

STATE OF TEXAS)
COUNTY OF COLLIN)

AMENDED AND RESTATED
DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS
FOR, AND CONSOLIDATION OF
WINDHAVEN FARM PHASE II, HUNTINGDON GREEN -
SECTION ONE, AND WINDHAVEN SECTION III,
ADDITIONS TO
THE CITY OF PLANO, COLLIN COUNTY, TEXAS,
AND ANNEXATION OF LAND FOR FUTURE
PLATTING AS
WINDHAVEN SECTION IV, WINDHAVEN SECTION V
AND WINDHAVEN SECTION VI

Filed for Record in:
COLLIN COUNTY TX
HONORABLE HELEN STARNES

On 1995/12/29

At 3:05P
Number: 95-0097189

THIS AMENDED AND RESTATED DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS, CONSOLIDATION AND ANNEXATION (the "Restated Declaration") is made and entered into this 21st day of December, 1995, by WINDHAVEN FARM PHASE II LIMITED PARTNERSHIP, a Texas limited partnership as declarant for Windhaven Farm Phase II ("Windhaven II"), PARKWOOD ROAD, LTD. and LEGACY HOMES, LTD. DBA CARELLE CUSTOM BUILDERS as declarant for Huntingdon Green - Section One ("Windhaven West"), YEARY ROAD LIMITED PARTNERSHIP as Declarant for Windhaven Section III ("Windhaven III"), PARKWOOD ROAD, LTD. as declarant for Windhaven Section IV ("Windhaven IV"), HAGGARD ENTERPRISES LIMITED, LTD. as declarant for Windhaven Section V ("Windhaven V"), and CLIFFORD R. HAGGARD, TRUSTEE and HAGGARD ENTERPRISES LIMITED, LTD. as declarant for Windhaven Section VI ("Windhaven VI") (hereafter referred to by name and collectively called "Declarants").

W I T N E S S E T H:

Windhaven Farm Phase II Limited Partnership is the owner of those certain tracts of land described on Exhibit "A" attached hereto and incorporated herein by reference for all purposes (hereinafter collectively referred to as the "Windhaven II Tracts" and individually as "Tract I" and "Tract II" as designated on Exhibit "A").

Parkwood Road, Ltd. and Legacy Homes, Ltd., DBA Carelle Custom Builders are the owners of that certain tract of land described on Exhibit "B" attached hereto and incorporated herein by reference for all purposes (hereinafter referred to as the "Windhaven West Tract").

Yeary Road Limited Partnership is the owner of that certain tract of land described on Exhibit "C" attached hereto and incorporated herein by reference for all purposes (hereinafter referred to as the "Windhaven III Tract").

PARKWOOD ROAD, LTD. is the owner of that certain tract of land described on Exhibit "D" attached hereto and incorporated herein by reference for all purposes (hereinafter referred to as the "Windhaven IV Tract").

HAGGARD ENTERPRISES LIMITED, LTD. is the owner of that certain tract of land described on Exhibit "E" attached hereto and incorporated herein by reference for all purposes (hereinafter referred to as the "Windhaven V Tract").

CLIFFORD R. HAGGARD, TRUSTEE and HAGGARD ENTERPRISES LIMITED, LTD. are the owners of that certain tract of land described on Exhibit "F" attached hereto and incorporated herein by reference for all purposes (hereinafter referred to as the "Windhaven VI Tract").

WINDHAVEN II

WHEREAS, on January 30, 1992, a certain Declaration of Covenants, Conditions and Restrictions was executed for Tract I (the "Tract I Declaration") and subsequently recorded in Clerk's File No. 92-0008011, Deed Records, Collin County, Texas; and

WHEREAS, on May 31, 1990, a certain Declaration of Covenants, conditions and Restrictions was executed for a portion of Tract II and subsequently recorded in Volume 3283, Page 439 of the Land Records of Collin County, Texas as amended by the First Amendment to the Declaration of Covenants, Conditions and Restrictions executed on January 30, 1992 and subsequently recorded in Clerk's File No. 92-0008041, Deed Records, Collin County, Texas which, in part, added a .5667 acre parcel of land thereto (collectively, the "Tract II Declaration"); and

WHEREAS, on August 1, 1992, that certain Amended and Restated Declaration of Covenants, Conditions and Restrictions for Windhaven Farm Phase II, an Addition to the City of Plano, Collin County, Texas was executed and subsequently recorded under Clerk File No. 92-0052397, Land Records of Collin County, Texas, with respect to the property described in Exhibit "A" hereto, as amended by the First Amendment to Amended and Restated Declaration of Covenants, Conditions and Restrictions for Windhaven Farm Phase II, an Addition to the City of Plano, Collin County, Texas executed March 17, 1993, and recorded May 11, 1993, under Clerk File No. 93-0035481, Land Records of Collin County, Texas; and

WINDHAVEN WEST

WHEREAS, on November 17, 1993, a certain Declaration of Covenants, Conditions and Restrictions was executed for the Windhaven West Tract (the "Windhaven West Declaration") and subsequently recorded in Clerk's File No. 93-0101594, Deed Records, Collin County, Texas; and

WINDHAVEN III

WHEREAS, on May 5, 1995, a certain Declaration of Covenants, Conditions and Restrictions was executed for the Windhaven III Tract (the "Windhaven III Declaration") and subsequently recorded in Clerk's File No. 95-0033352, Deed Records, Collin County, Texas; and

CONSOLIDATION

WHEREAS, the homeowners' associations referenced in the above described declarations, as amended, are Windhaven Farm Phase II Homeowners Association, Inc. and Windhaven West Homeowners Association, Inc., and Declarants desire to consolidate these non-profit corporations under the name "Windhaven Farm Homeowners Association, Inc." and include the lot owners of all lots in the above additions as members of such association; and

ANNEXATION

WHEREAS, Declarants desire to annex the Windhaven IV Tract, the Windhaven V Tract and the Windhaven VI Tract for later subdivision and addition to the Association as set forth more fully hereafter; and

RESTATEMENT AND AMENDMENT

WHEREAS, Declarants desire to amend and restate the Declarations for Windhaven II, Windhaven West, and Windhaven III, and annex the Windhaven IV Tract, the Windhaven V Tract, and the Windhaven VI Tract, and substitute this Restated Declaration for the aforesaid declarations (the Existing Declarations), with the intention that this Restated Declaration shall constitute the complete declaration of covenants, conditions and restrictions for Windhaven Farm (collectively the "Property" as same is further defined in I(i) below) and that the Existing Declarations, except as restated herein, are void and of no further force and effect with regard to the Property, but shall remain in full force and effect with regard to any other real property described therein.

NOW THEREFORE, Declarants declare that the Property, and such additions thereto as may hereafter be made pursuant to Article II hereof, shall be held, transferred, improved, sold, conveyed and occupied subject to the covenants, conditions and restrictions (sometimes collectively referred to as the "Covenants and Restrictions") hereinafter set forth.

ARTICLE I

DEFINITIONS

The following words when used in these Covenants and Restrictions or any amendment or supplement hereto (unless the context shall otherwise clearly indicate or prohibit) shall have the following meanings:

(a) "Adjoining Lot" shall mean and refer to a Lot which is adjacent to any other Lot as shown on any recorded plat of the Property. Any reference in Article VIII hereof to the visibility of an item from any Adjoining Lot shall mean the visibility of such item from the ground level of the Adjoining Lot, and not from the second story of a two-story dwelling on such Adjoining Lot.

(b) "Association" shall mean and refer to Windhaven Farm Homeowners Association, Inc., f/k/a Windhaven Farm Phase II Master Homeowners Association, Inc., a Texas non-profit corporation which has the power, duty and responsibility of maintaining and administering the Common Properties, and collecting the assessments and charges hereinafter prescribed, and has the right of administering and enforcing the Covenants and Restrictions, subject to the rights and powers of the Declarants as provided herein.

(c) "Common Properties" shall mean and refer to all of the following:

(i) that certain strip of real property located between the northern curb of the portion of Yeary Road adjacent to the Windhaven II Tracts and the screening wall parallel thereto situated along the southern boundary of the Windhaven II Tracts;

(ii) that certain strip of real property located at the entrance adjacent to Windhaven II on Clark Parkway at the north side of the Yeary Road intersection, including the median area, and the screening wall parallel thereto situated along the southern boundary of Windhaven II Tracts;

(iii) corner clips on the following Windhaven II lots:

Section I, Block C, Lot 32
Section II, Block B, Lot 26
Block B, Lot 14
Block A, Lot 2

(iv) that certain strip of real property located between the northern curb of the portion of Yeary Road and the east curb section of Parkwood Boulevard adjacent to the

Windhaven West Tract and the screening wall parallel thereto situated along the southern and western boundary of the Windhaven West Tract;

- (v) that certain strip of real property located at the entrance adjacent to Windhaven West on Yeary Road and Parkwood Boulevard, including the median area and the screening wall parallel thereto situated along the southern and western boundary of the Windhaven West Tract;
- (vi) median landscaped areas (if any);
- (vii) landscaping, walls, planters, pillars, entry ways, walkways, berms, sprinkler systems, gazebos, signs, wood structures, markers, lights, lighting systems, poles, flags, water features, fountains and any other improvements installed by Declarants upon the Property or the Common Properties and all equipment, accessories and machinery used in the operation or maintenance of any of the Common Properties and any additions to or replacements of any of such Common Properties; and
- (viii) any and all other areas of land within the Property which are known, described or designated as Common Property or Common Area on plats of all or any portions of the Property or in documents executed by Declarants (or to be hereafter executed with respect to Windhaven IV, Windhaven V, and Windhaven VI) filed in the Land Records of Collin County, Texas, together with any and all improvements that are now or may hereafter be placed or constructed thereon; and

Although all or portions of the property described in (i) through (viii) above are located on real property which has been dedicated to the City of Plano except portions thereto which is owned by certain owners, the Association shall maintain such areas and the landscaping and improvements appurtenant thereto for the purpose of creating and maintaining a quality of landscaping consistent with the quality of the other Common Properties and with regard to the real property described in (c)(iii) above and any other Common Properties located on a portion of the Property not dedicated to the City of Plano is hereby granted the right to enter upon such real property and perform such acts through its agents, servants, employees and independent contractors which they in their sole discretion deem reasonable to carry out the purpose stated herein.

