall be prepared by the field observer for each Violation which will include the following information:

- a. Identification of the nature and description of the Violation(s).
- b. Identification by street address and legal description, if available, of the Lot on which the Violation exists.
- c. Date of the verification observation and name of the person making such observation.

At the same time that the field observation report is prepared, the Board or its delegate may forward to the Owner of the Lot in question written notice via regular first class mail or via postcard of the discovery of a Violation(s) (the "**Courtesy Notice**"). The Owner will have at least ten (10) days from the date of the Courtesy Notice to correct or eliminate the Violation(s). The Board or its delegate may, in lieu of this notice, proceed immediately to the notice set forth in Paragraph 3 below.

3. **Notice of Violation.** If the Violation is not corrected or eliminated within the time period specified in the Courtesy Notice, or if the Board or its delegate deem it appropriate to

proceed without the Courtesy Notice, the Association will forward to the Owner of the Lot in question written notice of the Violation(s) by first class mail or personal delivery and by certified mail, return receipt requested (the "Notice of Violation"). A Notice of Violation is not required if the alleged violator received a Notice of Violation relating to a similar Violation within six (6) months of the current Violation and was given a reasonable opportunity to cure the prior Violation. In such event, the Board may impose sanctions as authorized by the Grand Heritage Governing Documents and/or this Enforcement Policy without notice to the Owner other than the Final Notice of Violation described in Paragraph 4 below. The Notice of Violation, if required, will state the following:

- a. The nature, description and location of the Violation, including any property damage caused by the Owner.
- b. The authority for establishing the Violation, including the authority for recovering property damages caused by the Owner.
- c. The proposed sanction to be imposed, including the amount claimed to be due from the owner for property damage, in the event the Violation is not cured within a reasonable time.
- d. If the Violation is corrected or eliminated within a reasonable time after the Owner's receipt of the Notice of Violation that no further action will be taken.
- e. The recipient may, on or before thirty (30) days from the receipt of the Notice of Violation, deliver to the Association a written request for a hearing.
- f. The Owner has the right to submit a written request for a hearing on or before thirty (30) days from the receipt of the Notice of Violation, that any attorney's fees and costs incurred by the Association will be charged to the Owner.

Sanctions under this Paragraph 3 may include, but are not limited to, the suspension of the right to use the Common Area and/or the imposition of violation fines at the rate of Ten and No/100 Dollars (\$10.00) per day until the violation is cured. There shall be no limit to the aggregate amount of violation fines imposed for the same Violation.

**4. Final Notice of Violation.** A formal notice of the Violation and the sanction to be imposed, including the amount of any property damage (the "Final Notice of Violation") will be sent by the Association to the Owner by regular first class mail and by certified mail, return receipt requested, where, within the time period specified in the Notice of Violation, the Violation has not been corrected or eliminated or the Association has not timely received a written request for a hearing, whichever occurs first.

**5. Request for a Hearing.** If the Owner submits a written request for a hearing in a timely manner, the hearing shall be held in executive session of the Board of Directors affording the alleged violator a reasonable opportunity to be heard. Such hearing shall be held no later than the 30<sup>th</sup> day after the date the Board or its delegate receives the Owner's request for a

hearing. The notice of the hearing shall be sent no later than the 10<sup>th</sup> day before the date of the hearing. The notice requirement shall be deemed satisfied if the alleged violator appears at the meeting. The Association or the Owner may request a postponement, and, if requested, a postponement shall be granted for a period of not more than ten (10) days. The minutes of the meeting shall contain a written statement of the results of the hearing. The Association shall notify the Owner in writing of its action within ten (10) days after the hearing. The Board may, but shall not be obligated to, suspend any proposed sanction if the Violation is cured within the ten (10) day period. Such suspension shall not constitute a waiver of the right to sanction future violations of the same or other provisions of the Grand Heritage Governing Documents by any Owner.

6. **Correction of Violation.** Where the Owner corrects or eliminates the Violation(s) prior to the imposition of any sanction, no further action will be taken (except for collection of any monies for which the Lot Owner may become liable under this Enforcement Policy and/or the Grand Heritage Governing Documents). Written notice of correction or elimination of the Violation may be obtained from the Board upon request for such notice by the Owner and upon payment of a fee for same, the amount of which is set by the Board.

7. **Referral to Legal Counsel.** Where a Violation is determined or deemed determined to exist and where the Board deems it to be in the best interests of the Association to refer the Violation to legal counsel for appropriate action, the Board may do so at any time. Such legal action may include, without limitation, sending demand letters to the violating Owner and/or seeking injunctive relief against the Owner to correct or otherwise abate the Violation. Attorney's fees and all costs incurred by the Association in enforcing the Grand Heritage Governing Documents and administering this Enforcement Policy shall become the personal obligation of the Owner.

8. **Notices.** Unless otherwise provided in the Enforcement Policy, all notices required by this Enforcement Policy shall be in writing and shall be deemed to have been duly given if delivered personally and/or if sent by United States Mail, first class postage prepaid, to the Owner at the address which the Owner has designated in writing and filed with the Secretary of the Association or, if no such address has been designated, to the address of the Lot of the Owner.

a. Where the notice is directed by personal delivery, notice shall be deemed to have been given, sent, delivered or received upon actual receipt by any person accepting delivery thereof at the address of the recipient as set forth in such notice or if no person is there, by leaving the notice taped to the front door of the residence.

b. Where the notice is placed into the care and custody of the United States Postal Service, notice shall be presumed to have been given, sent, delivered or received, as of the third (3<sup>rd</sup>) calendar day following the date of postmark of such notice hearing postage prepaid and the appropriate name and address as required herein unless otherwise shown by the recipient to have been received at a later date.

c. Where a day required for an action to be taken or a notice to be given, sent, delivered or received, as the case may be, falls on a Saturday, Sunday or United States Postal Service holiday, the required date for the action or notice will be extended to the first day following which is neither a Saturday, Sunday or United States Postal Service holiday.

d. Where the Board has actual knowledge that such situation exists, any action to be taken pursuant to this Enforcement Policy which would directly affect the property of a third party or would be the responsibility of a party other than the Owner, notices required under this Enforcement Policy may be given, if possible, to such third party in addition to the Owner. Notwithstanding any notice sent to a third party, the Owner remains the party responsible for compliance with the requirements of the Declaration. The Board shall accept a response from any such third party only upon the written direction of the Owner of the Lot upon which the Violation exists.

e. Where the Owner has notified the Association that the interests of said Owner in a Lot are being handled by a representative or agent of such Owner or where an Owner has otherwise acted so as to put the Association on notice that its interest in a Lot has been and are being handled by a representative or agent, any notice or communication from the Association pursuant to this Enforcement Policy will be deemed full and effective for all purposes if given to such representative or agent.

f. Where an Owner transfers record title to a Lot at any time during the pendency of any procedure prescribed by this Enforcement Policy, such Owner shall remain personally liable for all costs under this Enforcement Policy. As soon as practical after receipt by the Association of a notice of a change in the record title to a Lot which is the subject of enforcement proceedings under this Enforcement Policy, the Board may begin enforcement proceedings against the new Owner in accordance with this Enforcement Policy. The new Owner shall be personally liable for all costs under this Enforcement Policy which are the result of the new Owner's failure and/or refusal to correct or eliminate the Violation in the time and manner specified under this Enforcement Policy.

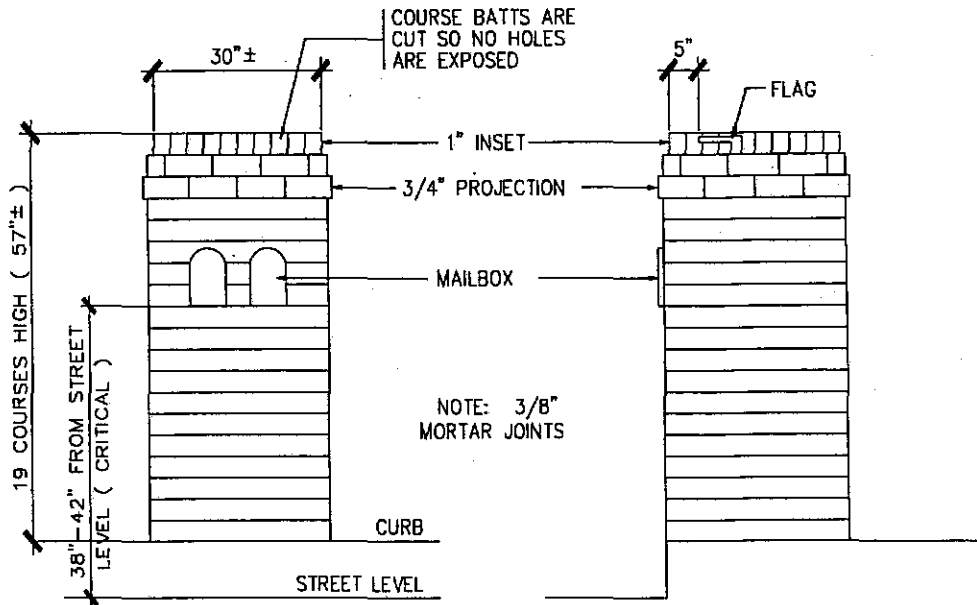
**9. Cure of Violation During Enforcement.** An Owner may correct or eliminate a Violation at any time during the pendency of any procedure prescribed by this Enforcement Policy. Upon verification by written report to the Board and sent, where appropriate, to the Board that the Violation has been corrected or eliminated, the Violation will be deemed no longer to exist. The Owner will remain liable for all costs under this Enforcement Policy, which costs, if not paid upon demand therefor by Management, will be referred to the Board of Directors of the Association for collection.

