

018486

DECLARATION
OF
COVENANTS, CONDITIONS AND RESTRICTIONS
FOR
WIND RIVER ESTATES
AN ADDITION TO
THE CITY OF DENTON
DENTON COUNTY, TEXAS

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EXHIBIT A LEGAL DESCRIPTION OF LAND

EXHIBIT B FENCE REQUIREMENTS

EXHIBIT C PARK MAINTENANCE REQUIREMENTS

EXHIBIT D COMMON AREA DESCRIPTION

DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS

FOR

WIND RIVER ESTATES

STATE OF TEXAS §
 § KNOW ALL PERSONS BY THESE PRESENTS THAT:
COUNTY OF DENTON §

WHEREAS, Vista Oaks Development, Ltd. and Hersman Development - Lybbert Properties are the current owners of all of the real property to be located in Wind River Estates (the "Addition"), an addition to the City of Denton, Denton County, Texas, which real property is more particularly described as Exhibit A attached hereto and incorporated herein by reference;

WHEREAS, Vista Oaks Development and Hersman Development - Lybbert Properties are hereinafter sometimes collectively referred to herein as the "Declarants"; and

WHEREAS, for the purpose of promoting the development of the Addition in a first-class manner, the Declarants desire to place certain restrictions on use and development of the land comprising the Addition as more fully set forth herein.

NOW, THEREFORE, for and in consideration of the premises and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Declarants hereby declare as follows:

ARTICLE I

DEFINITIONS

The following words and phrases when used in this Declaration (unless the context shall otherwise prohibit) shall have the following meanings:

(a) Addition - as defined in the recitals hereof.

(b) Approved Materials - as defined in Section 4.6 hereof.

(c) Association - the homeowners' association established in connection with the Addition in the manner set forth in Section 2.3 hereof, which homeowners' association shall be a Texas non-profit corporation. The provisions of this Declaration concerning

the Association shall become effective upon formation of the Association and shall continue to be effective during the period of time that the Association is in existence pursuant to this Declaration.

(d) Board - the board of directors of the Association , as set forth in Section 8.3 hereof.

(e) Builders - as defined in subparagraph (1) below.

(f) Common Area - as defined in Section 9.3 hereof.

(g) City - the City of Denton, Texas.

(h) Committee - the Architectural Control Committee , as provided in Section 5.1 hereof.

(i) County - Denton, County, Texas.

(j) Declarants - Vista Oaks Development, Ltd. and Hersman Development - Lybbert Properties collectively and any successors thereto as provided in Section 2.2 hereof. Vista Oaks Development, Ltd. and Hersman Development - Lybbert Properties are individually sometimes referred to herein as a "Declarant."

(k) Declaration - this Declaration of Covenants, Conditions and Restrictions, as amended from time to time as expressly provided herein.

(l) Developers - Vista Oaks Development, Ltd. and Hersman Development - Lybbert Properties collectively and any successors thereto or assignees thereof as provided in Section 2.2 hereof, who undertake the coordination of the development of the land in the Addition into lots or succeed by assignment from the Developers to some or all of either of the Developer's rights hereunder, but specifically excluding those persons or entities (the "Builders") whose activities are limited to the construction of residences on developed lots or the purchase and resale of previously developed lots and who have not been assigned any of either Developer's rights hereunder. Vista Oaks Development, Ltd. and Hersman Development - Lybbert Properties are individually sometimes referred to herein as a "Developers".

(m) FHA - the Federal Housing Administration, or any successor agency or authority thereto.

(n) Land - all of the real property located in the Addition including, without limitation, the Common Area (if any), Recreational Center (if any), Restricted Area and all lots.

(o) Lot(s) - one or more numbered lots or plots as shown or to be shown on the Plat(s) (as hereinafter defined), not including any Common Area (if any), public areas, parks, esplanades or tracts owned or subsequently acquired by any public body or any plot or tract shown as a reserve lot (whether unrestricted or not) on the Plat(s). Without limiting the foregoing, all references herein to lots shall refer to and include, with respect to any land which has not been final platted and fully developed into single family residential lots, the numbered plots or lots reflected on the Plat(s).

(p) Lot Approval Date - with respect to a particular lot, the date that (i) this Declaration is filed of record or the Association is formed, whichever is later, or (ii) Developers otherwise determines.

(q) Maintenance Fund - as described in Section 9.2 hereof.

(r) Owner - the record owner, whether one or more persons or entities (including contract sellers, the Developers and Builders), of fee simple title to a lot, including lots shown on the Plat(s), but specifically excluding those having an interest merely as security for the performance of an obligation.

(s) Plat(s) - the plat(s) to be recorded after the date hereof for the Addition as such plat(s) may be replatted and amended from time to time, which plat(s) shall reflect the City approved (or proposed City approved) platting, location and size of all lots in the Addition and the location of the streets and easements on, adjacent to or affecting such lots.

(t) Residence - a freestanding single family residential dwelling constructed on a lot, as defined in Section 3.1 hereof.

(u) Restricted Area - the portion of the lots subject to any specified use as provided in Section 6.1 hereof.

(v) VA - the Veterans Administration, or any successor agency or authority thereto.