(d) "Declarants" shall mean and refer to Windhaven Farm Phase II Limited Partnership (as to Windhaven II), Parkwood Road, Ltd., and Legacy Homes, Ltd., DBA Carelle Custom Builders (as to Windhaven West), Yeary Road Limited Partnership (as to Windhaven III), Parkwood Road, Ltd. (as to Windhaven IV), Haggard Enterprises Limited, Ltd. (as to Windhaven V), and Clifford R.

Haggard, Trustee and Haggard Enterprises Limited, Ltd. (as to Windhaven VI) and the respective successors and assigns (if any) of such Declarants with respect to the voluntary disposition of all (or substantially all) of the assets of a Declarant in and to the Property prior to the completion of development thereon. No person or entity purchasing one or more Lots from Declarants or any of them in the ordinary course of business shall be considered as a "Declarant".

(e) "Existing Property" shall mean and refer to the Property described in the exhibits hereto, which is, and shall be, held, transferred, sold, conveyed and occupied subject to these Covenants and Restrictions pursuant to Section 2.01 of Article II.

(f) "Lot" shall mean and refer to any plot or tract of land shown upon any recorded subdivision map(s) or plat(s) of the Property, as amended from time to time; which plot or tract is designated as a lot therein and which is or will be improved with a residential dwelling.

(g) "Member" shall mean and refer to each Owner of a Lot.

(h) "Owner" shall mean and refer to each and every person or business entity who is a record owner of a fee or undivided fee interest in any Lot subject to these Covenants and Restrictions; provided, however, "Owner" shall not include person(s) or entity(ies) who hold a bona fide lien or interest in a Lot as security for the performance of an obligation.

(i) "Property" shall mean and refer to the Existing Property (defined above), and any additions thereto, as are subject to these Covenants and Restrictions, or any amendment or supplement hereto, prepared and filed of record pursuant to the provisions of Article II hereof.

ARTICLE II

PROPERTY SUBJECT TO THIS DECLARATION; ADDITIONS THERETO

2.01 Existing Property. The Existing Property is located in the City of Plano, Collin County, State of Texas, and is more particularly described on Exhibits "A" through "F" attached hereto and incorporated herein by reference for all purposes.

2.02 Additions to Existing Property. Additional land(s) may become subject to these Covenants and Restrictions in any of the following manners:

(a) Declarants may add or annex additional real property to the scheme of these Covenants and Restrictions by filing of record a Supplemental Declaration of Covenants, Conditions and Restrictions which shall extend the scheme of the covenants, conditions and restrictions of these Covenants and Restrictions

to such additional property; provided, however, that such supplemental declaration may contain such complementary additions and modifications of the Covenants and Restrictions as may be necessary to reflect the different character, if any, of the additional property so long as same are not inconsistent with the concept of this Restated Declaration. With regard to Windhaven IV, Windhaven V, and Windhaven VI the Declarants may file a supplemental declaration making these additions, or any one or more of them, subject to the dues and granting lot owners the voting rights provided herein at any time after a plat approved by the City of Plano is recorded on each such subdivision; provided that such supplemental declaration shall be recorded prior to the sale of any lot by the Declarant owning same. Such supplemental declaration may contain such complementary additions and modifications of the Covenants and Restrictions as may be necessary to reflect the different character, if any, of Windhaven IV, Windhaven V, and/or Windhaven VI, including without limitation minimum size, set backs, and other provisions of Article VIII below. All covenants and restrictions herein except the power to vote and obligation to pay assessments which are not modified in the supplemental declaration shall be applicable to Windhaven IV, Windhaven V, and Windhaven VI unless and until such lands are hereafter disannexed by the Declarant holding title to same. Any such disannexation can be effected without approval of any lot owner or other Declarant prior to the sale of the first lot therefrom.

(b) In the event any person or entity other than the Declarants desires to add or annex additional residential and/or common areas to the scheme of these Covenants and Restrictions, such proposed annexation must have the prior written consent and approval of the majority of the outstanding votes within each voting class of the Association.

(c) Any additions made pursuant to Paragraphs (a) and (b) of this Section 2.02, when made, shall automatically extend the jurisdiction, functions, duties and membership of the Association to the properties added, except to the extent provided (a) above as to Windhaven IV, Windhaven V, and Windhaven VI.

(d) Declarants shall have the right and option (upon the joinder, approval or consent of such associations) to cause the Association to merge or consolidate with any similar association then having jurisdiction over real property located (in whole or in part) within one-half (1/2) mile of any real property then subject to the jurisdiction of this Association. Upon a merger or consolidation of the Association with another association, its properties, right and obligations may, by operation of law, be transferred to another surviving or consolidated association or, alternatively, the properties, rights and obligations of another association may, by operation of law, be added to the properties, rights and obligations of the Association as a surviving corporation pursuant to a merger. The surviving or consolidated association may administer the Covenants and Restrictions within

the Existing Property together with the covenants, conditions and restrictions established upon any other properties as one scheme.

ARTICLE III

MEMBERSHIP AND VOTING RIGHTS IN THE ASSOCIATION

3.01 Membership. Every Owner of a Lot shall automatically be and must remain a Member of the Association in good standing. The Board of Directors of the Association (the "Board of Directors") may declare that an Owner is not a Member in good standing because of past unpaid dues, fines, late charges, interest, legal fees, and/or any other assessments of any nature. The Board of Directors may temporarily suspend the voting rights of any Member who is not in good standing until such past unpaid amount are paid in full.

3.02 Voting Rights. The Association shall have three classes of voting membership:

CLASS A: Class A Members shall be all Members other than Class B and Class C Members. Class A Members shall be entitled to one (1) vote for each Lot in which they hold the interest required for membership. When more than one person holds such interest or interests in any Lot, all such persons shall be Members, and the vote for such Lot shall be exercised as they, among themselves, determine, but in no event shall more than one (1) vote be cast with respect to any such Lot.

CLASS B: Class B Members shall be any bona fide Owner who is engaged in the process of constructing a residential dwelling on his Lot for sale to consumers. Class B Members shall be non-voting members of the Association. The Class B membership shall cease, and Class B Member shall become a Class A Member:

- (i) when the total number of votes outstanding in the Class A membership equals the total number of votes outstanding in the Class C membership; or
- (ii) on August 1, 2002.

whichever occurs first in time.

CLASS C: Class C Members shall be the Declarants. Class C Members shall be entitled to six (6) votes for each Lot which it owns and for each Lot owned by Class B Members who purchased Lots initially owned by such Class C Member.

Notwithstanding the aforementioned voting rights within the Association, until a Declarant no longer owns record title to (or a lien interest in) any Lot, or until August 1, 2007, whichever occurs first in time, neither the Association nor the Members shall take any action inconsistent with this Declaration without

the consent and approval of the Declarant owning such lot or lots.

3.03 Quorum, Notice and Voting Requirements.

(a) Subject to the provisions of Section 3.02 and Paragraph (d) of this Section 3.03, any action authorized by Sections 5.03 and 5.04 of Article V shall require the assent of the majority of the vote of those who are voting in person or by proxy at a meeting duly called for that purpose, written notice of which shall be given to all Members not less than thirty (30) days nor more than sixty (60) days in advance and shall set forth the purpose of such meeting.

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

At the first meeting called, the presence at the meeting of Members, or of proxies, entitled to cast sixty percent (60.0%) of the outstanding votes of the Members of the Association shall constitute a quorum. If the required quorum is not present at the first meeting, one additional meeting may be called, subject to the notice requirement hereinabove set forth, and the required quorum at such second meeting shall be one-half (1/2) of the required quorum at the preceding meeting; provided however, that no such second meeting shall be held more than sixty (60) days after the first meeting.

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

At the first meeting called, the presence at the meeting of Members, or of proxies, entitled to cast thirty percent (30.0%) of the outstanding votes of the Members of the Association shall constitute a quorum. If the required quorum is not present at the first meeting, one additional meeting may be called, subject to the notice requirement hereinabove set forth, and the required quorum at such second meeting shall be one-half (1/2) of the required quorum at the preceding meeting; provided, however, that no such second meeting shall be held more than sixty (60) days after the first meeting.

(d) As an alternative to the procedure set forth above, any action referred to in Paragraph (a) of this Section may be taken with the assent given in writing and signed by members who hold more than sixty percent (60.0%) of the outstanding votes of the Members of the Association; and any action referred to in Paragraph (c) of this Section may be taken with the assent given in writing and signed by Members who hold more than thirty percent (30.0%) of the outstanding votes of the Members of the Association.