**10. Definitions.** The definitions contained in the Grand Heritage Governing Documents are hereby incorporated herein by reference.

This Enforcement Policy is effective upon the execution and recordation of the Grand Heritage Governing Documents to which it is attached, to remain in force and effect until revoked, modified or amended by the Board of Directors.

# EXHIBIT "G"

## MAIL BOX GUIDELINES



## STANDARD MAILBOX DETAIL



**EXHIBIT "H"**  
**NOTICE TO PURCHASER OF REAL ESTATE SITUATED IN**  
**HERITAGE PUBLIC IMPROVEMENT DISTRICT NO. 1 IN**  
**CITY OF LAVON, TEXAS**

**[TO BE GIVEN TO HOMEBUYERS OR LOT PURCHASERS**  
**PRIOR TO CONTRACT EXECUTION AND UPON CLOSING OF THE CONTRACT]**

The real property described as Lot \_\_\_, Block \_\_\_ of the \_\_\_\_\_ Addition, recorded in Volume \_\_\_, Page \_\_\_ of the real property records of Collin City (the "Property") which you are about to purchase is located within the City of Lavon, Collin County, Texas (the "City") and within the HERITAGE PUBLIC IMPROVEMENT DISTRICT NO. 1 (the "District") created by the City pursuant to the authority of Chapter 372 of the Texas Local Government Code. The District provided public improvements and supplemental services that confer a special benefit upon the Property (including, but not limited to, wastewater collection systems, streets and roadways, recreational facilities, fountains and other supplemental services.)

On \_\_\_\_\_, 20\_\_\_, the City Council of the City adopted Ordinance No. \_\_\_\_\_ (the "**Ordinance**") which levied special assessments against, and created a continuing special assessment lien on, all final platted residential lots within the District that must be paid by the owners from time to time of such lots. The purpose of the special assessments is to pay for a portion of the costs of the public improvements and supplemental services. The cost of these improvements and services is not included in the purchase price of your property. Based on the Ordinance (a copy of which may be obtained from the City Secretary), the City Council of the City levied a special assessment against the Property in the amount of \$\_\_\_\_\_. The owner of the Property may choose to pay all of the unpaid amount of this special assessment, including accrued interest, at any time; however, **THE OWNER HAS NO OBLIGATION TO PREPAY THIS ASSESSMENT.** If the owner does not choose to pay the entire unpaid amount, then the special assessment, including accrued interest, shall be paid in annual installments once a year. Such annual payments shall continue until the full amount of the special assessment, including accrued interest, has been paid. In addition, the City has reserved the right to levy and collect an annual special assessment against the property for the purpose of paying the costs of administration of the District and for annual neighborhood enhancement programs. The actual amount of this special assessment shall be established annually by the City. **If the Property is sold, you have an obligation to disclose the assessment to a subsequent purchaser. More information concerning the amount of the assessment(s) and due dates of such assessment(s) may be obtained from the City. The amount of the assessment(s) is/are subject to change.**

The aggregate amount of each annual special assessment payment that is due by the owner will be included in the annual invoice for ad valorem taxes that is submitted to the owner each year by the Collin County Tax Assessor and Collector. The amounts due will be payable at the times and place, and will be subject to the penalties for delinquent payments, stated in such invoices.

The owner's obligation to pay the annual amount of the special assessments is secured by a pre-existing and continuing lien on the Property and failure to pay this special assessment when

due may subject the Property to foreclosure in accordance with applicable law and the terms of the lien as established in the Ordinance.

The special assessments against the Property are separate from and in addition to any ad valorem taxes now or hereafter levied against the Property by Collin County, the City, the Community Independent School District, and any other present or future governmental body having taxing authority over the Property.

\_\_\_\_\_
Date

Signature of Seller

\_\_\_\_\_
a \_\_\_\_\_

By: \_\_\_\_\_

a \_\_\_\_\_

its \_\_\_\_\_

By: \_\_\_\_\_

Name: \_\_\_\_\_

Its: \_\_\_\_\_

PURCHASER IS ADVISED THAT THE INFORMATION CONTAINED IN THIS NOTICE IS SUBJECT TO CHANGE BY THE CITY COUNCIL OF THE CITY FOLLOWING THE ANNUAL REVIEW BY THE COMMISSIONERS COURT OF THE SERVICE PLAN FOR THE DISTRICT (A COPY OF WHICH SERVICE PLAN IS ATTACHED TO THE ORDINANCE). IT IS THE OBLIGATION OF THE PURCHASER TO CONTACT THE CITY, FROM TIME TO TIME, TO DETERMINE THE STATUS OF ANY CURRENT OR PROPOSED CHANGES TO THE INFORMATION CONTAINED IN THIS NOTICE.

STATUTORY NOTICE OF OBLIGATION TO PAY PUBLIC IMPROVEMENT ASSESSMENT TO THE CITY OF LAVON CONCERNING PROPERTY AT \_\_\_\_\_: AS PURCHASER OF THIS PARCEL OF REAL PROPERTY YOU ARE OBLIGATED TO PAY AND ASSESMENT TO A MUNICIPALITY OR COUNTY FOR AN IMPROVEMENT PROJECT UNDERTAKEN BY A PUBLIC IMPROVEMENT DISTRICT UNDER CHAPTER 372, LOCAL GOVERNMENT CODE. THE ASSESSMENT MAY BE DUE ANNUALLY OR IN PERIODIC INSTALLMENTS. MORE INFORMATION CONCERNING THE AMOUNT OF THE ASSESSMENT AND THE DUE DATES OF THAT ASSESSMENT MAY BE OBTAINED FROM THE MUNICIPALITY OR COUNTY LEVYING THE ASSESSMENTS. THE AMOUNT OF THE ASSESSMENTS IS SUBJECT TO CHANGE. YOUR FAILURE TO PAY THE ASSESSMENTS COULD RESULT IN A LIEN ON AND THE FORECLOSURE OF YOIUR PROPERTY.

You may obtain additional information concerning the District and the Special Assessment by contacting \_\_\_\_\_, the developer of the Property or the Administrator at the following addresses:

\_\_\_\_\_  
\_\_\_\_\_

The undersigned purchaser hereby acknowledges receipt of the foregoing notice at or prior to the execution of a binding contract for the purchase of the Property and again at the closing of the purchase of the Property.

\_\_\_\_\_  
Date

\_\_\_\_\_  
Signature of Purchaser

\_\_\_\_\_  
Date

\_\_\_\_\_  
Signature of Purchaser

Filed and Recorded  
Official Public Records  
Brenda Taylor, County Clerk  
Collin County, TEXAS  
05/16/2006 11:53:10 AM  
\$464.00 BPETERSON  
20060516000658940



*Brenda Taylor*

Return to: SJS  
Republic Title of Texas, Inc.  
2626 Howell Street, 10th Floor  
Dallas, Texas 75204

Republic Title of Texas, Inc. 2005-- 0110500  
GF#0321553 SJS FF 22

After recording return to:

Chris Schrauff, Esq.  
LOCKE LIDDELL & SAPP LLP  
2200 Ross Avenue, Suite 2200  
Dallas, Texas 75201

05979 04986

AMENDMENT TO RESTRICTIVE COVENANTS

STATE OF TEXAS           §  
  §  
  §  
COUNTY OF COLLIN       §

This AMENDMENT TO RESTRICTIVE COVENANTS ("Amendment") is made effective as of the 9<sup>th</sup> day of August, 2005 by and between BEAR CREEK RESIDENTIAL, L.P., a Texas limited partnership, on behalf of itself and in its capacity as proxy, attorney-in-fact and assignee of the rights of Lavon Holdings, L.P. and Ralph L. Mason Trust (and the respective successors and assigns of Lavon Holdings, L.P. and Ralph L. Mason Trust) (collectively, "Bear Creek"), and FIRST BANK FARMERSVILLE (successor to Farmersville Bancshares, Inc. ("Bank")).

WITNESSETH

WHEREAS, Bear Creek is the owner of certain land situated in Collin County, Texas and described on Exhibit A attached hereto and made a part hereof for all purposes (the "Property"); and

WHEREAS, the Property and certain land adjacent thereto are subject to and certain property of the Bank is benefited by the Restrictive Covenants dated as of December 17, 1998, as recorded in the Land Records of Collin County, Texas as Volume 4317, Page 2689 (the "Restrictions"); and

WHEREAS, the Restrictions are affected by the Assignment of Rights Relating to Prior Restrictive Covenants dated April 25, 2003, as recorded in the Land Records of Collin County, Texas as Volume 5405, Page 3105 ("Assignment No. 1"), and as further affected by Partial Assignment Relating to Assignment of Rights dated February 13, 2004, as recorded in the Land Records of Collin County, Texas as Volume 5606, Page 1233 ("Assignment No. 2"), and together with Assignment No. 1, collectively referred to as the "Assignments"; and

WHEREAS, as Owner of the Property, and as proxy, attorney-in-fact and assignee pursuant to the Assignments of certain amendment rights under the Restrictions, Bear Creek may amend the Restrictions with the consent of the Bank; and

WHEREAS, Bear Creek desires to amend the Restrictions to reduce the required square footage pursuant to Bear Creek's authority to do so as provided in the Restrictions and Assignments.