(w) Person - any person or entity.

ARTICLE II

DECLARATION, DECLARANTS, DEVELOPERS AND ASSOCIATION

Section 2.1 Declaration. (a) The Declarants hereby declare that all of the land in the Addition shall be held, sold and conveyed subject to the easements, covenants, conditions and restrictions contained in this Declaration, which easements, covenants, conditions and restrictions (i) are for the purpose of establishing a general scheme for the development of, and construction of residences on, the land in the Addition, (ii) are for the purpose of enhancing and protecting the value, attractiveness, appeal and desirability of all land within the Addition, (iii) shall run with all land within the Addition and be binding on all parties having or acquiring any right, title or interest in the land or any part thereof, and (iv) shall inure to the benefit of each owner of any portion of the land. The easements, covenants, conditions and restrictions contained in this Declaration are made for the mutual and reciprocal benefit of each and every owner of any portion of the land within the Addition and are intended to create (i) mutual and equitable]servitudes upon each portion of land (including each of the lots, tracts and Common Area, if any) in favor of each and all other portions and tracts of land within the Addition, (ii) reciprocal rights between the respective owners of any portion of the land, and (iii) privity of contract and estate between the grantees of each portion of the land, their heirs, legal representatives, successors and assigns.

(b) This Declaration may be amended in any respect and in whole or in part at any time by recording an instrument containing such amendment(s) in the deed records of the County. Such amendments may be made by the lot owners if such amendments have been approved by the owners representing at least two-thirds (2/3rds) of (i) all votes of each class of voting membership (if the Association has been created and is in existence as of the date of such vote), or (ii) the votes of the lot owners at a meeting at which a quorum is present (if the Association has not been created or is no longer in existence as of the date of such vote), whichever applies; provided, however, until the earlier of (1) the construction of residences on all lots within the Addition, or (2) ten (10) years following the recording of this Declaration, no such amendment shall be valid or effective without the joinder of both Developers and the Committee unless such party or parties waive its right to consent to such amendment; provided, further, if the Association is formed and FHA or VA approval is obtained for the lots to permit HUD insured mortgages for home purchases, then as long as the Association has Class B members, any amendment which affects or alters any provisions

hereof directly governed or regulated by the FHA or VA shall also be subject to the approval of the FHA, VA and Department of Housing and Urban Development ("HUD") unless such amendments merely correct errors in this Declaration or are required to comply with any requirements imposed by HUD, FHA or VA.

Section 2.2 Declarants and Developers. (a) The initial Declarants of this Declaration are Vista Oaks Development, Ltd. and Hersman Development - Lybbert Properties. After this Declaration is created and filed of record, the Declarants shall have no further rights, duties or obligations hereunder, and all of Declarant's rights shall immediately pass to and vest in the Developers hereunder.

(b) The initial Developers shall be Vista Oaks Development, Ltd. and Hersman Development - Lybbert Properties. Each of such entities shall have the right, but not the obligation, in the event of the transfer of all or any portion of its respective portion of the Addition to another person or entity, to convey all or a portion of the rights and obligations of such Developers to such transferee, whereupon such transferee shall become "Developers" for all purposes hereunder with respect to (but only with respect to) the portion of the Addition so conveyed to such transferee. Neither Developers shall in any way or manner be held liable or responsible for any damages occasioned by violations of restrictions set forth in this Declaration by any person or entity other than itself. If either Developers conveys a portion (but not all) of the rights and obligations of such Developers hereunder to one (1) or more transferees, then (i) the rights of such Developers hereunder shall be exercised by the transferring Developers based on the affirmative or consensus majority vote of the persons (including the transferring Developers) possessing such rights, which vote shall be allocated to such persons and weighted based on the number of lots (or number of proposed lots) owned by such persons, except to the extent such rights are otherwise restricted or specified in the conveyance document, and (ii) the obligations of the transferring Developers hereunder shall be performed by or enforced against the transferring Developers or the party to whom such obligations have been conveyed by the transferring Developers hereunder. If either Developers conveys all of its land in the Addition to owner(s) who do not succeed to the rights and obligations of the transferring Developers hereunder, then the lot owners shall obtain the rights of the transferring Developers herein.

Section 2.3 Association. (a) Commencing on the date hereof, the Developers shall create the Association as a Texas non-profit corporation.

(b) Except as stated above, the Declarants and Developers shall have no responsibility or liability for (i) the creation, formation, management or operation of the Association, (ii) any actions taken or omitted to be taken by or on behalf of the Association as a result of, in connection with, under or pursuant to this Declaration or the Addition, or (iii) any liabilities, obligations, debts, actions, causes of action, claims, debts, suits or damages incurred by or on behalf of or arising in connection with the Association, the Addition or the duties and obligations of the Association pursuant to this Declaration.