(e) Except as specifically set forth in these Covenants and Restrictions, notice, voting and quorum requirements for all action to be taken by the Association shall be consistent with its Articles of Incorporation and Bylaws, as amended from time to time.

ARTICLE IV

PROPERTY RIGHTS IN THE COMMON PROPERTY

4.01 Members' Easements of Enjoyment. Subject to the provisions of section 4.03 of this Article, every Member and every tenant of every Member, who resides on a Lot, and each individual who resides with either of them on such Lot shall have a right and easement of use, recreation and enjoyment in and to the Common Properties and such easement shall be appurtenant to and shall pass with the title of every Lot; provided, however, such easement shall not give such person the right to make alterations, additions or improvement to the Common Properties.

4.02 Title to the Common Properties. The Declarant who owned the addition made a part hereof will hold record title to the Common Properties for an indefinite period of time, subject to the easements set forth in Section 4.01 hereof. Such Declarant shall have the right and option (without the joinder and consent of any person or entity, save and except any consent, joinder or approval required by the City of Plano or the remaining Declarants) to encumber, mortgage, design, redesign, reconfigure, alter, improve, landscape and maintain the Common Properties, provided that such Declarant fully and timely complies with any and all requirements of the City of Plano and provided further, that such Declarant shall not encumber or mortgage any Common Properties which have been dedicated to the public or the City of Plano. At some point in time (deemed reasonable and appropriate by the Declarants but prior to August 1, 2007), the Declarants will convey title to the Common Properties to the Association for the purposes herein envisioned. Declarants reserve the right to execute any open space declarations applicable to the Common Properties which may be permitted by law in order to reduce property taxes.

4.03 Extent of Members' Easements. The rights and easements of use, recreation and enjoyment created hereby shall be subject and subordinate to the following:

(a) The right of the Association to prescribe reasonable regulations governing the use, operation and maintenance of the Common Properties;

(b) Liens or mortgages placed against all or any portion of the Common Properties with respect to monies borrowed by Declarant to develop and improve the Property or by the Association to improve or maintain the Common Properties;

(c) The right of the Association to enter into and execute contracts with any party (including, without limitation, Declarants or one or more of same) for the purpose of providing maintenance or such other materials for services consistent with the purposes of the Association.

(d) The right of Declarants or the Association to take such steps as are reasonable necessary to protect the Common Properties against foreclosure;

(e) The right of Declarants or the Association to suspend the voting rights of any member and to suspend the right of any individual to use or enjoy any of the Common Properties for any period during which any assessment against a Lot resided upon by such individual remains unpaid, and for any period not to exceed sixty (60) days for an infraction of the then-existing rules and regulation;

(f) The right of the Association, subject to approval by written consent by the Members having a majority of the outstanding votes of each voting class of the Association, to dedicate or transfer all or any part of the Common Properties to any municipal corporation, public agency, authority, or utility company for such purposes and upon such conditions as may be agreed upon by such Members.

(g) The right of Declarants and/or any Class B Member to maintain models and a sales or management office within the Property at a location selected by Declarant or Member involved for such period of time as they deem appropriate.

(h) Any present or future dedications to the public, the City of Plano or the public utilities.

ARTICLE V

COVENANTS FOR ASSESSMENTS

5.01 Creation of the Lien and Personal Obligation of Assessments. Each Declarant, for each Lot owned by it within the Property (save and except the annexed property, prior to filing a supplemental declaration as to such addition(s) as aforesaid), hereby covenants and agrees, and each purchaser or Owner of any Lot by acceptance of a deed therefor, whether or not it shall be so expressed in any such deed or other conveyance, is deemed to covenant and agree (and such covenant and agreement shall be deemed to constitute a portion of the purchase money and consideration for acquisition of the Lot), to pay to the Association (or an entity or agency which may be designated by the Association to receive such monies): (1) annual assessments or charges for maintenance, taxes and insurance on the Common Properties; (2) special assessments for capital improvements,

such assessments to be fixed, established and collected from time to time as hereinafter provided; and (3) individual special assessments levied against individual Lot Owners to reimburse the Association for the extra cost of maintenance and repairs caused by the willful or negligent acts of the individual Owner and not caused by ordinary wear and tear, such assessment to be fixed, established and collected from time to time as hereinafter provided. The annual, special and individual assessments, together with such interest thereon and costs of collection thereof as hereinafter provide, shall be a charge on the land and shall be a continuing lien upon each Lot against which each such assessment is made and shall also be the continuing personal obligation of the Owner of such Lot at the time when the assessment became due.

5.02 Purpose of Assessments. The assessments levied by the Association shall be used exclusively for the purposes of (i) promoting the health, recreation, safety and welfare of the residents of the Property; (ii) improving and maintaining the Common Properties; (iii) the payment of taxes and insurance (if any) in connection with the Common Properties and the repair, replacement and additions thereto; (iv) the payment of one-half (1/2) of the maintenance costs of the median in Clark Parkway between Parker Road on the south and Yeary Road on the north, (v) developing and maintaining replacement and working capital reserves for the Association; (vi) trash and garbage collection and exterior maintenance of all or portions of the Lots, as may be determined necessary and appropriate by the Association from time to time; (vii) paying the cost of labor, equipment (including the expense of leasing any equipment) and materials required for, and management and supervision of, the Common Properties; (viii) carrying out the duties of the Board of Directors as set forth in Article VI hereafter; and (ix) carrying out the various matters set forth or envisioned in this Restated Declaration or in any amendment or supplement hereto.

5.03 Basis and Amount of Annual Maintenance Assessments.

(a) Until and unless otherwise determined by the Board, the maximum annual assessment shall be Three Hundred and No/100 Dollars (\$300.00) per Lot per year.

(b) The Board of Directors may establish the maximum annual assessment for each Lot, provided that the maximum annual assessment may not be increased more than twenty-five percent (25.0%) above the maximum annual assessment for the previous year unless approved by the Members of the Association as provided in Section 3.03 of Article III. Notwithstanding the foregoing, in the event that the Board determines that due to unusual circumstances the maximum assessment even as increased by 25% will be insufficient to enable the Association to meet its expenses as set forth in Article VI above, then in such event, the Board shall have the right to increase the maximum annual assessment by the amount necessary to provide sufficient funds to

cover the expenses of the Association without the approval of the Members as provided in Section 3.03 of Article III; provided, however, that the Board shall only be allowed to make one such increase without obtaining approval of the Members.

(c) After consideration of current maintenance costs and the future needs of the Association, the Board of Directors may fix the actual annual assessment at an amount equal to or less than the then-existing maximum annual assessment.

(d) Each Lot owned by a Class A Member shall be charged with one hundred percent (100.0%) of the established per Lot assessment, while each Lot owned by a Class B Member and a Class C Member shall be charged with twenty-five percent (25.0%) of the established per Lot assessment. The Declarant who owned a particular addition submitted to these Covenants and Restrictions shall be responsible for payment of the assessment owed by all Class B Members on lots initially sold by that Declarant.

(e) Owner, by acceptance of the deed to his Lot, hereby expressly vests in Declarants, the Board, or its agents the right and power to bring all actions against Owner personally for the collection of such charges as a debt, and to enforce the aforesaid liens by all methods available for the enforcement of such liens. No Owner may waive or otherwise escape liability for the assessments provided herein by non-use of the Common Properties or by abandonment of his Lot.

(f) If any assessment remains unpaid at the expiration of fifteen (15) calendar days from and after the due date established by the Board, a late charge shall be assessed against the non-paying Owner for each month that any portion of an assessment remains unpaid. The late charge shall be in the amount of Twenty-five and No/100 Dollars (\$25.00) for all Class A Members. A reasonable service charge in an amount established by the Board shall be charged for each check that is returned because of insufficient funds. The amounts of late charges and service charges may adjusted, from time to time, by the Board consistent with any changes in the amounts of regular or special assessments.

(g) 5.04 Special Assessments for Capital Improvements. In addition to the annual assessments authorized by Section 5.03 hereof, the Association may levy in any year a special assessment, applicable to that year only, for the purpose of defraying, in whole or in part, the cost of any construction or reconstruction, unexpected repair or replacement of a described capital improvement upon the Common Properties, including any necessary fixtures and personal property related thereto; provided that any such assessment shall have the affirmative approval of the Members of the Association as provided in Section 3.03, Article III.

5.05 Uniform Rate of Annual and Special Assessments. Both annual and special assessments must be fixed at a uniform rate for all Lots owned by Class A Members.

5.06 Date of Commencement of Assessments; Due Dates. The annual maintenance assessments provided for herein shall commence on the date fixed by the Board of Directors to be the date of commencement, and as may be prescribed by the Board of Directors, shall be payable annually or monthly, in advance, on the first day of each year or month, as the case may be. The due dates of any annual assessment or special assessment under Sections 5.03 and 5.04 hereof, shall be fixed in their respective resolution authorizing such assessment.

5.07 Duties of the Board of Directors with Respect to Assessments.

(a) The Board of Directors shall fix the date of commencement and the amount of the assessment against each Lot for each assessment period at least sixty (60) days in advance of such date or period if such assessments are being increased and at least thirty (30) days in advance of such date or period if such assessments are not being increased; and the Board of Directors shall, at that time, prepare a roster of the Lots and assessments applicable thereto which shall be kept in the office of the Association.