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NOW THEREFORE, Bear Creek and Bank hereby agree as follows:

1. AMENDMENT. The third grammatical sentence only of paragraph number 3 of the Restrictions is hereby amended and restated to read in its entirety as follows:

"All single family houses shall contain a minimum of 1,200 square feet of living area, exclusive of garages, carports, porches and patios; provided, however that the average square footage of all single family houses shall be no less than 1,400 square feet of living area, exclusive of garages, carports, porches and patios."

2. RATIFICATION. Except as provided in this Amendment, the Restrictions and the Assignments shall continue in full force and effect in accordance with their respective terms.

3. DEFINED TERMS. Terms defined in the Restrictions or the Assignments shall have the same meaning when used in this Amendment.

REMAINDER OF THIS PAGE  
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EXECUTED to be effective as of the date first set forth above.

**BEAR CREEK:**

BEAR CREEK RESIDENTIAL, L.P., a Texas limited partnership, on behalf of itself and as proxy, attorney-in-fact and assignee of the rights of Lavon Holdings, L.P. and the Ralph L. Mason Trust (and the respective successors and assigns of Lavon Holdings, L.P. and Ralph L. Mason Trust) pursuant to the Assignments.

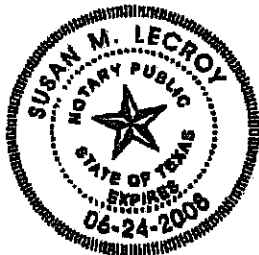
By: Hunt Land Holdings, LLC  
a Texas limited liability company,  
its general partner

By: *W. H. Hunt* *RB*  
W. Herbert Hunt, Manager

STATE OF TEXAS

COUNTY OF DALLAS

This instrument was acknowledged before me this 9<sup>th</sup> day of August, 2005, by W. Herbert Hunt, Manager of Hunt Land Holdings, LLC a Texas limited liability company, on behalf of said company, acting in its capacity as general partner of Bear Creek Residential, L.P., a Texas limited partnership (on behalf of itself and as proxy, attorney-in-fact and assignee of the rights of Lavon Holdings, L.P. and the Ralph L. Mason Trust [and the respective successors and assigns of Lavon Holdings, L.P. and Ralph L. Mason Trust] pursuant to the Assignments), and acknowledged to me that he executed the foregoing instrument for the purposes and consideration therein expressed, in the capacity therein stated, and as the act and deed of said company.



*Susan M. Lecroy*  
Notary Public for the State of Texas

Printed Name: Susan M. Lecroy  
My Commission Expires: 6-24-08

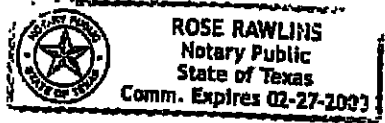
BANK:

FIRST BANK FARMERSVILLE  
(successor to Farmersville Bancshares, Inc.)

By: W Craig Overstreet  
Name: W. Craig Overstreet  
Title: Chairman/President

STATE OF TEXAS  
COUNTY OF COLLIN

This instrument was acknowledged before me this 4<sup>th</sup> day of August, 2005, by W. Craig Overstreet, Chairman of First Bank Farmersville (successor to Farmersville Bancshares, Inc.), on behalf of said entity, and acknowledged to me that he executed the foregoing instrument for the purposes and consideration therein expressed, in the capacity therein stated, and as the act and deed of said entity.



Rose Rawlins  
Notary Public for the State of Texas

Printed Name: Rose Rawlins  
My Commission Expires: \_\_\_\_\_

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Exhibit A

BEING a part of a 117.8593 acre tract of land situated in the W.H. Moore Survey, Abstract No. 638, Collin County, Texas, and being the remainder of a called 135 acre tract from Bennie White Daugherty to W.C. Daugherty, Jr., Ann Daugherty Ticknor & John Kingsley Daugherty recorded in Volume 2092, Page 223, Land Records, Collin County, Texas, and further being a part of that same tract of land conveyed to Lavon Holdings, L.P. by deed recorded in Volume 5333, Page 3505, Land Records, Collin County, Texas, and being more particularly described as follows:

BEGINNING at a 5/8" iron rod found on the South right-of-way line of St. Louis Southwestern Railroad (now abandoned) at the Northwest corner of Lavonia Landing, an addition to Collin County, Texas, recorded in Cabinet K, Slide 632, of the Plat Records of Collin County, Texas, said point also being the Northeast corner of said Daugherty tract;

THENCE South 00 degrees 28 minutes 00 seconds West, along the West line of said Lavonia Landing and the East line of said Daugherty Tract, a distance of 1171.70 feet to a 5/8" iron rod found for the Southwest corner of said Lavonia Landing and on the North right-of-way line of State Highway No. 78;

THENCE leaving the West line of said Lavonia Landing and along the North line of said Highway No. 78 the following courses:

South 75 degrees 01 minute 00 seconds West, a distance of 270.28 feet to a power pole for a corner;  
South 81 degrees 11 minutes 26 seconds West, a distance of 486.40 feet to a power pole for a corner;  
South 88 degrees 39 minutes 46 seconds West, a distance of 453.37 feet to a 1/2" iron rod set for a corner;  
North 88 degrees 05 minutes 34 seconds West, a distance of 1035.71 feet to a 1/2" iron rod set for a corner;

South 89 degrees 59 minutes 53 seconds West, a distance of 300.17 feet to a 1/2" iron rod set for a corner;  
South 83 degrees 36 minutes 08 seconds West, a distance of 138.46 feet to a 1/2" iron rod set for a corner;  
North 87 degrees 58 minutes 03 seconds West, a distance of 578.32 feet to a 1/2" iron rod found for a corner at the Southeast corner of Lavon Sonic, an addition to the City of Lavon recorded in Cabinet O, Slide 500, Plat Records, Collin County, Texas;

THENCE North 02 degrees 03 minutes 15 seconds East leaving said North right-of-way line, a distance of 289.33 feet along the East line of said Addition to a 1/2" iron rod found for a corner at the Northeast corner of said Addition;

THENCE North 87 degrees 58 minutes 03 seconds West, a distance of 474.74 feet to the East line of the Farmersville Bankshare tract recorded in Volume 4317, Page 2685, Land Records, Collin County, Texas;

THENCE North 02 degrees 03 minutes 15 seconds East, a distance of 771.11 feet along said East line to a 1/2" iron rod found for a corner, said point being on the South right-of-way line of said St. Louis Southwestern Railroad, said point being on a curve to the right having a central angle of 49 degrees 33 minutes 55 seconds, a radius of 1382.39 feet, and a chord that bears North 69 degrees 30 minutes 12 seconds East, a distance of 1158.93 feet;

THENCE along said South right-of-way line and generally along a fence line, an arc distance of 1195.87 feet;

THENCE South 85 degrees 42 minutes 50 seconds East continuing along said South right-of-way line and generally along a fence, a distance of 2613.58 feet to the Point of Beginning and containing 4,992,836 square feet or 114.6197 acres of land.



SAVE AND EXCEPT the following Parcels A and B:

**Parcel A:**

BEING a tract of land situated in the W. H. Moore Survey, Abstract No. 638, Collin County, Texas, and being a part of that tract of land conveyed to Lavon Holdings, L.P. by deed recorded in Volume 5333, Page 3505, Land Records, Collin County, Texas, and being more particularly described as follows:

COMMENCING at a 1/2" iron rod set for a corner at the Southwest corner of said Lavon Holdings, L.P. tract;

THENCE North 02 degrees 03 minutes 15 seconds East, a distance of 307.71 feet along the West line of said tract to a 1/2" iron rod set for a corner and the Point of Beginning;

THENCE North 02 degrees 03 minutes 15 seconds East, a distance of 103.97 feet continuing along said West line to a 1/2" iron rod set for a corner;

THENCE South 87 degrees 56 minutes 45 seconds East, a distance of 324.67 feet to a 1/2" iron rod set for a corner;

THENCE South 02 degrees 03 minutes 15 seconds West, a distance of 103.84 feet to a 1/2" iron rod found for a corner at the Northwest corner of Lavon Sonic, an addition to the City of Lavon recorded in Cabinet O, Page 500, Plat Records, Collin County, Texas;

THENCE North 87 degrees 58 minutes 03 seconds West, a distance of 324.75 feet to the Point of Beginning and containing 33,745 square feet or 0.77 acres of land.