Section 2.4 Annexation. Additional land(s) may be included in the land covered hereby and become subject to this Declaration upon the filing of record of a Supplementary Declaration of Covenants, Conditions and Restrictions ("Supplementary Declaration ") which shall extend the scheme of the covenants, conditions and restrictions of this Declaration to such real property; provided, however, that such Supplementary Declaration may contain such complementary additions and modifications of the covenants, conditions and restrictions contained in this Declaration as may be necessary or appropriate to reflect the different character, if any, of the added real properties and as are not materially inconsistent with this Declaration and which do not adversely affect the concept of this Declaration. Furthermore, the following provisions shall apply:

(a) Prior to the formation of the Association and at all times that the Association is no longer in existence, additional real property may be added and annexed to the land and scheme of the Declaration by (i) the Developers in their sole discretion, or (ii) the consent of the owners representing at least two-thirds (2/3rds) of all lots.

(b) The Association may add or annex additional real property to the land and scheme of this Declaration by obtaining the consent of the owners representing at least two-thirds (2/3rds) of all votes of each class of voting membership. If FHA or VA approval is obtained for the lots to permit HUD insured mortgages for home purchases, then, as long as the Association has Class B members, any addition or annexation of additional real property to the land and scheme of this Declaration shall also be subject to the approval of FHA, VA and HUD.

(c) In the event any person or entity other than the Developers desires to add or annex additional residential properties and/or common areas to the scheme of this Declaration, such proposed annexation must have the prior written consent and approval of the Developers and at least

two-thirds (2/3rds) of the votes of all lot owners, excluding for such purposes the lots owned by the Developers.

(d) Any real property additions or annexations made pursuant to this Section 2.4, when made, shall automatically extend the jurisdiction, functions, duties and membership of the Developers, Association and Committee to the real properties added or annexed.

ARTICLE III

RESTRICTIONS ON USE OF LOTS

Section 3.1 Residential Use. Except for the lots (if any) on which any Common Area (if any) is located, all lots shall be used only for single-family private residential purposes and related amenities (including, without limitation, such amenities as may be located on the Common Area (if any) from time to time as provided herein and the Recreational Center, if any). Except on the Common Area (if any) or on the lot(s) on which the Recreational Center (if any) is located, no building or structure shall be erected, altered, placed or permitted to remain on any lot other than one (1) freestanding single-family residence ("residence") per lot (which residence may not exceed two (2) stories in height), one (1) in-the-ground pool, one (1) private garage and appurtenant sidewalks, driveways, curbs, fences and storage or mechanical buildings not otherwise prohibited hereby.

Section 3.2 Single-Family Use. Each residence may be occupied by only one (1) family consisting of persons related by blood, adoption or marriage or no more than two (2) unrelated persons living and cooking together or in the same residence as a single housekeeping unit; provided, however, that nothing contained herein shall prevent occasional temporary occupancy by guests of the family or occupancy by full-time domestic servants or medical assistants employed by the family. No building or structure intended for or adapted to commercial, business or professional purposes, nor any apartment house, duplex, double house, lodging house, rooming house, dormitory, church, school, hospital, sanitarium, guest house, servant's quarters or multiple-family dwelling shall be erected, placed, permitted or maintained on any lot.

Section 3.3 Restrictions on Resubdivision. Except for the initial subdivision and platting of the land contemplated or undertaken by the Developers and any replatting undertaken by the Developers, none of the lots shall be divided into smaller lots.

Section 3.4 Uses Specifically Prohibited. (a) No machinery, boat, marine craft, boat or motorcycle trailer, hovercraft, aircraft, recreational vehicle, pick-up camper, travel trailer, motor home, camper body or similar vehicle or equipment (collectively, "Vehicle or Equipment") may be (i) parked for storage in the front driveway or front yard of any lot or residence which has a rear or side entry garage, (ii) parked for storage in the front driveway or front yard of any lot or residence which has a front entry garage if such Vehicle or Equipment exceeds twenty (20) feet in length, (iii) parked on any public street in the Addition, (iv) parked for storage in the side or rear yard of any lot or residence unless substantially concealed from public view, or (v) parked for storage anywhere on the lot unless such Vehicle or Equipment is fully operational and has all current licenses and permits necessary or appropriate for use on public thoroughfares or waterways. No such Vehicle or Equipment shall be used as a residence or office temporarily or permanently, provided that this restriction shall not apply to any Vehicle or Equipment temporarily parked and in use for the construction, maintenance or repair of a residence in its immediate vicinity. For purposes of this Declaration, any Vehicle or Equipment shall be "parked for storage" if it is parked on or in front of a lot for more than twenty (20) consecutive days without it being driven and used on a public street or thoroughfare.

(b) Trucks with tonnage in excess of one (1) ton and any vehicle with painted or affixed advertisement shall not be permitted to park overnight within the Addition except those used by Developers or a Builder during and directly related to the development of the Addition or construction of improvements on a lot in the Addition.

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

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

(e) No manufacturing, industrial, oil or gas drilling, oil or gas development, smelting, refining, quarrying or mining

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

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

(g) No portion of the Addition shall be used as a dumping ground for rubbish or a site for the accumulation of unsightly materials of any kind including, without limitation, broken or rusted equipment, disassembled, incomplete or inoperable cars or Vehicles or Equipment and discarded appliances and furniture. Trash, garbage or other waste shall not be kept on any lot or anywhere in the Addition except completely within well-maintained sanitary containers and only in reasonable quantities and until the next regularly scheduled pick-up or removal of such items, or five (5) days, whichever occurs first. All equipment and containers for the storage or other disposal of such material shall be kept in clean and sanitary condition. No incinerators may be erected or maintained in the Addition. Materials incident to construction of improvements may be stored on lots during construction so long as construction progresses on such lots without delay.