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

(c) The Board of Directors shall upon demand at any time furnish to any Owner liable for said 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 of Directors for the issuance of such certificate.

5.08 Effect of Non-Payment of Assessment; The Personal Obligation of the Owner; the Lien; Remedies of Association.

(a) If any assessment or any part thereof is not paid on the date(s) when due, then the unpaid amount of such assessment shall become delinquent and shall, together with late charges and service charges (hereinafter defined in subparagraph (c)), and interest thereon at the highest permitted lawful rate per annum and costs of collection thereof, thereupon become a continuing debt secured by a lien on the Lot of the non-paying Owner, his heirs, executors, devisees, personal representatives and assigns. The Association shall have the right to reject partial payments of an assessment and demand the full payment thereof. The personal obligation of the then-existing Owner to pay such assessment shall remain his personal obligation and shall not pass to his successors in title unless expressly assumed by them.

Furthermore, the lien for unpaid assessments shall be unaffected by any sale or assignment of a Lot and shall continue in full force and effect. No Owner may waive or otherwise escape liability for the assessment provided herein by non-use of the Common Properties or by abandonment of his Lot.

(b) The Association may also give written notification to the holder(s) of any mortgage on the Lot of the non-paying Owner of such Owner's default in paying any assessment when such default has not been cured within thirty (30) days, provided that the Association has theretofore been furnished in writing the correct name and address of the holder(s) of such mortgage.

(c) If any assessment remains unpaid at the expiration of fifteen (15) calendar days from and after the due date established by the Board of Directors, a late charge shall be assessed against the non-paying Owner for each month that any portion of any assessment remains unpaid. the late charge shall be in the amount of then percent (10.0%) of the then established regular annual assessment for each Lot. A service charge in the amount of Ten and No/100 Dollars (\$10.00) shall be charged for each check that is returned because of insufficient funds. The amounts of late charges and service charges may be adjusted, from time to time, by the Board of Directors consistent with any changes in the amounts of regular or special assessments.

(d) If any assessment or part thereof, late charge or service charge, is not paid when due, the unpaid amount of such assessment together with all late charges and service charges shall bear interest from and after the date when due at the highest permitted lawful rate per annum, and the Association may, at its election, retain the services of an attorney for collection and there shall also be added to the amount of such unpaid assessment, late charge or service charge, any and all collection costs incurred hereunder by the Association, including reasonable attorneys' fees.

5.09 Rights of City of Plano. Unless otherwise approved by seventy-five percent (75.0%) of the outstanding votes within each voting class, the Association shall not by act or omission seek to abandon its obligations as established by this Declaration. However, in the event that:

(a) The Association dissolves and the Common Properties shall not be either (i) dedicated to and accepted by an appropriate municipal corporation, public agency, authority or utility to be devoted to purposes as nearly as practicable the same as those to which such Common Properties were required to be devoted by the Association, or (ii) conveyed to another organization or entity which assumes all obligations imposed hereunder upon the Association to maintain said Common Properties; or

(b) The Association, its successors or assigns, shall fail or refuse to adequately maintain the appearance and condition of the Common Properties which it is obligated to maintain hereunder; then, in either such event, the City of Plano, Texas, shall have the right, but not the obligation, to perform all or part of such maintenance obligations of the Association at any time after such dissolution, upon giving written notice to the Owners, or at any time after the expiration of twenty (20) days after receipt by the Association, its successors or assigns, of written notice specifying in detail the nature and extent of the failure to maintain without such failure being remedied. The City of Plano may elect to maintain certain Common Properties, but not others. Upon performing such maintenance obligations, the City of Plano may collect, when the same become due, all assessments, annual or special, levied by the Association pursuant to the provisions hereof for the purposes of repairing, replacing, maintaining or caring for the Common Properties; and, if necessary, enforce the payment of delinquent assessments in the manner set forth herein. In the alternative, upon assuming such maintenance obligations, the City of Plano may levy an assessment upon each Lot on a pro-rata basis for the cost of such maintenance, notwithstanding any other provisions contained in this Declaration, which assessment shall constitute a lien upon the Lot against which each assessment is made. During any period that the City of Plano performs the maintenance and care of the Common Properties, the Association shall have no obligation or authority with respect to such maintenance for those portions of the Common Properties being maintained by the City of Plano. The right and authority of the City of Plano to maintain the Common Properties shall cease and terminate when the Association, its successors or assigns, shall present to the City of Plano reasonable evidence of its willingness and ability to resume maintenance of the Common Properties. In the event the City of Plano performs the maintenance obligations of the Association as provided herein, then the City of Plano, its agents, representatives and employees, shall have right of access, ingress and egress to and over the Common Properties for the purposes of maintaining, improving, and preserving the same, and in no event, and under no circumstances, shall the City of Plano be liable to the Association or any Owner or their respective heirs, devisees, personal representatives, successors and assigns for negligent acts or construction (excluding, however, malfeasance and gross negligence) relating in any manner to maintaining, improving and preserving the Common Properties. In the event the City of Plano assumes maintenance of the Common Properties or any portion thereof, it may discontinue such maintenance activities at any time without notice, provided the condition of the Common Properties on which the City of Plano has been performing maintenance are not in a more dangerous or hazardous condition to the safety and health of the public as a result of their maintenance activities. At no time shall the City of Plano be liable to the Association or the Owners for failure to properly maintain the Common Properties.

5.10 Subordination of the Lien to Mortgages. The lien of the assessments provided for herein shall be subordinate and inferior to the lien of any first mortgage or deed of trust now or hereafter placed upon the Lots subject to assessment; provided, however, that such subordination shall apply only to the assessments which have become due and payable prior to the foreclosure sale, whether public or private of such property pursuant to the terms and conditions of any such mortgage or deed of trust. Such sale shall not relieve such Lots from liability for the amount of any assessments thereafter becoming due nor from the lien of any such subsequent assessment.

5.11 Exempt Property. The following property otherwise subject to this Declaration shall be exempted from the assessments, charges and liens created herein:

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

(b) All Common Properties as defined in Article I hereof.

(c) Any and areas which may be reserved by Declarants on the recorded plat(s) of the Property.

ARTICLE VI

GENERAL POWERS AND DUTIES OF THE BOARD OF DIRECTORS

6.01 Powers and Duties. The affairs of the Association shall be conducted by its Board of Directors (hereinafter referred to as the "Board"). The Board shall be selected in accordance with the Articles of Incorporation and Bylaws of the Association. The Board, for the benefit of the Common Properties and the Owners, shall provide, and shall pay out of the maintenance fund(s) provided in Article V above, for the following:

(a) Care and preservation of the Common Properties and the furnishing and upkeep of any desired personal property for use in the Common Properties;

(b) Any private trash and garbage collection service and security arrangements:

(c) Taxes, insurance and utilities (including, without limitation, electricity, gas, water and sew charges) which pertain to the Common Properties only;

(d) The services of a person or firm to manage the Association or any separate portion thereof, to the extent deemed advisable by the Board, and the services of such other personnel as the Board shall determine to be necessary or proper for the operation of the Association, whether such personnel are employed directly by the Board or by a manager designated by the Board;

(e) Legal and accounting services;

(f) Any other materials, supplies, furniture, labor, services, maintenance, repairs, structural alteration, taxes or assessments which the Board is required to obtain or pay for pursuant to the terms of these Covenants and Restrictions or which in its opinion shall be necessary or proper for the operation or protection of the Association or for the enforcement of these Covenants and Restrictions.

The Board shall have the following additional rights, powers, and duties:

(g) To execute all declarations of ownership for tax assessment purposes with regard to any of the Common Properties owned by it;

(h) To enter into agreements or contracts with insurance companies, taxing authorities, the holders of first mortgage liens on the individual Lots and utility companies with respect to: (i) taxes on the Common Properties, (ii) maintenance of those Common Properties described in Article I, Section (c), (vi) and (vii), (iii) insurance coverage (if any) on common Properties, as they relate to the assessment, collection and disbursement process envisioned by Article V hereinabove, and (iv) utility installation, consumption and service matters;

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

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

(k) To protect or defend the Common Properties from loss or damage by suit or otherwise, to sue or defend in any court of law on behalf of the Association and to provide adequate reserves for repairs and replacements;

(l) To make reasonable rules and regulations for the operation of the Common Properties and to amend them from time to time;

(m) To make available to each Owner within ninety (90) days after the end of each year an annual report;

(n) Pursuant to Article VII herein, to adjust the amount, collect, and use any insurance proceeds to repair damage or replace lost property; and if proceeds are insufficient to repair damage or replace lost property, to assess the Members in proportionate amounts to cover the deficiency; and

(o) To enforce the provisions of these Covenants and Restrictions and any rules made hereunder and to enjoin and seek damages from any Owner for violation of such provisions or rules.

6.02 Board Powers, Exclusive. The Board shall have the exclusive right to contract for all goods, services and insurance, and the exclusive right and obligation to perform the functions of the Board, except as otherwise provided herein.

6.03 Maintenance Contracts. The Board, on behalf of the Association, shall have full power and authority to contract with any Owner (including, without limitation, one or more of the Declarants) for the performance by the Association of services which the Board is not otherwise required to perform pursuant to the terms hereof, such contracts to be upon such terms and conditions and for such consideration as the Board may deem proper, advisable and in the best interest of the Association.