**Parcel B:**

BEING a tract of land situated in the W.H. Moore Survey, Abstract No. 638, Collin County, Texas, and being a part of that tract of land conveyed to Lavon Holdings, L.P. by deed recorded in Volume 5333, Page 3505, Land Records, Collin County, Texas, and being more particularly described as follows:

COMMENCING at a 1/2" iron rod set for a corner at the Southwest corner of said Lavon Holdings, L.P. tract;

THENCE North 02 degrees 03 minutes 15 seconds East, a distance of 307.71 feet along the West line of said tract to a 1/2" iron rod set for a corner;

THENCE South 87 degrees 58 minutes 03 seconds East, a distance of 324.74 feet to a 1/2" iron rod found for a corner at the Northwest corner of Lavon Sonic, an addition to the City of Lavon recorded in Cabinet O, Page 500, Plat Records, Collin County, Texas, and the Point of Beginning;

THENCE North 02 degrees 03 minutes 15 seconds East, a distance of 103.84 feet to a 1/2" iron rod set for a corner;

THENCE South 87 degrees 56 minutes 45 seconds East, a distance of 150.00 feet to a 1/2" iron rod set for a corner;

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**THENCE South 02 degrees 03 minutes 15 seconds West, a distance of 103.79 feet to a 1/2" iron rod found for a corner at the Northeast corner of said Lavon Sonic Addition;**

**THENCE North 87 degrees 58 minutes 03 seconds West, a distance of 150.00 feet along the North line of said Addition to the Point of Beginning and containing 15,574 square feet or 0.36 acres of land.**

05979 04993

ANY PROVISION HEREIN WHICH RESTRICTS THE SALE, RENTAL, OR USE OF THE  
DESCRIBED REAL PROPERTY BECAUSE OF COLOR OR RACE IS HEREBY AND  
HEREAFTER DELETED UNDER FEDERAL LAW  
THE STATE OF TEXAS COUNTY OF COLLIN  
I hereby certify that this instrument was FILED in the Public Records at the  
and the Date Hereof happens by me, and my duty hereunder, to the County Clerk  
Brenda Taylor, County of Collin County, Texas on

AUG 11 2006

Brenda Taylor



14

Filed for Record in:  
Collin County, McKinney TX  
Honorable Brenda Taylor  
Collin County Clerk

On Aug 11 2005  
At 1:38pm

Doc/Num : 2005- 0110500

Recording/Type:AM 28.00  
Receipt #: 32364



**NOTICE TO TITLE COMPANIES HANDLING THE  
CONVEYANCE OF TITLE TO PROPERTY IN GRAND  
HERITAGE -- PLEASE BRING THIS INSTRUMENT TO THE  
ATTENTION OF YOUR INSURED.**

**LAVON GRAND HERITAGE  
HOMEOWNERS ASSOCIATION, INC.**

**RESOLUTION OF DIRECTORS  
RE  
NOTICE TO ASSOCIATION OF SALE OR TRANSFER OF LOT**

This Resolution of Directors of Lavon Grand Heritage Homeowners Association, Inc. ("Board") is made and approved this 11<sup>th</sup> day of April, 2007:

**WITNESSETH**

WHEREAS, World Land Developers L.P., a Texas limited partnership ("Declarant"), joined by the Landowners referenced therein, executed that certain Declaration of Covenants, Conditions, and Restrictions for Grand Heritage ("Declaration") on May 15, 2006, which, when [i] filed for record on May 16, 2006 as Document No. 2006 0516 000658940 in the Real Property Records of Collin County, Texas, imposed upon the Property (as defined in the Declaration) covenants, conditions and restrictions under a general plan of development for the benefit of the owners of each portion of the Property; and

WHEREAS, Lavon Grand Heritage Homeowners Association, Inc. was chartered as a non-profit corporation under the laws of the State of Texas on August 19, 2005 ("Association"); and

WHEREAS, the Board is granted the power under the Declaration and Bylaws of the Association to promulgate and publish rules and regulations for the governance of the Association; and

WHEREAS, the undersigned officer of the Association hereby attests and affirms that the Directors of the Association have unanimously approved the adoption by the Board of the Association of the resolutions set forth hereinbelow; and

WHEREAS, the Association acting through the Board desires to promulgate and publish a rule requiring notice to the Association applicable to all sales and leases of Lots and the homes thereon within Grand Heritage and specifying the enforcement remedies available to the Association in the event of a default by an Owner or Resident (for purposes hereof "Owner" and "Member" shall have the

meaning defined in the Declaration, "Resident" shall mean an occupant in residence under a lease or other arrangement not involving title to the Lot), and "Occupant" shall include all persons residing in a home on a Lot including Owners and Residents and their respective family members or others residing with them);

NOW, THEREFORE, the Board has passed the following resolutions and placed a copy of same in the corporate records of the Association and has filed, or will file, a copy in the Real Property Records of Collin County, Texas:

BE IT RESOLVED THAT the Declaration of Covenants, Conditions, and Restrictions for Grand Heritage is hereby supplemented by the following rule:

1. Registration with the Association. Each and every Owner, Member and Resident shall have an affirmative duty and obligation to originally provide, and thereafter revise and update, within fifteen (15) days after a material change has occurred, various items of information to the Association including:

a) the full name and address of each Occupant who resides within the residential dwelling on the Lot;

(b) the business address, occupation and telephone numbers of each Owner, Member and Resident;

(c) the description and license plate number of each automobile owned or used by an Occupant and brought within the Grand Heritage properties;

(d) the name, address and telephone numbers of other local individuals who can be contacted (in the event the Occupant cannot be located) in case of an emergency;

(e) confirmation that the New Owner (defined as the purchaser of a Lot) has received from the title company, and is familiar with the Association documents including the Declaration, Bylaws, and Articles of Incorporation or, if not, submit a request for such documents (a reasonable charge can be made by the Association if it is required to furnish these documents);

(f) confirmation that the New Owner has received a resale certificate.

(g) such other information as may be reasonably requested from time to time by the Association.

In the event any Owner, Member or Resident fails, neglects or refuses to so provide, revise and update such information, then the Association may, but is not required to, use whatever means it deems reasonable and appropriate to obtain such information and the offending Owner, Member and Resident shall be come

automatically jointly and severally liable to promptly reimburse the Association for all reasonable costs and expenses incurred in so doing.

**FURTHER RESOLVED**, and supplemental to the above, that if the Owner of a Lot leases the Lot or otherwise puts in possession thereof one or more Occupants without transfer of title:

1. The Owner and the Residents shall be responsible to furnish to the Board within fifteen (15) days of the transfer of possession the identity of the party who is a tenant (if any), a copy of the lease (if any) or other basis on which occupancy has been granted, and confirmation that a copy of the Association documents have been furnished to the Residents; and

2. Leases by the Owner shall contain provisions requiring the Resident tenant and other Occupants residing with him or her to comply with all covenants, conditions, and restrictions by which the Lot is bound and shall provide that a violation of same shall constitute a default under the lease to be enforced by the Owner upon demand by the Association.

3. If the New Owner, Owner, or Resident of the Lot does not comply with these rules within the time limits specified above:

(a) The Association may assess a fine in a reasonable amount as determined by the Board.

(b) The New Owner, Owner and/or Residents may be denied the right to enjoy use of the Association amenities so long as in default; and/or

(c) The Owner/Member may be denied the right to vote as a Member as in the Declaration.

**FURTHER RESOLVED**, that nothing contained herein is intended to amend any term of the Declaration including the lien provisions stating that any lien existing on a Lot at the time the New Owner takes title will remain a lien against the Lot until paid and released.

**FURTHER RESOLVED**, that inasmuch as the Board desires that all Owners, Residents, and Occupants including sellers of Lots, buyers of Lots, and tenants of property subject to the Declaration be fully advised of the provisions hereof and the application of such provisions, a copy of these Resolutions shall be recorded in the Real Property Records of Collin County, Texas, and a copy shall be sent to each Owner and each Occupant now in residence in Grand Heritage.

**IN WITNESS WHEREOF**, the undersigned officer of Grand Heritage Homeowners Association, Inc. has executed this instrument as of the 13<sup>th</sup> day of April, 2007.

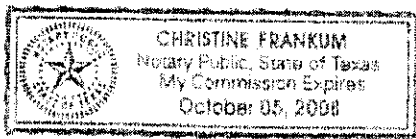
**LAVON GRAND HERITAGE  
HOMEOWNERS ASSOCIATION, INC.**

*Paul King*  
\_\_\_\_\_  
Name: *Paul King*  
\_\_\_\_\_  
Title: *President*  
\_\_\_\_\_

STATE OF TEXAS       §  
                                  §  
COUNTY OF Denton   §

This instrument was acknowledged before me on this 10<sup>th</sup> day of April, 2007, by Frank Cheng, the President of Lavon Grand Heritage Homeowners Association, Inc., a Texas non-profit corporation, on behalf of said association.