(h) No garage or other out-building (except for sales offices and construction trailers owned and used by the Developers or a Builder on a lot in accordance with the provisions of Section 3.4(m) below) shall be occupied by any owner, tenant or other person on a lot prior to the erection and completion of a residence on such lot.

(i) Except as provided in Sections 3.4(m) and (n) below, no lot, residence or improvement shall be used for business, professional, commercial or manufacturing purposes of any kind. Except in connection with the activities of Developers and Builders described in Sections 3.4(m) and (n) below, no activity, whether for profit or not, shall be conducted in the Addition which is not related to single-family residential purposes or the development, marketing, construction or sale of the land, lots or residences thereon. No noxious or offensive activity shall be undertaken within the Addition, nor shall anything be done which is or may become an annoyance or nuisance to the Addition or its residents. Nothing in this Section 3.4(i) shall prohibit an owner's use of a residence for quiet, inoffensive activities such as tutoring or giving art or music lessons so long as such activities do not violate the restrictions set forth above and do not materially increase the number of cars parked on the street or interfere with adjoining owners' use and enjoyment of their residences and yards.

(j) The drying of clothes in public view is prohibited. The owners and occupants of any lots at the intersections of streets or adjacent to parks, playgrounds or other facilities where the rear yard is visible to public view shall construct a suitable enclosure to screen from public view equipment which is incident to normal residences, such as clothes drying equipment, yard equipment, lawn furniture, pool filtration or composting equipment and stored materials.

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

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

(m) Notwithstanding anything contained Section 3.4(h) or (i) to the contrary, the Developers or a Builder may temporarily use a residence, garage or trailer as a sales, marketing or construction office for the sole purpose of enabling the Developers to develop, construct, market and sell its lots and residences in the Addition or in any other addition or subdivision owned by the Developers.

(n) Notwithstanding anything contained in this Declaration to the contrary, the Developers, the Committee or the Association may construct, or cause to be constructed, a recreational center (the "Recreational Center") in the Addition for the use of all owners of the lots in the Addition. Without limiting the foregoing, the Recreational Center (if any) may include, without limitation, swimming and other recreational and clubhouse facilities deemed desirable by the Developers, the Committee or the Association, as applicable. If constructed, operation of the Recreational Center shall be managed by the Association or such other entity as the Developers may designate from time to time.

ARTICLE IV

CONSTRUCTION OF IMPROVEMENTS

Section 4.1 General Standards. All construction in the Addition shall be in accordance with the standards developed pursuant to Section 5.5 hereof, unless otherwise approved by the Developers or Committee as provided in Article V hereof.

Section 4.2 Garage Required. Each residence shall have a private garage suitable for parking not less than two (2), nor more than four (4), standard size automobiles and, unless otherwise permitted by the Developers, Association or Committee, each garage shall be attached to such residence, open to the front, side or rear of the lot and conform in appearance, design and materials to the main residence. No garage shall be enclosed or otherwise altered to prevent the parking of at least two (2) conventional automobiles completely within such garage unless an additional garage is constructed which meets the standards of this Article IV, is in compliance with existing City ordinances and is approved by the Developers or Committee. Enclosure of garages by the Developers or a Builder for temporary marketing, sales, construction or office purposes is permitted hereby, provided such enclosures and offices are architecturally compatible with the residence and this Declaration and are used in accordance with the provisions of Section 3.4(m) hereof. If any garage is so enclosed by a Developers or a Builder, such garage shall be converted to use solely for the parking of automobiles as described above prior to the sale or lease of such residence to the occupying owner.

Section 4.3 Driveways. All driveways shall be surfaced with concrete.

Section 4.4 Construction Specifically Regulated. (a) No temporary dwelling, shop, trailer or mobile home of any kind nor any improvement of a temporary character (except children's playhouses, dog houses, greenhouses, gazebos, lawn furniture and buildings as approved by the Developers or the Committee for storage of lawn or pool maintenance equipment, which may be placed on a lot only in areas substantially concealed from any street adjacent to the lot) shall be permitted on any lot except that the Developers and any Builder may have temporary dwellings, trailers or improvements (such as a sales office and/or construction trailer) on a given lot in accordance with the provisions of Section 3.4(m) hereof. No building material of any kind or character shall be placed or stored upon the lot until the owner thereof is ready to commence construction of improvements thereon, and then such material shall be placed only within the property lines of the lot upon which the improvements are to be erected.

(b) No structure of a temporary character, such as a trailer, tent, shack, barn or other out-building, shall be used on any land at any time as a dwelling house; provided, however, that the Developers or any Builder may maintain and occupy model houses, sales offices and construction trailers in accordance with the provisions of Section 3.4(m) hereof.

(c) No individual water supply system (which is not part of the public water supply system serving the entire Addition) shall be permitted in the Addition.