6.04 Liability Limitations. Neither any Member, the Board, any Director, nor any Officer of the Association shall be personally liable for debts contracted for, or otherwise incurred by the Association, or for a tort of another Member, whether such other Member was acting on behalf of the Association or otherwise. Neither Declarants, the Association, its directors, officers, agents, or employees shall be liable for any incidental or consequential damages for failure to inspect any premises, improvements or portion thereof or for failure to repair or maintain the same. Declarants, the Association or any other person, firm, public entity or corporation liable to make such repairs or maintenance shall not be liable for any personal injury or other incidental or consequential damages occasioned by any act or omission in the repair or maintenance of any premises, improvements or portion thereof.

6.05 Reserve Funds. The Board may maintain and establish funds which may be maintained and accounted for separately from other funds maintained for annual operating expenses and may establish separate, irrevocable trust accounts in order to better demonstrate that the amounts deposited therein are capital contributions and not net income to the Association.

6.06 Restrictions on Contracts. Neither Declarants nor the Association may directly or indirectly enter into any management agreement or any other contract on behalf of the Association which extends beyond the date Class B memberships cease as provided in Section 3.02 of these Covenants and Restrictions. The Association may, however, following such date, enter into new management agreements or other contracts in accordance with these Covenants and Restrictions.

ARTICLE VII

INSURANCE; REPAIR AND RESTORATION

7.01 Right to Purchase Insurance. The Association shall have the right and option to purchase, carry and maintain in force insurance covering any or all portions of the Common Properties, any improvements thereon or appurtenant thereto, for the interest of the Association and of all Members thereof, in such amounts and with such endorsements and coverage as shall be considered good sound insurance coverage for properties similar in construction, location and use to the Common Properties. Such insurance may include, but need not be limited to:

(a) Insurance against loss or damage by fire and hazards covered by a standard extended coverage endorsement in an amount which shall be equal to the maximum insurable replacement value, excluding foundation and excavation costs as determined annually by the insurance carrier.

(b) Public liability and property damage insurance on a broad form basis.

(c) Fidelity bond for all officers and employees of the Association having control over the receipt and disbursement of funds.

(d) Officers' and directors' liability insurance, if available.

7.02 Insurance Proceeds. The Association and the Members 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 the Common Properties.

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 in Article V of these Covenants and Restrictions to cover the deficiency.

7.04 Dedicated Common Properties. All such public liability insurance policies covering Common Properties which have been dedicated to the public or the City of Plano shall name the City of Plano as an additional insured and shall provide for a waiver of subrogation in favor of the City of Plano.

ARTICLE VIII

CONSTRUCTION OF IMPROVEMENTS AND USE OF LOTS - PROTECTIVE COVENANTS

The Property (and each Lot situated therein) shall be occupied and used as follows:

8.01 Residential Use. All Lots (excluding, however, those portions of platted lots on which certain Common Properties will be located) shall be used for residential purposes only. No building or structure shall be erected, altered, placed or permitted to remain on any Lot other than a single-family dwelling unit and a private garage for two (2) or more automobiles. No building or structure on any Lot shall exceed two (2) stories in height.

8.02 Minimum Floor Space. Each dwelling constructed on any Lot shall contain a minimum of 2,750 square feet air-conditioned floor area, exclusive of all porches, garages or breezeways attached to the main dwelling unit. Notwithstanding the foregoing, the Lots in Windhaven West shall contain a minimum of 2,400 square feet of air-conditioned floor area, exclusive of all porches, garages or breezeways attached to the main dwelling unit.

8.03 Building Materials. The exterior walls of each building constructed or placed on a Lot shall be at least seventy-five percent (75%) brick, brick veneer, stone or stone veneer, or masonry, and the exterior portion of any fireplace chimney shall be one hundred percent (100%) brick, stone or masonry. No bricks, stones or masonry used on the exterior of any building, outside walls, fences, walkways, or other improvements or structures on any Lot shall be painted unless otherwise permitted by the Architectural Control Committee.

8.04 Garages. Each single-family residential dwelling erected on any Lot shall provide garage space for a minimum of two (2) conventional automobiles. Each garage shall open only to the rear or side of the Lot or to the alley so as not to directly face a residential street unless otherwise approved by the Architectural Control Committee; provided, however, lots with side alleys may have side entry garages.

8.05 Roofs. Except as otherwise provided by applicable law, all roofs shall be constructed of wood shingle or wood shake, or other three dimensional materials which, in the sole discretion of the Architectural Control Committee, have a color and physical appearance resembling weathered cedar wood shingles or of Composition shingles approved by the Architectural Control Committee in its sole discretion. All roofing materials shall be approved in writing by the Architectural Control Committee prior to the installation of such materials and shall be otherwise in

compliance in all respects with applicable City of Plano ordinances. The roof pitch of any structure shall be eight (8) feet by twelve (12) feet minimum.

8.06 Exterior Surfaces. All siding must be painted or stained in a neutral color unless approved in writing by the Architectural Control Committee. Installation of all types of exterior items and surfaces such as address numbers or external ornamentation, mail chutes, and exterior paint and stain, shall be subject to the prior written approval of the Architectural Control Committee; provided, however, that prior approval shall not be required for normal replacement or repair which does not change exterior colors or appearances.

8.07 Building Lines. All residences or dwellings erected or placed on any Lot located on the Property shall face the road or street adjacent to the Lot as shown on the recorded plat of the Property or as prescribed in the deed from Declarant conveying the Lot. No portion of such dwelling or residence shall be nearer to the front property line of said Lot than as designated on the recorded plat of the Property. No structure of improvement of any kind shall be nearer to the side property line or the rear property line of any Lot than as designated by the City of Plano.

8.08 Fences. No fence, wall or hedge shall be erected, placed or altered on any Lot nearer to any street than the minimum building setback line indicated on the recorded plat of the Property. No fence, wall or hedge shall exceed eight (8) feet in height unless otherwise specifically required by the City of Plano. No chain link fences or other wire type fences shall be erected on any Lot so as to be visible from the front, side or rear of the Lot. Wood fencing approved by the Architectural Control Committee will be allowed to extend from the outer perimeter of a dwelling to the side or rear property lines. All fencing shall: (i) be of wood material and present a solid, board to board, facing (i.e., picket type fencing or other staggered spacing type fencing is not permitted); (ii) have a minimum height of six (6) feet; (iii) not have any steel poles or posts visible from any residential street, alley or Adjoining Lot (however, steel poles may be used provided they are boxed in with wood material similar to that used in the fence); (iv) have slats measuring between four (4) and six (6) inches wide which are installed vertically only (not horizontally or diagonally); (v) have an even flat top; and (vi) not be painted or stained on any surface which is visible from any street, alley or Adjoining Lot; provided, however, a clear stain that does not add a color to the wood may be used or a stain other than a clear stain may be used if all fencing is required by recorded restriction to be stained with the same color. In addition, all fences in Windhaven II which are adjacent to any street within or adjacent to the Property must be built with brick pillars separating the wood section. Such brick pillars must be constructed of brick

identical to that used on the residence and must be a minimum of eight (8) feet and a maximum of ten (10) feet apart.

Given the great variety of potential fencing and screening configurations and materials, it is understood that the fencing restrictions contained in this Section 8.08 may not be exhaustive; therefore, no fence, wall or hedge on any Lot shall be erected, placed, altered, painted or stained without the prior written approval of the Architectural Control Committee. Upon submission of a written request for same, the Architectural Control Committee may, from time to time, at its sole discretion, permit the construction of fences or walls which are in variance with the provisions of this Section 8.08 where in the sole opinion of the Architectural Control Committee, the fence or wall is an integral part of the architectural style or design of the home.

8.09 Signs. No sign or signs shall be displayed to the public view on any Lot, except that: (1) any builder, during the applicable initial construction and sales period, may utilize on professional sign (of not more than nine (9) square feet in size, except in Windhaven West and Windhaven III in which, per the original declaration for those additions, such signs may not exceed twenty-five (25) square feet in size) per lot for advertising and sales purposes, provided that such sign must be approved by the Architectural Control Committee; (2) thereafter, a dignified "for sale" or "for rent" sign (of not more than nine (9) square feet in size) may be utilized by the Owner of the respective Lot for the applicable sale or rent situation; (3) development-related signs owned or erected by Declarant shall be permitted; and (4) signs displaying the name of a security company shall be permitted, provided that such signs are (i) ground mounted, (ii) limited to two (2) in number (one in the front yard and one in the back yard); and (iii) of a reasonable size.

8.10 Easements; Utilities. All streets and easements shown on the recorded plat of the Property have been reserved for the Purposes indicated. With respect to these easement areas, as well as any other areas described within recorded easement documents, and the Common Properties, and all bona fide public utility service companies (including but not limited to telephone, gas and electrical companies) shall have the right of access, ingress, egress, regress and use of the surface estate for the installation and maintenance of utility facilities.

Except as to special street lighting or other aerial facilities which may be required by the City of Plano or may be required by the franchise of any utility company, no aerial utility facilities of any type (except meters, risers, service pedestals and other surface installations necessary to maintain or operate appropriate underground facilities) shall be erected or installed within the Property, whether upon Lots, easements, streets, or rights-of-way of any type, either by the utility

company or any other person or entity (including but not limited to any person owning or acquiring any part of the Property) and all utility service facilities (including but not limited to water, sewer, gas, electricity and telephone) shall be buried underground, under recreational easements, Common Properties, streets, or utility easement areas for the purpose of serving any structure located on any part of the Property. All utility meters, equipment, air-conditioning compressors, evaporative coolers and similar items must be visually screened from view (i.e., not visible from any residential street). The screening of air conditioning compressors must be constructed or composed of solid masonry of the type used on the dwelling, wood fencing in compliance with Section 8.08, or landscape shrubbery.