Christine Frankum  
Notary Public in and for the State of Texas



AFTER RECORDING RETURN TO:  
Charles W. Spencer  
8111 LBJ Freeway, Suite 920  
Dallas, TX 75251

Filed and Recorded  
Official Public Records  
Stacey Kemp  
Collin County, TEXAS  
05/01/2007 12:26:20 PM  
532 00 TFOSTYR  
20070501000581920



Stacey Kemp





07/25/2008 02:05:49 PM AM 1/3

**AMENDMENT TO THE GRAND HERITAGE DECLARATION  
OF  
COVENANTS, CONDITIONS AND RESTRICTIONS**

**This Amendment to the Grand Heritage Declaration of Covenants, Conditions and Restrictions ("Amendment") is executed as of July 19, 2008, by WORLD LAND DEVELOPERS, L.P., a Texas limited partnership ("Declarant").**

**WHEREAS, that certain Grand Heritage Declaration of Covenants, Restrictions and Conditions (the "Declaration") was executed May 15, 2006 and recorded May 16, 2006 as Document No. 2006 0516 000658940 in the Real Property Records of Collin County, Texas, by Declarant; and**

**WHEREAS, that certain De-Annexation Amendment to the Grand Heritage Declaration of Covenants, Conditions and Restrictions ("De-Annexation Amendment") was filed thereafter releasing a portion of the original property from the Declaration; and**

**WHEREAS, Declarant desires to make the amendment to the Declaration referenced below; and**

**WHEREAS, Section 3.06 of the Declaration provides that "(a) Prior to the Turnover Date, the Declarant shall have the complete, exclusive and unfettered right and privilege to amend, change, revise, modify or delete portions of this Declaration, and each and every Director, Owner and Member specifically and affirmatively authorizes and empowers the Declarant, utilizing the attorney-in-fact status set forth herein, to undertake, complete and consummate any and all such amendments, changes, revisions, modifications or deletions as the Declarant (in its sole and absolute discretion) shall deem reasonable and appropriate.", and**

**WHEREAS, the Turnover Date has not yet occurred,**

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

**1. Section 9.01 of the Declaration is hereby amended and supplemented to provide that, in addition to the use specified therein, any portion of the Property may be platted and developed as townhomes or duplexes. Any provisions contained in the Declaration, Design Guidelines, or other instruments to the contrary are hereby amended to conform hereto.**

**2. The construction standards and guidelines contained in Article XI of the Declaration or elsewhere in the Declaration or other applicable documents, insofar as same relate to townhomes and/or duplexes, shall be governed by the Design Guidelines for townhomes and duplexes as same may be from time to time promulgated or amended by the Board of Directors of the Association unless the**

Filed and Recorded  
Official Public Records  
Stacey Kemp, County Clerk  
Collin County, TEXAS  
07/25/2008 02:05:48 PM  
\$24.00 TKING  
20080725000906240



A handwritten signature in cursive script, appearing to read "Stacey Kemp".



03:16:24 PM AM 1/4

**AMENDMENT  
TO THE  
LAVON GRAND HERITAGE HOMEOWNERS ASSOCIATION, INC.  
DESIGN GUIDELINES**

This Amendment is made as of the date hereinafter stated by the Architectural Control Committee (the "ACC") for the Lavon Grand Heritage Homeowners Association, Inc., a non-profit corporation organized to administer the provisions of the Declaration hereafter describe on behalf of Lavon Grand Heritage Homeowners Association, Inc. (the "HOA").

**WITNESSETH:**

WHEREAS, World Land Developers, L.P., a Texas limited partnership (the "Declarant") executed that certain Lavon Grand Heritage Homeowners Association, Inc. Design Guidelines (the "Guidelines"), recorded June 19, 2008, which is filed under Clerk's File No. 20080619000745390 and recorded in the Official Public Records of Collin County, Texas (the "Official Records"), which imposed covenants, conditions and restrictions on certain property described therein; and

WHEREAS, Section 12.07 of that certain Grand Heritage Declaration of Covenants, Conditions and Restrictions dated May 15, 2006, which is filed under Clerk's File No. 20060516000658940 and recorded in the Official Public Records of Collin County, Texas, as amended by that certain Amendment dated July 18, 2008 which is filed under Clerk's File No. 20080725000906240 and recorded in the Official Records (the "Declaration") gives the ACC the right to supplement, withdraw and amend the Guidelines.

WHEREAS, the ACC desires to amend the Guidelines to restrict the material used for all privacy fences constructed from the time this Amendment is recorded forward to cedar wood.

NOW, THEREFORE, the ACC hereby amends page 19 of the Guidelines under heading "Wood Fences" to read: "Fences must comply with the Fence Detail attached as Exhibit C. No front yard fences are allowed. All wood fencing must be constructed of Cedar wood. All wood fencing visible from the street or common area shall have the pickets attached to the street-side or common area-side so that no posts or rails are visible from the street or common area and fences visible from public view must be stained Behr Brand California Rustic Semi Cedar DP-351. Wood fences may not be altered in any form or fashion to incorporate any artistic design, cutout, wagon wheels, etc."

IN WITNESS WHEREOF this Amendment is executed the 21<sup>st</sup> day of August, 2008.

Architectural Control Committee  
Lavon Grand Heritage Homeowners  
Association, Inc.

Paul Cheng  
Paul Cheng, Director

THE STATE OF TEXAS       §  
  §  
COUNTY OF COLLIN       §

This instrument was acknowledged before me on 21<sup>st</sup> Aug, 2008 by Paul Cheng, Director of Lavon Grand Heritage Homeowners Association, Inc. a Texas nonprofit corporation, on behalf of said corporation.

(SEAL)



Christine Frankum  
Notary Public in and for  
the State of Texas

Christine Frankum  
Name printed or typed

Filed and Recorded  
Official Public Records  
Stacey Kemp, County Clerk  
Collin County, TEXAS  
08/27/2008 03:16:24 PM  
\$28.00 TKING  
20080827001041438



*Stacey Kemp*



20081006001202320 10/08/2008 12:36:04 PM FD 1/6

**DECLARATION OF ANNEXATION  
GRAND HERITAGE DECLARATION OF COVENANTS, CONDITIONS AND  
RESTRICTIONS**

This Declaration of Annexation is made as of the date hereinafter stated by World Land Developers, L.P., a Texas limited partnership ("Declarant").

**WITNESSETH:**

WHEREAS, Declarant executed that certain Grand Heritage Declaration of Covenants, Conditions and Restrictions dated May 15, 2006, which is filed under Clerk's File No. 20060516000658940 and recorded in the Official Public Records of Collin County, Texas (the "Official Records"), as amended by that certain Amendment dated July 18, 2008 which is filed under Clerk's File No. 20080725000906240 and recorded in the Official Records (the "Declaration"), which imposed covenants, conditions and restrictions on certain property described therein; and

WHEREAS, Declarant is the owner of those certain tracts of land contiguous to or in the general vicinity of the property described in and encumbered by the Declaration described in Exhibit A attached hereto (the "Annexed Property"); and

WHEREAS, Section 2.02 of Article II of the Declaration gives the Declarant the right as the owner, to annex additional property into the jurisdiction of the Grand Heritage Homeowners Association, Inc., a non-profit corporation organized to administer the provisions of the Declaration (the "Association"), and to subject such annexed property to the provisions of the Declaration; and

WHEREAS, the Declarant desires to annex the Annexed Property into the jurisdiction of the Association and to subject the Annexed Property to all of the provisions of the Declaration.

NOW, THEREFORE, the Declarant hereby annexes the Annexed Property into the jurisdiction of the Lavon Grand Heritage Homeowners Association, Inc. and declares that the Annexed Property shall be a portion of the Property (as defined in the Declaration) and shall be subject to all provisions of the Declaration, including without limitation, the right of the Association to levy assessments as set forth in Article IV of the Declaration.

IN WITNESS WHEREOF this Declaration of Annexation is executed the 26<sup>th</sup> day of August, 2008.

World Land Developers, L.P.,  
a Texas limited partnership,

By, World Land Developers GP, LLC,  
its general partner

By: Alan Bain  
Alan Bain, Vice President

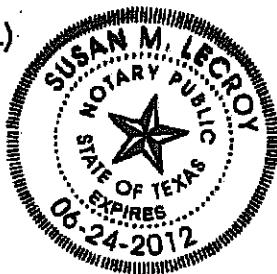
THE STATE OF TEXAS

§  
§  
§

COUNTY OF DALLAS

This instrument was acknowledged before me on August 26, 2008 by Alan Bain, Vice President of World Land Developers GP, LLC, general partner of World Land Developers, L.P., a Texas limited partnership, on behalf of said partnership.

(SEAL)



Susan M. Lecroy  
Notary Public in and for  
the State of Texas

Susan M. Lecroy  
Name printed or typed

Exhibit A

**TRACT 1**

All of that certain Final Plat Grand Heritage – East A2, a subdivision in Collin County, Texas, according to the plat thereof recorded as Plat No. 2008-468 in the Plat Records of Collin County, Texas.