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

(e) No air-conditioning apparatus shall be installed on the ground in front of a residence or on the roof of any residence (unless screened by the roof structure in a manner approved by the Developers or Committee, if formed). No air-conditioning apparatus nor evaporative cooler shall be attached to any front wall or window of a residence.

(f) Except with the prior written permission of the Developers or Committee, no antennas, dishes or other equipment for receiving or sending audio or video messages or transmissions shall be permitted in the Addition except antennas for private AM and FM radio reception and UHF and VHF television reception. All antennas shall be located inside the attic of the residence and one satellite dish or other similar instrument or structure may be

placed in the back yard of each lot so long as it is substantially screened from view from any street, alley, park or other public area.

(g) All fences, walls, hedges or shrubs which obstruct sight lines at elevations between two (2) and six (6) feet above the roadway may be placed or permitted to remain on any corner lot as permitted by City Requirements.

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

(i) Within platted easements on each lot, no permanent structures, paving (other than driveways, sidewalks and flatwork installed in compliance with all applicable codes and laws and the remaining provisions of this Section 4.4(i)), planting or materials shall be placed or permitted to remain which may damage or materially interfere with the installation, operation and maintenance of utilities or change, obstruct or retard the flow of water through or within drainage channels and/or easements.

(j) After the Developers have developed the lots, the general grading, slope and drainage plan of a lot may not be altered, nor may any dams, berms, channels or swales be constructed or excavated, without the prior approval of the Developers (or Committee, the City (if applicable) and other appropriate agencies having authority to grant such approval.

(k) No sign of any kind shall be displayed to the public view on any lot except one (1) alarm monitoring sign of not more than one (1) square foot and one (1) sign of not more than five (5) square feet advertising the property for rent or sale, or signs used by the Developers or any Builder to advertise the Property or other Properties. Any such signs must conform to the requirements of Section 4.12 hereof (if applicable) and may not (i) describe the condition of the residence or lot, (ii) describe, malign or refer to the reputation, character or building practices of the Developers, Builder or any other lot owner, and (iii) discourage or otherwise impact or attempt to impact anyone's decision to acquire a lot or residence in the Addition. The Declarants, Developers, Association or their respective agents shall have the right to remove all signs, billboards or other advertising structures including, without limitation, political or private sale (such as "garage" sale) signs, that do not comply with this Section 4.4(k), and in so doing shall not be subjected

any liability for trespass or any other liability in connection with such removal.

(l) All containers and other facilities for trash disposal must be located and screened in a manner approved by the Developers or Committee .

(m) All exterior mechanical equipment, including, without limitation, heating, air conditioning and ventilation ("HVAC") equipment, shall be located and screened in a manner approved by the Developers or Committee . Without limiting the foregoing, no window air conditioning units shall be permitted in any residence on any lot.

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

(o) All roof surfaces shall have at least (i) a five (5) foot to twelve (12) foot pitch or slope on the main structure, and (ii) a four (4) foot to twelve (12) foot pitch or slope on the garage and porches unless otherwise approved by the Developers or Committee .

Section 4.5 Minimum Floor Area. Except with respect to the Recreational Center (if any) and any buildings or structures constructed by the Developers on the Common Area (if any), the total air-conditioned habitable living area of the main residential structure on each lot, as measured to the outside of exterior walls, but exclusive of porches, garages, patios and detached accessory buildings, shall be not less than one thousand two hundred (1200) square feet or the minimum habitable floor area as specified by the City, whichever is greater.

Section 4.6 Approved Materials. (a) Except with respect to the Recreational Center (if any) and any buildings or structures (if any) constructed by the Developers on the Common Area (if any), the total exterior wall area of the front of each building including the first and second floor of each two (2) story building constructed or placed on a lot shall be one hundred percent (100%), and the total exterior wall area of the entire first floor of each building constructed or placed on a lot shall be not less than seventy-five percent (75%) (or such higher percentage as may be required by the City), brick, brick veneer, stone, stone veneer, masonry or other materials approved by the Developers or Committee . Windows, doors, chimney chases,

penings, gables and other areas which are not permitted to have brick by applicable City code and/or building ordinances are excluded from the calculation of the total exterior wall area.

(b) The exterior surfaces of the chimney chases shall be fully enclosed by materials approved by the Developers or Committee .

(c) Roofing materials may be wood shingle, slate, metal, tile or composition or asphalt. Composition or asphalt roofing material is restricted to manufacturer's minimum 25 year limited warranty, unless otherwise approved by the Developers or Committee ; provided, however, all such roofing materials shall conform to applicable City, FHA and VA requirements.

Section 4.7 Side, Front and Rear Setback Restrictions. No dwelling shall be located on any lot nearer to the front or rear lot line or nearer to the side lot line than the minimum setback lines shown on the Plat or required by the City. In any event, no building shall be located on any lot nearer than twenty (20) feet to, nor further than forty (40) feet from, the front lot line, nor nearer than five (5) feet to any interior side lot line, nor on corner lots nearer than ten (10) feet to the side property line adjoining the street unless approved by the Developers or the Committee , and all applicable governmental agencies and authorities. For all purposes of this Section 4.7, eaves, steps and open porches shall not be considered as a part of the building; provided, however, that this shall not be construed to permit any portion of a building on a lot to encroach upon another lot or to vary from any applicable City requirements.