8.11 Temporary Structures. No temporary structure of any kind shall be erected or placed upon any Lot. Temporary structures shall include, but not be limited to, any garage, servant's house or other improvement erected more than one hundred twenty (120) days prior to the completion of the main portion of the single-family dwelling.

8.12 Vehicles. Any automobile, truck, motorcycle, boat, boat trailer, mobile home, motor home, campmobile, camper, motorized vehicle, or trailer shall be stored or placed in such a manner that the vehicle is not visible from any street, alley or Adjoining Lot. This is not intended to prohibit the conventional parking of authorized vehicles on a driveway behind a dwelling, so long as they are not visible from any street. Trucks with tonnage in excess of three quarters (3/4) ton shall not be permitted to park overnight on the streets, driveways or otherwise within the Property. No vehicle of any size which transports inflammatory or explosive cargo may be parked or stored within the Property at any time.

8.13 Garbage, Weeds. The Property shall not be used or maintained as a dumping ground for rubbish, trash or garbage. All garbage shall be kept in containers approved by the City of Plano. All garbage containers shall be placed where designated by the City of Plano on the day of collection. If, at any time, an Owner shall fail to control weeds, grass and/or other unsightly growth resulting in such weeds, grass or unsightly growth exceeding eight (8) inches in height, Declarants or the Board shall have the authority and right to go onto such Lot for the purpose of mowing and cleaning such Lot and shall have the authority and right to assess and collect from the Owner of such Lot a sum not to exceed five hundred dollars (\$500.00) for the mowing or cleaning on each respective occasion of such mowing or cleaning. The assessments, together with interest (at the highest permitted lawful rate per annum) thereon and any costs of collection thereof, shall be a charge on the Lot and shall be a continuing lien upon the Lot against which such assessment is made. Each such assessment, together with interest thereon and costs of collection thereof, shall also be the continuing personal obligation of the Owner of such Lot at the time when the

assessment occurred. The lien securing any such assessment shall be subordinate and inferior to the lien of any mortgage and any renewals or extensions thereof existing prior to the assessment date.

8.14 Construction Completion Time. If a residence is not completed on any Lot on or before one (1) year from the date of the issuance of a building permit with respect to such Lot, Owner will pay to Declarant as liquidated damages the sum of \$200.00 per day for each Lot commencing the first day thereafter.

8.15 Offensive Activities. No noxious or offensive activity shall be conducted on any Lot nor shall anything be done thereon which is or may become an annoyance or nuisance within the Property or any portion thereof. No animals, livestock or poultry of any kind shall be raised, bred or kept on the Property, except that dogs, cats or other household pets are permitted, provided that they are not kept, bred or maintained for commercial purposes.

8.16 Antennas and Aerials. All television antennas and other antennas and aerials shall be located inside the attic of the applicable dwelling unit. Satellite dishes shall be permitted only if they are not visible from any street, alley or Adjoining Lot and do not extend above the height of the fence. Towers are not permitted.

8.17 Landscaping and Retaining Walls. Landscaping of a Lot must be completed within sixty (60) days after the date on which the main structure is ninety-five percent (95%) complete. Notwithstanding the foregoing, the rule with regard to Windhaven West and Windhaven III is that landscaping of a Lot must be completed within ninety (90) days after the date on which the main structure is ninety-five percent (95%) complete pursuant to the original declarations filed on these additions.

In the event the screening walls are constructed on the Property within Windhaven II adjacent to Yearly Road, the portion of the Property lying between (a) the screening wall or living screen to be constructed and installed on the Property and (b) Yearly Road shall be irrigated and landscaped in a manner at least equal to the aesthetic quality of the landscaping installed on the Windhaven Farm Phase I residential subdivision located in Plano, Texas.

Retaining walls may be employed to achieve even grades for pools, driveways or house foundations. Such retaining walls must be uniform in height with a flat top and must be constructed of approved materials which are consistent with the overall appearance of the dwelling. No railroad ties or landscape timbers shall be approved.

8.18 Tennis Courts. Tennis courts may be permitted upon any Lot upon approval of the Architectural Control Committee in its sole discretion.

8.19 Gazebos, Greenhouses and Storage Sheds. Gazebos, pool pavilions, trellises, greenhouses, children's playhouses, treehouses, storage sheds, or other similar structures may not be erected without prior written approval of the Architectural Control Committee.

8.20 Pools and Pool Equipment. No pool may be erected, constructed or installed without the prior written approval of the Architectural Control Committee. No above-ground pools are permitted. All pool service equipment shall be fenced and located in either (a) a side yard between the front and rear boundaries of the dwelling, or (b) in the rear yard.

8.21 Mail Boxes. All mail boxes and supporting posts or structures shall be of a design approved in writing by the Architectural Control Committee.

8.22 Exterior Maintenance. Each Owner shall maintain the exterior appearance of his dwelling, lawn, landscaping and fence in a manner which is consistent with the standards of the Property. The Board shall have no duty to police the Property for violations of this Section 8.22, but in response to a complaint, and in order to determine whether or not a violation exists, the Board shall determine whether or not the exterior maintenance of the Lot in question is consistent with the standards of the Property. If the Board determines that such exterior maintenance does not meet such standards, then the Owner of such Lot shall be subject to the imposition of a Violation Fine in accordance with Section 10.04 of these Covenants and Restrictions.

8.23 Second Floor Windows. Any window higher than 8'-0" above the finished first floor elevation of the house shall be considered a "second floor" window. If a portion of a first floor window extends above the 8'-0" mark, the entire window will be subject to review for its effect on the privacy of the Adjacent Lot and must receive approval by the Architectural Control Committee, which approval may be withheld in the sole discretion of the committee. No second floor clear glass windows will be allowed on the restricted side of the house. The restricted side is typically the north or west side. The Architectural Control Committee also reserves the right to review and control any other window deemed to cause a privacy conflict with an Adjacent Lot. Glass block may be allowed in second floor windows on the restricted side of a house at the sole discretion of the Architectural Control Committee. Each occurrence will be reviewed upon an individual basis. The review will consist of, but is not necessarily limited to, a study of the architectural integrity of the home and the effect upon the Adjoining Lots. No window material, except that stated above, will be approved by

the Architectural Control Committee for the second floor windows on the restricted side of the house.

8.24 Architectural Control. Architectural Control shall be supervised by an Architectural Control Committee, hereinafter called the "Committee", consisting of either the Construction Group, as hereinafter described, or the Board, in the following manner:

(a) The Construction Group shall consider and may act as the Committee only with respect to requests for approvals to variances made by or on behalf of Class B Members or made by or on behalf of Class A Members with respect to the initial construction of a residence on a Lot. Any requests for approvals or variances made by or on behalf of Class A Members with respect to additions or remodeling of an existing residence on a Lot must be considered and acted upon only by the Board, under which circumstances, the Board will be acting as the Committee. Provided, however, that for purposes of this Section, a Class B Member shall be treated as a Class A Member commencing upon occupancy of the residence constructed on such Class B Member's Lot.

(i) The Construction Group shall be composed of three (3) or more individuals selected and appointed by the Declarants. The Construction Group shall use its best efforts to promote and ensure a high level of quality, harmony and conformity throughout the Property.

A majority of the Construction Group's members may act on behalf of the entire Construction Group. In the event of the death or resignation of any member of the Construction Group, the remaining members shall have full authority to designate and appoint a successor. No member of the Construction Group shall be entitled to any compensation for service performed hereunder and neither the Construction Group nor any of its members shall be liable to any Owner, for any claims, causes of action or damages of what ever kind (except where occasioned by gross negligence) arising out of service performed, actions taken, or inaction in connection with any undertaking, responsibility, or activity hereunder or request for same.

(ii) The Board 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 a first-class residential development. The Board shall use its best efforts to promote and ensure a high level of quality, harmony and conformity throughout the Property.

A majority of the members of the Board may act on behalf of the entire Board or the Board may appoint an advisory committee to act on behalf of the Board. In the

event of the death or resignation of any member of the Board, the remaining members shall have full authority to designate and appoint a successor. No member of the Board or of any advisory committee shall be entitled to any compensation for service performed hereunder and neither the Boards, any of its members, nor the members of any advisory committee shall be liable to any Owner, for any claim, causes of action or damages of what ever kind (except where occasioned by gross negligence) arising out of service performed, actions taken, or inaction in connection with any undertaking, responsibility, or activity hereunder or request for same.

(b) No building, structure, fence, wall or improvement of any kind or nature shall be erected, placed or altered on any Lot until all plans and specifications (including, but not limited to, elevation plans) and/or a plot plan have been submitted to and approved in writing by the Committee as to:

(i) quality of workmanship and materials; adequacy of site dimensions; adequacy of structural design; proper facing of main elevation with respect to nearby streets;

(ii) 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 and any drainage arrangement;

(iv) the other standards set forth within these Covenants and Restrictions (and any amendments hereto) or as may be set forth within bulletins promulgated by the Committee, or matters in which the Committee has been vested with the authority to render a final interpretation and decision.