**TRACT 2 FIELD NOTES**

(Part of Lavon Realty Partners Tract – East "B")

**BEING** a tract or parcel of land situated in the Drury Anglin Survey, Abstract No. 2, Collin County, Texas, and being part of that tract of land described in a Deed to Lavon Realty Partners, LP, as recorded in Volume 5439, Page 4856 of the Official Public Records of Collin County, Texas, and being more particularly described as follows:

**BEGINNING** at a point for corner at the centerline intersection of County Road No. 483, said point being the Southeast corner of the above cited Lavon Realty Partners tract;

**THENCE** North 88 degrees 40 minutes 48 seconds West along the Southerly line of said Lavon Realty Partners tract and along the center of said County Road No. 483, for a distance of 1476.00 feet to a point for corner;

**THENCE** North 00 degrees 45 minutes 44 seconds East along the Southerly line of said Lavon Realty Partners tract, for a distance of 8.00 feet to a point for corner;

**THENCE** South 76 degrees 49 minutes 12 seconds West along the Southerly line of said Lavon Realty Partners tract, for a distance of 1358.24 feet to a point for corner at the Southwest corner of said Lavon Realty Partners tract;

**THENCE** North 00 degrees 44 minutes 42 seconds East along the West line of said Lavon Realty Partners tract, for a distance of 1159.19 feet to a point for corner at the Southwest corner of a called 19.779 acre tract of land described as Tract Two in a Deed to the City of Lavon, Texas, as recorded in Document No. 20060725001041390 of the Official Public Records of Collin County, Texas;

**THENCE** departing the West line of said Lavon Realty Partners tract, and along the Southerly and Easterly lines of said 19.779 acre tract as follows:

North 65 degrees 27 minutes 42 seconds East for a distance of 131.88 feet to a point for corner;

South 72 degrees 03 minutes 21 seconds East for a distance of 35.21 feet to a point for corner;

North 86 degrees 08 minutes 49 seconds East for a distance of 56.57 feet to a point for corner;

North 87 degrees 53 minutes 04 seconds East for a distance of 49.16 feet to a point for corner;

North 81 degrees 40 minutes 28 seconds East for a distance of 48.22 feet to a point for corner;

North 77 degrees 02 minutes 07 seconds East for a distance of 56.51 feet to a point for corner;

North 76 degrees 49 minutes 12 seconds East for a distance of 69.98 feet to a point for corner;

South 13 degrees 10 minutes 48 seconds East for a distance of 120.00 feet to a point for corner;



North 76 degrees 49 minutes 12 seconds East for a distance of 91.46 feet to a point for corner at the beginning of a curve to the left;

Northeasterly, along said curve to the left having a central angle of 11 degrees 36 minutes 18 seconds, a radius of 1165.00 feet, a chord bearing of North 71 degrees 01 minutes 04 seconds East, a chord distance of 235.56 feet and an arc length of 235.96 feet to a point for corner at the beginning of a reverse curve to the right;

Northeasterly, along said curve to the right having a central angle of 16 degrees 55 minutes 20 seconds, a radius of 1060.00 feet, a chord bearing of North 73 degrees 40 minutes 35 seconds East, a chord distance of 311.93 feet and an arc length of 313.07 feet to a point for corner at the beginning of a non-tangent curve to the right;

Northeasterly, along said non-tangent curve to the right having a central angle of 50 degrees 34 minutes 01 seconds, a radius of 60.00 feet, a chord bearing of North 74 degrees 44 minutes 17 seconds East, a chord distance of 51.25 feet and an arc length of 52.95 feet to a point for corner;

North 19 degrees 36 minutes 56 seconds East for a distance of 13.37 feet to a point for corner;

North 48 degrees 00 minutes 27 seconds East for a distance of 80.10 feet to a point for corner;

North 86 degrees 11 minutes 50 seconds East for a distance of 95.66 feet to a point for corner at the beginning of a non-tangent curve to the left, said point being the Southeast corner of said Tract Two;

Northwesterly, along said non-tangent curve to the left having a central angle of 33 degrees 35 minutes 04 seconds, a radius of 560.00 feet, a chord bearing of North 21 degrees 37 minutes 06 seconds West, a chord distance of 323.57 feet and an arc length of 328.25 feet to a point for corner;

North 38 degrees 24 minutes 38 seconds West for a distance of 79.98 feet to a point for corner at the beginning of a curve to the right;

Northwesterly, along said curve to the right having a central angle of 24 degrees 48 minutes 32 seconds, a radius of 440.00 feet, a chord bearing of North 26 degrees 00 minutes 25 seconds West, a chord distance of 189.03 feet and an arc length of 190.52 feet to a point for corner;

**THENCE** North 63 degrees 56 minutes 26 seconds East departing the Easterly line of said 19.779 acres tract, for a distance of 82.38 feet to a point for corner at the beginning of a non-tangent curve to the left, said point being the Northwest corner of a called 31.269 acre tract of land described as Tract One in said Deed to the City of Lavon, Texas, recorded in Document No. 20060725001041390 of the Official Public Records of Collin County, Texas;

**THENCE** along the Westerly and Southerly lines of said 31.269 acre tract as follows:

Southeasterly, along said non-tangent curve to the left having a central angle of 27 degrees 38 minutes 17 seconds, a radius of 360.00 feet, a chord bearing of South 24 degrees 35 minutes 32 seconds East, a chord distance of 171.98 feet and an arc length of 173.66 feet to a point for corner;

South 38 degrees 24 minutes 38 seconds East for a distance of 79.98 feet to a point for corner at the beginning of a curve to the right;

Southeasterly, along said curve to the right having a central angle of 30 degrees 23 minutes 09 seconds, a radius of 640.00 feet, a chord bearing of South 23 degrees 13 minutes 04 seconds East, a chord distance of 335.45 feet and an arc length of 339.41 feet to a point for corner at the Southwest corner of said 31.269 acre tract;

South 89 degrees 15 minutes 18 seconds East for a distance of 315.28 feet to a point for corner at the beginning of a non-tangent curve to the right;

Northeasterly, along said non-tangent curve to the right having a central angle of 53 degrees 11 minutes 15 seconds, a radius of 245.03 feet, a chord bearing of North 35 degrees 19 minutes 41 seconds East, a chord distance of 219.38 feet and an arc length of 227.46 feet to a point for corner at the beginning of a reverse curve to the left;

Northeasterly, along said curve to the left having a central angle of 18 degrees 51 minutes 51 seconds, a radius of 465.00 feet, a chord bearing of North 52 degrees 29 minutes 29 seconds East, a chord distance of 152.41 feet and an arc length of 153.10 feet to a point for corner;

North 43 degrees 03 minutes 34 seconds East for a distance of 131.07 feet to a point for corner at the beginning of a curve to the left;

Northeasterly, along said curve to the left having a central angle of 15 degrees 16 minutes 33 seconds, a radius of 465.00 feet, a chord bearing of North 35 degrees 25 minutes 18 seconds East, a chord distance of 123.61 feet and an arc length of 123.98 feet to a point for corner;

North 27 degrees 47 minutes 01 seconds East for a distance of 451.43 feet to a point for corner at the beginning of a curve to the right;

Northeasterly, along said curve to the right having a central angle of 03 degrees 45 minutes 10 seconds, a radius of 535.00 feet, a chord bearing of North 29 degrees 39 minutes 36 seconds East, a chord distance of 35.03 feet and an arc length of 35.04 feet to a point for corner;

North 31 degrees 32 minutes 11 seconds East for a distance of 109.36 feet to a point for corner;

North 76 degrees 13 minutes 07 seconds East for a distance of 98.34 feet to a point for corner;

North 13 degrees 48 minutes 53 seconds West for a distance of 97.03 feet to a point for corner;

North 42 degrees 43 minutes 18 seconds East for a distance of 66.37 feet to a point for corner;

North 54 degrees 35 minutes 32 seconds East for a distance of 55.78 feet to a point for corner;

North 65 degrees 30 minutes 47 seconds East for a distance of 52.54 feet to a point for corner;

North 73 degrees 29 minutes 14 seconds East for a distance of 26.51 feet to a point for corner;

North 76 degrees 09 minutes 12 seconds East for a distance of 222.78 feet to a point for corner in the center of County Road No. 483, said point being the most Southerly Southeast corner of said 31.269 acre tract, said point also being in the East line of said Lavon Realty Partners tract;

**THENCE** South 00 degrees 44 minutes 42 seconds West along the East line of said Lavon Realty Partners tract and along the center of said County Road No. 483, for a distance of 2441.91 feet to the **POINT OF BEGINNING**, and containing 92.296 acres of land, more or less.

Filed and Recorded  
Official Public Records  
Stacey Kemp, County Clerk  
Collin County, TEXAS  
10/08/2008 12:36:04 PM  
\$36.00 DLAIRD  
20081008001202320



A handwritten signature in cursive script that reads "Stacey Kemp".

Correction Document

**AMENDMENT TO  
MANAGEMENT CERTIFICATE  
FOR**

**LAVON GRAND HERITAGE HOMEOWNERS ASSOCIATION, INC.**

Correcting insertion of Document Number 20081008001202320 in item 4.

THIS AMENDMENT TO MANAGEMENT CERTIFICATE is being filed pursuant to Section 209.004 of the Texas Residential Property Owners Protection Act.

WHEREAS LAVON GRAND HERITAGE HOMEOWNERS ASSOCIATION, INC. (the "HOA") recorded a Management Certificate in the Official Public Records of Collin County, Texas as Document 20061120001650720 (the "Management Certificate").

WHEREAS the HOA desires to amend the Management Certificate.

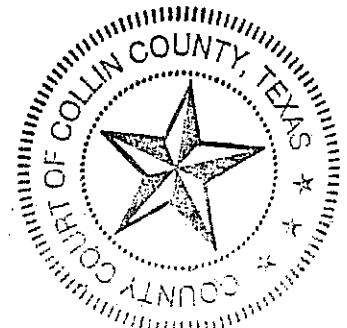
NOW THEREFORE Sections 1 through 5 of the Management Certificate are hereby deleted in their entirety and replaced with the following:

1. The names of the subdivisions are "Grand Heritage Club, Grand Heritage West C, Heritage East "A" Phase 1 Addition, Grand Heritage East A 2, and Replat Lots 58R & 59R, Block A Grand Heritage Club".
2. The name of the Association is "Lavon Grand Heritage Homeowners Association, Inc."
3. The plats for the subdivisions are recorded as Documents 2006-212, 2008-289, 2006-324, 2006-1468, 2007-312 in the Official Public Records of Collin County, Texas.
4. The recording data for the Declaration for the subdivisions is as follows: Grand Heritage Declaration of Covenants, Conditions and Restrictions duly recorded as Document 20060516000658940 as amended by document 20080725000906240 and document 20081008001202320 in the Official Public Records of Collin County, Texas.
5. The mailing address for the Association is as follows:

Lavon Grand Heritage Homeowners Association, Inc.  
 C/O American HOA Management Corp.  
 2745 North Dallas Parkway, Suite 600B  
 Plano, TX 75093  
 214-731-9208 phone  
 214-731-9600 fax

This Amendment to Management Certificate has been executed of the 30<sup>th</sup> Day of September, 2008.