Section 4.8 Waiver of Front Setback Requirements. With the prior written approval of the Developers or Committee and the City (if required), any building may be located further back from the front property line of a lot than provided in Section 4.7 where, in the opinion of the Developers or Committee , the proposed location of the building will add to the appearance and value of the lot and will not substantially detract from the appearance of the adjoining lots.

Section 4.9 Fences and Walls. The location and type of any fence or wall must be approved by the Developers or Committee and must be constructed of masonry, brick, wood or other material approved by the Developers or Committee and must comply with all applicable governmental requirements and ordinances. No fence or wall shall be permitted to extend nearer to the front street than (i) forty five (45) feet from the front street, or (ii) the front of the house except as approved by the Developers or Committee, whichever distance is farther. Except as approved by the

Developers or Committee (if formed) or as otherwise set forth herein or on the exhibits attached hereto, no portion of any fence shall be less than six (6) feet nor more than eight (8) feet in height as measured from the lowest point of the Lot, except as approved by the Developers or Committee.

Section 4.10 Sidewalks. All sidewalks shall conform to all applicable City, FHA and VA specifications and regulations.

Section 4.11 Mailboxes. Mailboxes shall be constructed of a material and design approved by the Developers or Committee and the United States Postal Service.

Section 4.12 Signs Advertising the Addition or Lots. All signs advertising the entire Property (but not limited to the Property) or any substantial part thereof shall be approved by the Developers or Committee. All signs shall be maintained in good condition and repair, with a neat and orderly appearance, and shall comply with the applicable ordinances of the City. All signs advertising the Addition shall be removed after the later of (a) all buildings initially constructed on the advertised lot(s) have been sold, (b) model homes are not being used by the Builder, (c) the Developers have completed selling and construction activities for other communities in the vicinity. The Developers, the Association or the Committee may remove from the Addition or any surrounding area any signs which do not comply with this Section 4.12.

Section 4.13 Landscaping/Fencing Plans. Any person or entity (other than the Developers) planning to landscape or fence areas in the Addition (other than individual lots) shall prepare and submit to the Developers or the Committee for approval, pursuant to the procedures set forth in Article V, a landscaping/fencing plan for such areas in the Addition prior to undertaking any landscaping or fencing in the Addition. Without limiting the requirement to obtain approval as noted above, such plan shall be compatible with the existing landscaping or fencing improvements and treatments, if any, in the Addition, and shall be in compliance with the terms and provisions hereof.

Section 4.14 Destruction. Any improvements on any lot which are fully or partially destroyed or damaged by fire, storm or any other peril shall be fully rebuilt and repaired or the debris therefrom fully removed, within a reasonable period of time not to exceed one hundred eighty (180) days after the occurrence of such destruction or damage, unless a written extension is obtained by the owner of such lot from the Developers and the Committee.

Section 4.15 Developers Approval. (a) Prior to the formation of the Committee and during any periods of time after such formation that the Committee no longer exists, all consents and approvals reserved to the Developers shall be made solely by both of the Developers.

(b) All consents and approvals reserved to the Developers may be made and provided by the Committee or the Association only after the (i) Developers have relinquished their duties hereunder to the Committee or Association or sold or otherwise disposed of all their interests in all of its lots and other property in the Addition, or (ii) Developers elect not to exercise such rights, easements and authority.

ARTICLE V

ARCHITECTURAL CONTROL COMMITTEE

Section 5.1 Initial Appointment. The initial Architectural Control Committee (The "Committee"), if formed, shall consist of two (2) separate and distinct committees. Each committee shall be specifically designated to a parcel of land that the developers own an interest (i.e. Hersman Tract, Vista Oaks Tract). Upon such time that the Declarants/Developers have no ownership interest, appointment to the Committee shall be governed by Section 5.2. The initial Architectural Control Committee shall be governed by Sections 5.3 through 5.8.

Section 5.2 Appointment. The Architectural Control Committee (the "Committee") consisting of three (3) members may, but shall not be obligated to, be formed only by the Developers during the period of time that the Developers owns any interest in any lot, and thereafter (a) by the Board members of the Association, or (b) by the lot owners representing a majority of the lots. If the Committee is formed by the Developers, then (i) the Developers shall initially designate and appoint the members, each appointee to be generally familiar with the residential and community development design matters within other additions with which the Developers have been associated and knowledgeable about those concerns articulated in this Declaration, and (ii) within ninety (90) days after the date that all of the lots have been sold by the Builder, the Board (if the Association has been formed and is in existence as of such date) or the lot owners (if the Association has not been created or is no longer in existence as of such date) shall (A) confirm and approve the membership of the Committee, or (B) appoint one (1) or more successor members of its/their own choosing to the Committee, with such succession to be effective thirty (30) days after such appointment of such successor(s).

Section 5.3 Term; Successors; Compensation; Liability. (a) Each member of the Committee shall serve on the Committee until such member resigns or is removed by the party who appointed such member to serve on such Committee. Without limiting the foregoing, the appointing party may remove its appointed member of the Committee at any time for any reason.