(c) Final plans and specifications shall be submitted in duplicate to the Committee for approval or disapproval. At such time as the plans and specifications meet the approval of the Committee, one complete set of plans and specifications will be retained by the Committee and the other complete set of plans will be marked "Approved" and returned to the Owner or his designated representative marked "Approved", and accompanied by a statement of complete approval or approval based on certain conditions and specifications. If found not to be in compliance with these Covenants and Restrictions, one set of such plans and specifications shall be returned marked "Disapproved", accompanied by a reasonable statement of items found not to comply with these Covenants and Restrictions. Any modification or change to the approved set of plans and specifications must again be submitted to the Committee for its inspection and

approval. The approval or disapproval of the Committee, as required herein, shall be narrative and in writing. If the Committee, or its respective designated representative, fails to approve or disapprove such plans and specifications within thirty (30) days after the date of submission, then approval shall be presumed; provided, however, that no such approval shall be presumed if the request is submitted by or on behalf of a Class B Member (or a Class A member, if relating to initial construction) to the Board as the Committee or if the request is submitted by or on behalf of a Class A Member relating to additions or remodeling of existing residences or structures to the Construction Group as the Committee. Further provided, however, that nothing in this paragraph shall affect in any way the method for seeking or granting variances, as described in the following paragraph, nor shall any failure of the Committee to act on a variance request within any particular period of time constitute the granting or approval of any such variance request.

(d) Upon submission of a written narrative request for same, the Committee may, from time to time, in its sole discretion, permit Owners to construct, erect, or install improvements which are in variance from the Covenants or Restrictions or rules 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. No member of the Committee shall be liable to any Owner or other person claiming by, through, or on behalf of any Owner, for any claims, causes of action, or damages arising out of the granting or denial of, or other action or failure to act upon, any variance request by any Owner or any person acting for or on behalf of 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 Committee's right to strictly enforce these Covenants and Restrictions against any other Owner. Each such written request must identify and set forth in narrative detail the specific restriction or standard from which a variance is sought and describe in complete detail the exact nature of the variance sought. Any grant of a variance by the Committee must be in writing and must identify in narrative detail both the standard from which a variance is being sought and the specific variance being granted. Any variance granted by the Committee shall be considered a rule made under these Covenants and Restrictions.

(e) The Committee may from time to time publish and promulgate architectural standards bulletins which shall be fair, reasonable and uniformly applied and shall carry forward the spirit and intention of these Covenants and Restrictions; provided, however, that the Construction Group may publish such bulletins only with respect to Class B Members and initial construction by Class A Members and the Board may do so only with respect to additions or remodeling by Class A Members. Such bulletins shall supplement these Covenants and Restrictions and

are incorporated herein by reference. Although the Committee shall not have unbridled discretion with respect to taste, design and any absolute standards specified herein, the Committee shall be responsive to technological advances or general changes in architectural designs and related conditions in future years and use its best efforts to balance the equities between matters of taste and design (on the one hand) and use of private property (on the other hand).

ARTICLE IX

EASEMENTS

9.01 Utility Easements. Easements for installation, maintenance, repair and removal of utilities and drainage facilities over, under and across the Property are reserved as set forth in Section 8.10 above. Full rights of ingress and egress shall be had by Declarants and any bona fide utility company at all times over the easement areas for the installation, operation, maintenance, repair or removal of any utility together with the right to remove any obstruction that may be placed in such easement that would constitute interference with the use of such easement, or with the use, maintenance, operation or installation of such utility.

9.02 Ingress, Egress and Maintenance by the Association. Full rights of ingress and egress shall be had by the Association at all times over and upon the Common Properties for the purpose of maintaining the Common Properties as set forth herein.

9.03 Police Power Easement. With respect to the Common Properties and streets, easements and rights-of-way within the Property, the City of Plano and all other governmental agencies and authorities shall have full rights of ingress, egress, regress, and access for personnel and emergency vehicles for maintenance, police and fire protection, drainage and other lawful police powers designed to promote the health, safety and general welfare of the residents within the Property.

ARTICLE X

GENERAL PROVISIONS

10.01 Duration. The covenants and restrictions of these Covenants and Restrictions shall run with and bind the land subject to these Covenants and Restrictions, and shall inure to the benefit of and be enforceable by the Association and/or the Owners subject to these Covenants and Restrictions, their respective legal representatives, heirs, successors, and assigns, for a term ending January 1, 2050, after which time said Covenants and Restrictions shall be automatically extended for successive periods of ten (10) years unless an instrument is signed by the Members entitled to cast seventy-five percent (75.0%) of the votes of each voting class of the Association and

recorded in the Land Records of Collin County, Texas, which contains and sets forth an agreement to abolish the Covenants and Restrictions; provided, however, no such agreement to abolish shall be effective unless made and recorded one (1) year in advance of the effective date of such abolishment.

10.02 Amendments. Notwithstanding Section 10.01 of this Article, these Covenants and Restrictions may be amended and/or changed in part as follows:

(a) during the period commencing on the date hereof and ending on August 1, 2002, Declarants may amend or change these Covenants and Restrictions with the consent of at least seventy-five percent (75.0%) of the outstanding votes of the Members of the Association;

(b) in all other situations, these Covenants and Restrictions may be amended or changed upon the express written consent of at least sixty percent (60%) of the outstanding votes of the Members of the Association; or by a resolution passed by the majority of the Board evidencing the consent of sixty percent (60%) of the Owners and authorizing the President of the Association execute such amendments.

(c) However, no amendment made after the date hereof affecting the obligations, rights and duties pertaining to the Common Properties shall be effective with regard thereto without the express written consent of the City of Plano.

Any and all amendments, if any, shall be recorded in the office of the County Clerk of Collin County, Texas.

10.03 Enforcement. Enforcement of these Covenants and Restrictions shall be by a proceeding initiated by any Owner, any member of the Construction Group or the Board or by the city of Plano, against any person or persons violating or attempting to violate any Covenant or Restriction contained herein, either to restrain or enjoin such violation or to recover damages for the violation, or both, or to enforce any lien created by this instrument. The Construction Group, and each of its appointed members, shall have an election and right, but not an obligation or duty, to enforce these Covenants and Restrictions by a proceeding or proceedings at law or in equity. Notwithstanding any provision to the contrary in these Covenants and Restrictions, Declarants shall not have any duty, obligation, or responsibility to enforce any of these Covenants and Restrictions. Failure by any party to enforce any Covenant or Restriction herein contained shall in no event be deemed a waiver of the right to do so thereafter. With respect to any litigation hereunder, the prevailing party shall be entitled to recover reasonable attorneys' fees from the nonprevailing party. Further, and with respect to any litigation brought against the Construction Group, the Board or any of their members or representatives arising out of any action, failure to act, or

performance or non-performance of duties imposed hereby, by the Construction Group, the Board or their members or representatives, the Construction Group, the Board and/or their members or representatives as sued shall be entitled to recover their reasonable attorneys' fees from the person or entity bringing such action against it or them, unless the Construction Group, the Board or their members or representatives shall specifically be adjudicated liable to such claimant.

10.04 Imposition of Violation Fines. In the event that any person fails to cure (or fails to commence and proceed with diligence to completion) the work necessary to cure any violation of the Covenants and Restrictions contained herein within ten (10) days after receipt of written notice from the Board designating the particular violation, the Board shall have the power and authority to impose upon that person a fine for such violation (the "Violation Fine") not to exceed five hundred dollars (\$500.00). If, after the imposition of the Violation Fine, the violation has not been cured or the person has still not commenced the work necessary to cure such violation, the Board shall have the power and authority, upon ten (10) days written notice, to impose another Violation Fine which shall also not exceed five hundred dollars (\$500.00). There shall be no limit to the number or the aggregate amount of Violation Fines which may be levied against a person for the same violation. The Violation Fines, together with interest at the highest lawful, rate per annum and any costs of collection, including attorney' fees, shall be a continuing lien upon the Lot against which such Violation Fine is made.

10.05 Severability. If any paragraph, section, sentence, clause or phrase of this Restated Declaration, including the Covenants and Restrictions, shall be or become illegal, null or void for any reason or shall be held by any court of competent jurisdiction to be illegal, null or void, the remaining paragraphs, sections, sentences, clauses or phrases of this Restated Declaration, including the Covenants and Restrictions, shall continue in full force and effect and shall not be affected thereby. It is hereby declared that the remaining paragraphs, sections, sentences, clauses and phrases would have been and are imposed irrespective of the fact that any one or more paragraphs, sections, sentences, clauses and phrases shall become or be declared illegal, null or void.

10.06 Headings. The headings contained in these Covenants and Restrictions are for reference purposes only and shall not in any way affect the meaning or interpretation of these Covenants and Restrictions.

10.07 Notices to Owners. Any notice required to be given to any Owner under the provisions of these Covenants and Restrictions shall be deemed to have been properly delivered when deposited in the United States mails, postage prepaid, addressed

to the last known address of the person who appears as an Owner on the records of the Association at the time of such mailing.

10.08 Disputes. Matters of dispute or disagreement between Owners with respect to interpretation or application of the provisions of these Covenants and Restrictions or the Association Bylaws, shall be determined by the Board, whose reasonable determination shall be final and binding upon all Owners.