After Recording Return To:  
 American HOA Management  
 2745 North Dallas Parkway, Suite 600B  
 Plano, TX 75093



LAVON GRAND HERITAGE HOMEOWNERS ASSOCIATION, INC.

By: Paul Cheng, President

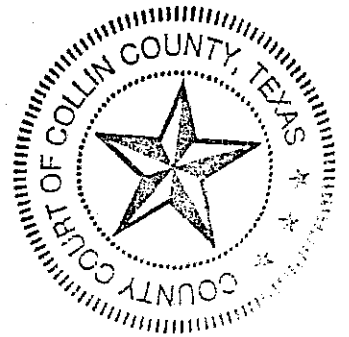
STATE OF TEXAS §  
COUNTY OF COLLIN §

On this \_\_\_ day of September in the year 2008, before me, Christine Frankum a Notary Public in and for said state, personally appeared Paul Cheng, President of LAVON GRAND HERITAGE HOMEOWNERS ASSOCIATION, INC., known to me to be the person who executed the within instrument on behalf of said entity and acknowledged to me that he executed the same for the purposes therein stated.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal the day and year last above written.

Christine Frankum  
Notary Public in and for Said County and State  
Christine Frankum

Filed and Recorded  
Official Public Records  
Stacey Kemp, County Clerk  
Collin County, TEXAS  
10/08/2008 12:34:10 PM  
\$20.00 DLAIRO  
20081008001202910



Stacey Kemp

After recording return to:  
Woodland Creek of Royse City Homeowners Association, Inc.  
2745 North Dallas Parkway, Suite 600B  
Plano, TX 75093

THE STATE OF TEXAS  
COUNTY OF COLLIN

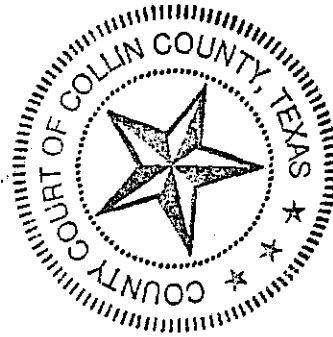
I, Stacey Kemp County Clerk,  
Court Collin County, Texas

Do hereby certify that the foregoing instrument of writing is  
a full, true and correct copy of the instrument as filed for  
record in my office the 5<sup>th</sup> day of November, 2008  
No. 2008-001302310

Witness my hand and official seal at my office in McKinney,  
Texas, this 5<sup>th</sup> day of November, 2008

Stacey Kemp Collin County Clerk  
Collin County, Texas

By: [Signature], Deputy



Filed and Recorded  
Official Public Records  
Stacey Kemp, County Clerk  
Collin County, TEXAS  
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20081105001302880



[Signature]

LawAm GP# 223/001747

#1

20090115000042590 01/15/2009 10:30:43 AM AM 1/3  
AMENDMENT TO THE GRAND HERITAGE DECLARATION  
OF  
COVENANTS, CONDITIONS, AND RESTRICTIONS

This Amendment to the Grand Heritage Declaration of Covenants, Conditions, and Restrictions (this "Amendment") is executed as of January 7, 2009, by WORLD LAND DEVELOPERS, LP, a Texas limited partnership ("Declarant").

WHEREAS, that certain Grand Heritage Declaration of Covenants, Conditions, and Restrictions (the "Declaration") was executed May 15, 2006 and recorded May 16, 2006 as Document No. 20060516000658940 in the Real Property Records of Collin County, Texas, by Declarant; and

WHEREAS, that certain De-Annexation Amendment to the Grand Heritage Declaration of Covenants, Conditions, and Restrictions ("De-Annexation Amendment") was filed thereafter releasing a portion of the original property from the Declaration; and

WHEREAS, that certain Amendment was recorded on July 25, 2008 as Document No. 20080725000906240 in the Real Property Records of Collin County, Texas, by Declarant allowing for the construction of townhomes or duplexes.

WHEREAS, that certain Declaration of Annexation was recorded on October 8, 2008 as Document No. 20081008001202320 in the Real Property Records of Collin County, Texas, by Declarant annexing additional land to the property subject to the Declaration.

WHEREAS, Lots 6-10, 12-22, and 24-26 in Block B, and Lots 14-26 in Block E of Grand Heritage West-C subdivision were re-platted into 64 single family attached duplex configuration Lots with approximately 30 feet of road frontage on December 11, 2008 by Plat Records recorded in Cabinet 2008, Slide 681, of the Plat Records of Collin County, Texas (the "Townhome Lots") more particularly described on Exhibit A.

WHEREAS, Declarant desires to make the amendment to the Declaration referenced below; and

WHEREAS, Section 3.06 of the Declaration provides that "(a) Prior to the Turnover Date, the Declarant shall have the complete, exclusive and unfettered right and privilege to amend, change, revise, modify or delete portions of the Declaration, and each and every Director, Owner, and Member specifically and affirmatively authorizes and empowers the Declarant, utilizing the attorney-in-fact status set forth herein, to undertake, complete, and consummate any and all such amendments, changes, revisions, modifications or deletions as the Declarant (in its sole and absolute discretion) shall deem reasonable and appropriate."; and

WHEREAS, the Turnover Date has not yet occurred,

NOW THEREFORE, the Declaration is hereby amended as follows:

1. Section 4.03 Regular Assessments. is hereby amended to add the following:

**Exhibit A to Amendment**

**Exhibit I**  
**to Grand Heritage Declaration of Covenants Conditions and Restrictions**

**Townhome Lots Legal Description**  
**64 Lots with approximately 30 feet of street frontage**

<b><u>Block B</u></b>	<b>Lot 18A</b>	<b>Lot 16B</b>
<b>Lot 6A</b>	<b>Lot 18B</b>	<b>Lot 17A</b>
<b>Lot 6B</b>	<b>Lot 19A</b>	<b>Lot 17B</b>
<b>Lot 7A</b>	<b>Lot 19B</b>	<b>Lot 18A</b>
<b>Lot 7B</b>	<b>Lot 20A</b>	<b>Lot 18B</b>
<b>Lot 8A</b>	<b>Lot 20B</b>	<b>Lot 19A</b>
<b>Lot 8B</b>	<b>Lot 21A</b>	<b>Lot 19B</b>
<b>Lot 9A</b>	<b>Lot 21B</b>	<b>Lot 20A</b>
<b>Lot 9B</b>	<b>Lot 22A</b>	<b>Lot 20B</b>
<b>Lot 10A</b>	<b>Lot 22B</b>	<b>Lot 21A</b>
<b>Lot 10B</b>	<b>Lot 24A</b>	<b>Lot 21B</b>
<b>Lot 12A</b>	<b>Lot 24B</b>	<b>Lot 22A</b>
<b>Lot 12B</b>	<b>Lot 25A</b>	<b>Lot 22B</b>
<b>Lot 13A</b>	<b>Lot 25B</b>	<b>Lot 23A</b>
<b>Lot 13B</b>	<b>Lot 26A</b>	<b>Lot 23B</b>
<b>Lot 14A</b>	<b>Lot 26B</b>	<b>Lot 24A</b>
<b>Lot 14B</b>		<b>Lot 24B</b>
<b>Lot 15A</b>	<b><u>Block E</u></b>	<b>Lot 25A</b>
<b>Lot 15B</b>	<b>Lot 14A</b>	<b>Lot 25B</b>
<b>Lot 16A</b>	<b>Lot 14B</b>	<b>Lot 26A</b>
<b>Lot 16B</b>	<b>Lot 15A</b>	<b>Lot 26B</b>
<b>Lot 17A</b>	<b>Lot 15B</b>	
<b>Lot 17B</b>	<b>Lot 16A</b>	

After Recording Return to:  
Susan Lecroy  
World Land Developers, LP  
1601 Elm Street, Suite 3400  
Dallas, TX 75201

Filed and Recorded  
Official Public Records  
Stacey Kemp, County Clerk  
Collin County, TEXAS  
01/15/2009 10:30:43 AM  
\$24.00 TKING  
20090115000042590



*Stacey Kemp*





**SECOND AMENDMENT  
TO THE  
LAVON GRAND HERITAGE HOMEOWNERS ASSOCIATION, INC.  
DESIGN GUIDELINES**

This Amendment is made as of the date hereinafter stated by the Architectural Control Committee (the "ACC") for the Lavon Grand Heritage Homeowners Association, Inc., a non-profit corporation organized to administer the provisions of the Declaration hereafter describe on behalf of Lavon Grand Heritage Homeowners Association, Inc. (the "HOA").