(b) In the event of the death, resignation or removal by the appointing party of any member of the Committee, such appointing party shall have full authority to designate and appoint a successor within a reasonable period of time. If no such appointment is made on a timely basis, the remaining member(s) of the Committee shall appoint a successor member.

(c) No member of the Committee shall be entitled to compensation for, or be liable for claims, causes of action or damages arising out of, services performed pursuant to this Declaration.

Section 5.4 Authority. (a) After the initial platting of the land in the Addition, the Addition shall not be replatted or resubdivided, no landscaping shall be undertaken and no building, fence, wall or other structure shall be commenced, erected, placed, maintained or altered on any lot, nor shall any exterior painting of, exterior addition to, or alteration of, such items be made by any party (other than the Developers) until all plans have been approved by the Developers, and if a Committee has been formed and is in existence as of such date then until all plans therefore have been submitted to and approved in writing by a majority of the members of the Committee, as to:

(i) conformity and harmony of the proposed replat and any landscape plan to the existing development in the Addition, surrounding areas, community standards and other developments with which the Developers are associated;

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

(iii) conformity and harmony of the external design, color, type and appearance of exterior surfaces and landscaping in relation to the various parts of the proposed improvements and in relation to improvements on other lots in the Addition; and

(iv) the other standards set forth within this Declaration or matters in which the Developers or the

Committee , whichever applies, have been vested with the authority to render a final interpretation and decision.

Without limiting the foregoing, the Developers or the Committee , whichever applies, have authorized and empowered to consider and review any and all aspects of platting, construction and landscaping which may, in the reasonable opinion of such party, affect the living enjoyment of one or more lot owners or the general value of lots in the Addition. In considering the harmony of external design between existing structures and a proposed building being erected, placed or altered, the Developers or the Committee , whichever applies, shall consider only the general appearance of the proposed building as that can be determined from front, rear and side elevations on submitted plans.

(b) The Developers, or the Committee acting pursuant to a majority vote of its members, whichever applies, shall have the right, power and authority to enforce the covenants, conditions, restrictions and all other terms contained in this Declaration relating to the matters within its purview as set forth herein. If the Developers fail or refuse to enforce this Declaration as stated above, then the Association shall have the right, power and authority to enforce this Declaration.

Section 5.5 Procedure for Approval. (a) Each of the following documents (and all modifications thereof) must be submitted to the Developers or the Committee , whichever applies, and such party's approval must be obtained, prior to the document's submission to the City or implementation:

- (i) preliminary replat;
- (ii) final replat;
- (iii) engineering plans and specifications;
- (iv) landscaping, fencing and general development plans; and
- (v) architectural, building and construction plans for each residence, showing the nature, kind, shape, height, materials and location of all landscaping and improvements on each lot, and specifying any requested variance from the setback lines, garage location or other requirements set forth in this Declaration, and, if requested by the Developers or the Committee , samples of proposed construction materials.

(b) All documents must be submitted in duplicate and must be sent to the Developers or the Committee by hand delivery or certified mail; provided, however, the Developers shall not be obligated to submit or obtain approval of such documents as long as either Developers owns any lot(s) in the Addition. At such time as the submitted documents meet the approval of the Developers or the Committee, one complete set of the submitted documents will be retained by such party and the other complete set shall be marked "Approved", signed by such party and returned to the Builder or its respective designated representative. If disapproved by such party, one set of documents shall be returned marked "Disapproved" and shall be accompanied by a statement of the reasons for disapproval, which statement shall be signed by such party. Such party's approval or disapproval shall be in writing. In no event shall such party give oral approval of any documents. Notwithstanding the foregoing, if such party fails to respond to any submitted documents within ninety (90) days after the date of submission, the matters submitted shall be deemed to be approved.

Section 5.6 Standards. The Developers or the Committee, whichever applies, shall use the best efforts to promote and ensure a high level of taste, design, quality, harmony and conformity throughout the Addition consistent with the standards set forth in this Declaration, provided that such party or parties shall have sole discretion with respect to taste, design and all standards specified herein. One objective of such party is to conform generally with community standards and prevent unusual, radical, curious, odd, bizarre, peculiar or irregular structures from being built or maintained in the Addition. Such party shall also have the authority, among other things, to require at a minimum a five (5) to twelve (12) foot roof pitch or slope on the main structure of the residence (subject to such party or parties' ability to permit slight variances for garage and porch roof pitch or slope), to require that the exterior surfaces of the chimney chases be covered with brick, masonry or wood, to prohibit the use of lightweight composition roof material, to require that the colors of roofing materials be earth tones, to require the use of certain types of divided light windows (such as bronzed, white or black), to prohibit or regulate the use of solar or heating panels, to regulate the construction and maintenance of awnings and generally to require that any plans meet the standards of the existing improvements on neighboring lots. Such party or parties may from time to time publish and promulgate bulletins regarding architectural standards, which shall be fair, reasonable and uniformly applied and shall carry forward the spirit and intention of this Declaration.