ARTICLE XI

Approval of Declarants and Majority Voting Interest in Affected Associations. By execution hereof the Declarants and the owners of Windhaven II, Windhaven West, and Windhaven III having a majority or more of the votes as members of Windhaven Farm Phase II Master Homeowners Association, Inc. and Windhaven West Homeowners Association, Inc., respectively, have approved the consolidation of Windhaven Farm Phase II Master Homeowners Association, Inc. and Windhaven West Homeowners Association, Inc., and the change of name of the Association to Windhaven Farm Homeowners Association, Inc. Declarants have further approved and agreed to the annexation of Windhaven IV, Windhaven V and Windhaven VI to the Property subject to the provisions set out above relating thereto. The term "Property" as used herein will include the Windhaven II, Windhaven West, Windhaven III, and, unless and until same be disannexed by declaration filed by the Declarant owning title thereto, Windhaven IV, Windhaven V and Windhaven VI. It is agreed that, until a supplemental declaration is filed granting lot owners a vote and subjecting said owners to the liability for payment of assessments, the owner of fee title to Windhaven IV, Windhaven V and Windhaven VI may disannex such additions by filing a supplemental declaration to that effect. No consent or approval of other owners shall be required.

ARTICLE XII

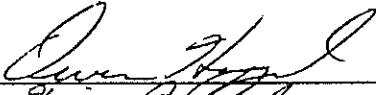
This Restated Declaration has been approved and consented to by the Declarants as declarants and as owners of lots in Windhaven II, Windhaven West, and Windhaven III, having seventy-five percent (75.0%) or more of the votes as members of the Windhaven Farm Phase II Master Homeowners Association, Inc. and Windhaven West Homeowners Association, Inc. Such consent and approval is evidenced by their signatures below. This Restated Declaration has also been approved and consented to by Declarants owning title to Windhaven IV, Windhaven V, and Windhaven VI. Such consent as approval is evidenced by the signatures appearing in the signature blocks below.

IN WITNESS WHEREOF, Declarants herein have caused this instrument to be executed this 21st day of December, 1995.

WINDHAVEN II

WINDHAVEN FARM PHASE II
LIMITED PARTNERSHIP,
a Texas limited partnership

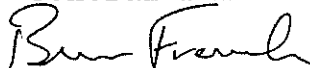
By: Haggard Realty &
Investments, Inc.,
a Texas corporation,
General Partner

By: 
Its: *Owen Haggard*

WINDHAVEN WEST

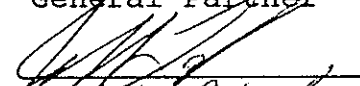
PARKWOOD ROAD, LTD.,
a Texas limited partnership

By: Strand Parkwood, Inc.,
a Texas corporation,
General Partner

By: 
Bruce French
President

LEGACY HOMES, LTD.,
a Texas limited partnership
DBA Carelle Custom Builders

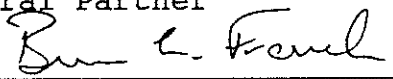
By: Legacy Enterprises, Inc.,
a Texas corporation,
General Partner

By: 
Name: *Robert B. Louch*
Its: *President*

WINDHAVEN III

YEARY ROAD LIMITED PARTNERSHIP,
a Texas limited partnership

By: Strand, Inc.,
a Texas Corporation,
General Partner

By: 
Bruce L. French
President

WINDHAVEN IV

PARKWOOD ROAD, LTD.,
a Texas limited partnership

By: Strand Parkwood, Inc.,
a Texas corporation,
General Partner

By: Bruce French
Bruce French
President

WINDHAVEN V

HAGGARD ENTERPRISES LIMITED,
LTD., A Texas limited
partnership

By: Rutledge Haggard
RUTLEDGE HAGGARD
General Partner

WINDHAVEN VI

Clifton R. Haggard
CLIFTON R. HAGGARD, TRUSTEE

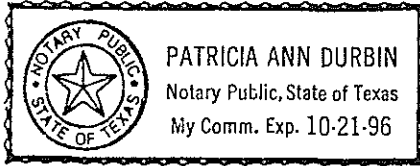
HAGGARD ENTERPRISES LIMITED,
LTD., A Texas limited
partnership

By: Rutledge Haggard
RUTLEDGE HAGGARD
General Partner

WINDHAVEN II ACKNOWLEDGMENT

THE STATE OF TEXAS)
)
)
 COUNTY OF COLLIN)

This instrument was acknowledged before me on the 21st day of December, 1995, by Owen Haggard, President of Haggard Realty & Investments, Inc., a Texas corporation, on behalf of said corporation, and the corporation acknowledged this instrument as General Partner on behalf of Windhaven Farm Phase II Limited Partnership, a Texas limited partnership.

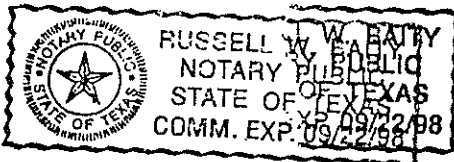


Patricia Ann Durbin
 NOTARY PUBLIC IN AND FOR
 THE STATE OF TEXAS

WINDHAVEN WEST ACKNOWLEDGMENTS

THE STATE OF TEXAS)
)
)
 COUNTY OF COLLIN)

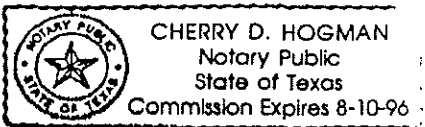
This instrument was acknowledged before me on the 27th day of December, 1995, by Bruce French, President of Strand Parkwood, Inc., a Texas corporation, on behalf of said corporation, and the corporation acknowledged this instrument as General Partner on behalf of Parkwood Road, Ltd., a Texas limited partnership.



Russell W. Bailey
 NOTARY PUBLIC IN AND FOR
 THE STATE OF TEXAS

THE STATE OF TEXAS)
)
)
 COUNTY OF COLLIN)

This instrument was acknowledged before me on the 29 day of Dec., 1995, by John R. Landon, President of Legacy Enterprises, Inc., a Texas Corp. corporation, on behalf of said corporation, and the corporation acknowledged this instrument as General Partner on behalf of Legacy Homes, Ltd., a Texas limited partnership, DBA Carelle Custom Builders.

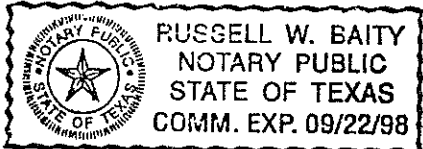


Cherry D. Hogman
 NOTARY PUBLIC IN AND FOR
 THE STATE OF TEXAS

WINDHAVEN III ACKNOWLEDGMENT

THE STATE OF TEXAS)
)
)
COUNTY OF COLLIN)

This instrument was acknowledged before me on the 27th day of December, 1995, by Bruce L. French, President of Strand, Inc., a Texas corporation, on behalf of said corporation, and the corporation acknowledged this instrument as General Partner on behalf of Yeary Road Limited Partnership, a Texas limited partnership.

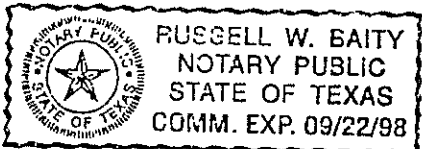


Russell W. Baity
NOTARY PUBLIC IN AND FOR
THE STATE OF TEXAS

WINDHAVEN IV ACKNOWLEDGMENT

THE STATE OF TEXAS)
)
)
COUNTY OF COLLIN)

This instrument was acknowledged before me on the 27th day of December, 1995, by Bruce French, President of Strand Parkwood, Inc., a Texas corporation, on behalf of said corporation, and the corporation acknowledged this instrument as General Partner on behalf of Parkwood Road, Ltd., a Texas limited partnership.

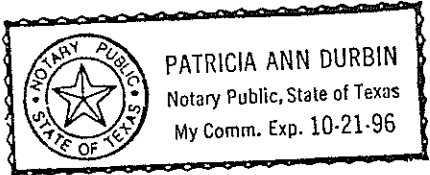


Russell W. Baity
NOTARY PUBLIC IN AND FOR
THE STATE OF TEXAS

WINDHAVEN V ACKNOWLEDGMENT

THE STATE OF TEXAS)
)
)
COUNTY OF Collin)

This instrument was acknowledged before me on the 21st day of December, 1995, by Rutledge Haggard as General Partner of Haggard Enterprises Limited, Ltd., a Texas limited partnership.

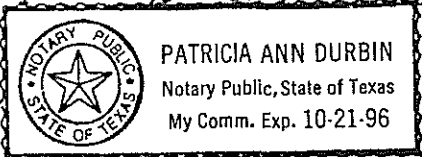


Patricia Ann Durbin
NOTARY PUBLIC IN AND FOR
THE STATE OF TEXAS

WINDHAVEN VI ACKNOWLEDGMENTS

THE STATE OF TEXAS)(
)
COUNTY OF Collin)(
)

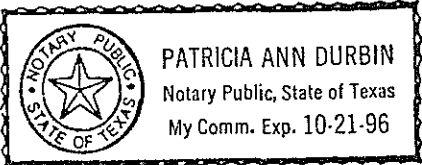
This instrument was acknowledged before me on the 21st
day of December, 1995, by Clifton R. Haggard, Trustee.



Patricia Ann Durbin
NOTARY PUBLIC IN AND FOR
THE STATE OF TEXAS

THE STATE OF TEXAS)(
)
COUNTY OF Collin)(
)

This instrument was acknowledged before me on the 21st day of
December, 1995, by Rutledge Haggard as General Partner of
Haggard Enterprises Limited, Ltd., a Texas limited partnership.



Patricia Ann Durbin
NOTARY PUBLIC IN AND FOR
THE STATE OF TEXAS