WITNESSETH:

WHEREAS, World Land Developers, L.P., a Texas limited partnership (the "Declarant") executed that certain Lavon Grand Heritage Homeowners Association, Inc. Design Guidelines (the "Guidelines"), recorded June 19, 2008, which is filed under Clerk's File No. 20080619000745390 and recorded in the Official Public Records of Collin County, Texas (the "Official Records"), which imposed covenants, conditions and restrictions on certain property described therein; and

WHEREAS, World Land Developers, L.P., a Texas limited partnership (the "Declarant") executed that certain Amendment to the Lavon Grand Heritage Homeowner's Association, Inc. Design Guidelines (the "Amendment"), recorded August 27, 2008, which is filed under Clerk's File No. 20080827001041430 and recorded in the Official Public Records of Collin County, Texas (the "Official Records"), which modified provisions for fencing material; and

WHEREAS, the City of Lavon Ordinance 2007-05-01 removed the City requirement that the trees be planted or retained in the front yard and placed a requirement that the builder make two trees available to the Lot.


WHEREAS, Section 12.07 of that certain Grand Heritage Declaration of Covenants, Conditions and Restrictions dated May 15, 2006, which is filed under Clerk's File No. 20060516000658940 and recorded in the Official Public Records of Collin County, Texas, as amended (the "Declaration") gives the ACC the right to supplement, withdraw and amend the Guidelines.

WHEREAS, the ACC desires to amend the Guidelines to modify the restriction for Yard Trees from Page 21 of the Guidelines to only require one Yard Tree.

NOW, THEREFORE, the ACC hereby amends page 21 of the Guidelines under heading "Yard Trees" to read: "Yard Trees are to be planted between the sidewalk and the front of the house. Approved shade trees may be planted in the yard; approved ornamental trees may be planted in the yards or incorporated into the landscape beds. A minimum of one Yard Tree is required in the front yard of a Lot. The species and size of yard trees are to be taken from the list of trees on the approved plant list. (Exhibit C). If any other type of tree is desired, specific approval must be granted. "

IN WITNESS WHEREOF this Amendment is executed the 12<sup>th</sup> day of February, 2009.

Architectural Control Committee  
Lavon Grand Heritage Homeowners  
Association, Inc.

  
\_\_\_\_\_  
Paul Cheng, Director

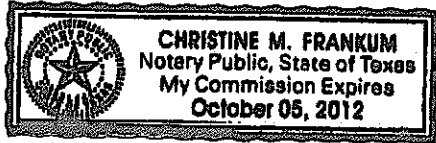
THE STATE OF TEXAS

§  
§  
§

COUNTY OF COLLIN

This instrument was acknowledged before me on Feb. 12, 2009 by Paul Cheng, Director of Lavon Grand Heritage Homeowners Association, Inc. a Texas nonprofit corporation, on behalf of said corporation.

(SEAL)



Christine Frankum

Notary Public in and for  
the State of Texas

Christine Frankum

Name printed or typed

Architectural Control Committee  
Lavon Grand Heritage Homeowners  
Association, Inc.

[Signature]

Alice Wong, Director

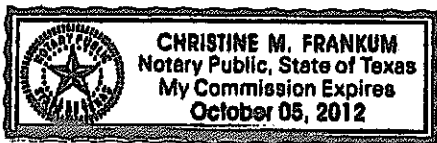
THE STATE OF TEXAS

§  
§  
§

COUNTY OF COLLIN

This instrument was acknowledged before me on Feb. 12, 2009 by Alice Wong, Director of Lavon Grand Heritage Homeowners Association, Inc. a Texas nonprofit corporation, on behalf of said corporation.

(SEAL)



Christine Frankum

Notary Public in and for  
the State of Texas

Christine Frankum

Name printed or typed

Architectural Control Committee  
Lavon Grand Heritage Homeowners  
Association, Inc.

Cynthia Dias-Potkalesky  
Cynthia Dias-Potkalesky, Director

THE STATE OF TEXAS

§  
§  
§

COUNTY OF COLLIN

This instrument was acknowledged before me on Feb. 12, 2009 by Cynthia Dias-Potkalesky, Director of Lavon Grand Heritage Homeowners Association, Inc. a Texas nonprofit corporation, on behalf of said corporation.

(SEAL)



Christine Frankum  
Notary Public in and for  
the State of Texas

Christine Frankum  
Name printed or typed

Filed and Recorded  
Official Public Records  
Stacey Kemp, County Clerk  
Collin County, TEXAS  
02/26/2009 09:51:24 AM  
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20090226000216120



Stacey Kemp

**THIRD AMENDMENT TO THE GRAND HERITAGE DECLARATION  
OF  
COVENANTS, CONDITIONS, AND RESTRICTIONS**

This Third Amendment to the Grand Heritage Declaration of Covenants, Conditions, and Restrictions (this "Amendment") is executed as of July 21, 2009, by **WORLD LAND DEVELOPERS, LP**, a Texas limited partnership ("Declarant").

**WHEREAS**, that certain Grand Heritage Declaration of Covenants, Conditions, and Restrictions (the "Declaration") was executed May 15, 2006 and recorded May 16, 2006 as Document No. 20060516000658940 in the Real Property Records of Collin County, Texas, by Declarant: and

**WHEREAS**, that certain De-Annexation Amendment to the Grand Heritage Declaration of Covenants, Conditions, and Restrictions ("De-Annexation Amendment") was filed thereafter releasing a portion of the original property from the Declaration; and

**WHEREAS**, that certain Amendment was recorded on July 25, 2008 as Document No. 20080725000906240 in the Real Property Records of Collin County, Texas, by Declarant allowing for the construction of townhomes or duplexes.

**WHEREAS**, that certain Declaration of Annexation was recorded on October 8, 2008 as Document No. 20081008001202320 in the Real Property Records of Collin County, Texas, by Declarant annexing additional land to the property subject to the Declaration.

**WHEREAS**, that certain Amendment to the Grand Heritage Declaration of Covenants, Conditions and Restrictions was recorded January 15, 2009 as Document No. 20090115000042590 in the Real Property Records of Collin County, Texas by Declarant revised assessments for Townhome Lots.

**WHEREAS**, Declarant desires to clarify and make the amendment to the Declaration referenced below; and

**WHEREAS**, Section 3.06 of the Declaration provides that "(a) Prior to the Turnover Date, the Declarant shall have the complete, exclusive and unfettered right and privilege to amend, change, revise, modify or delete portions of the Declaration, and each and every Director, Owner, and Member specifically and affirmatively authorizes and empowers the Declarant, utilizing the attorney-in-fact status set forth herein, to undertake, complete, and consummate any and all such amendments, changes, revisions, modifications or deletions as the Declarant (in its sole and absolute discretion) shall deem reasonable and appropriate."; and

**WHEREAS**, the Turnover Date has not yet occurred,

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

**Section 9.03. Uses Specifically Prohibited (a).** Is hereby deleted in its entirety and replaced with the following:

**“Section 9.03. Uses Specifically Prohibited (a)** Any machinery, marine craft, boat, motorcycle, any type of trailer, or any hovercraft, aircraft, recreational vehicle, pick-up camper, motor home, camper body or similar equipment or vehicle (collectively, “Equipment or Vehicle”) parked for storage on any portion of the Lot must be substantially concealed from public view, must be fully operational, and must have all current licenses and permits necessary or appropriate for use on public thoroughfares or waterways. No such Equipment or Vehicle shall be used as a Residence or office temporarily or permanently, provided that this restriction shall not apply to any Equipment or Vehicle temporarily parked and in use for the construction, maintenance or repair of a Residence in its immediate vicinity. For purposes of this Declaration, any Equipment or Vehicle shall be “parked for storage” if it is parked on, on a side street, or in front of a Lot overnight. Parking restrictions relating to public streets will be enforced in accordance with law and to the extent not prohibited by law.”

**WHEREAS,** All other covenants, conditions, restrictions, easements, stipulations, reservations, and other terms and provisions which have not been changed hereby, either expressly or by necessary implication shall remain in full force and effect.

**IN WITNESS WHEREOF,** This Third Amendment is hereby executed by Declarant on the date first written above and is effective upon recording in the Real Property Records of Collin County, Texas.

**DECLARANT:**

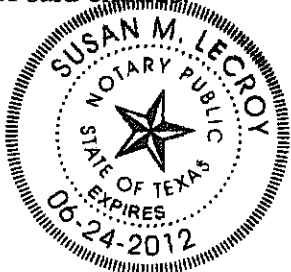
**WORLD LAND DEVELOPERS, LP,**  
A Texas limited partnership

**BY WORLD LAND DEVELOPERS, GP, LLC**  
Its general partner

By: Alan Bain  
Alan Bain, Vice President

**STATE OF TEXAS**           §  
  §  
**COUNTY OF DALLAS**     §

This instrument was acknowledged before me on this 21 day of <sup>July</sup>~~May~~, 2009, by Alan Bain, Vice President of World Land Developers, GP, LLC, a Texas limited liability company, general partner of World Land Developers, LP, a Texas limited partnership, on behalf of said entities.



Susan M. Lecroy  
Notary Public, State of Texas

Filed and Recorded  
Official Public Records  
Stacey Kemp, County Clerk  
Collin County, TEXAS  
08/04/2009 09:05:20 AM  
\$24.00 DLAIRD  
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*Stacey Kemp*