Section 5.7 Termination. The Committee shall cease to exist on the date on which, with the prior written approval of the Developers (if the Committee was created and sanctioned by the Developers and the Developers have not relinquished control or their right to give such approval) or the Board (if the Association has been formed and is still in existence as of such date) or the lot owners representing a majority of the votes of the lot owners (if the Association has not been created or is no longer in existence as of such date and the Developers have relinquished control or its right to give such approval), all the members of the Committee file a document declaring the termination of the Committee. If there is no Committee in authority, then no approval by the Committee shall be required under this Declaration, and variations from the standards set forth in this Declaration shall then be made in accordance with the general development standards as reflected in the approved plans, construction materials, landscaping and other matters (i) by the Developers, and (ii) by the Association if the Developers fail to take action relating thereto or after the Developers have relinquished control hereunder.

Section 5.8 Liability of Developers and the Committee. (a) The Developers and the members of the Committee shall have no liability for decisions made by them so long as such decisions are made in good faith and are not discriminatory, arbitrary or capricious. Any errors in or omissions from the documents submitted to the Developers or Committee shall be the responsibility of the entity or person submitting the documents, and the Developers or Committee shall have no obligation to check for errors in or omissions from any such documents, or to check for such documents' compliance with the general provisions of this Declaration, City codes and regulations, FHA or VA regulations, state statutes or the common law, whether the same relate to lot lines, building lines, easements or any other issue.

(b) The Declarants and the Developers shall have no responsibility or liability for (i) the creation, selection, management or operation of the Committee, (ii) any actions taken or omitted to be taken by or on behalf of the Committee as a result of, in connection with, under or pursuant to this Declaration or the Addition, or (iii) any liabilities, obligations, debts, actions, causes of action, claims, debts, suits or damages incurred by or on behalf of or arising in connection with the Committee, the Addition or the duties and obligations of the Committee pursuant to this Declaration.

ARTICLE VI

SPECIAL FENCING AND LANDSCAPING PROVISIONS

Section 6.1 Fences, Walls, Sprinkler Systems and Other Improvements in the Restricted Area. The Developers and/or the Association, whichever applies, shall have the right, but not the obligation, to erect, install, maintain, repair and/or replace fences, walls, subdivision monuments, signs, improvements and/or sprinkler systems within those portions (the "Restricted Area") of any lot which is located between the property lines of such lot and the setback or sight lines (as established by the Plat(s), this Declaration or any governmental entity) of such lot. If any fence, wall, subdivision monument, sign, improvement or sprinkler system is erected or installed on any lot(s), such fence, wall, subdivision monument, sign, improvement or sprinkler system shall be the property of the owner of the lot on which such fence, wall, subdivision monument, sign, improvement or sprinkler system is erected or installed, subject to the easements and rights of the Developers set forth below. No fence, wall or sprinkler system shall be erected or installed in the Restricted Area by the owner of the affected lot without the prior written consent of the Developers, provided that any fence, wall or sprinkler system installed by the Developers in the Restricted Area may be maintained, repaired and/or replaced by the owner of the affected lot.

Section 6.2 Landscaping. The Developers shall have the right but not the obligation to grade, plant and/or landscape and maintain, repair, replace and/or change such grading, planting and landscaping on any portion of the Restricted Area of any lot provided that such grading, planting and landscaping conforms with the landscaping plan approved by the Developers or Committee as set forth above. In the event the Developers do not landscape the Restricted Area, the owner of the affected lot may plant grass and, with the prior written consent of the Developers, may landscape, install a sprinkler system and plant trees and shrubs in the Restricted Area; provided, however, in no event shall an owner erect or maintain any structure, paving or improvement other than landscaping and a sprinkler system in the Restricted Area.

Section 6.3 Restricted Area and Fence Encroachment Easements. (a) The Developers shall have the right and easement to enter upon the Restricted Area for the purpose of exercising the discretionary rights set forth in Sections 6.1 and 6.2 hereof.

(b) Each owner, as grantor, grants to each owner of each immediately adjacent lot, as grantee, a non-exclusive reciprocal easement, license, privilege and right-of-way for the encroachment

of any common fence upon such grantor's lot and for the right to attach any adjacent lot boundary fences to any common fence; provided, however, no such encroachment shall extend more than two (2) feet into such grantor's lot and no such attachment shall irreparably and visibly damage the common fence. Without limiting the foregoing, the grantee shall have the easement, license, privilege and right-of-way for free, continuous and uninterrupted use of ingress and egress over and across the encroachment area which is located between the grantor's property line and the common fence, provided that the grantee agrees (i) not to construct or permit to exist within or on the encroachment area any building, structure or other obstruction, (ii) to immediately repair any portion or condition of the encroachment area which is not in good condition or which is in need of repair, and (iii) to mow, water, weed and otherwise maintain and repair, at its sole cost and expense, the encroachment area in good condition and in accordance and compliance with all laws, rules, regulations, restrictions and covenants affecting the encroachment area and in accordance and consistent with the standards maintained in the Addition. In the event that grantee fails or refuses to reasonably maintain and repair the encroachment area as generally described above, then the grantor may, if such condition continues after expiration of ten (10) days after written notice of such failure to the grantee, perform the maintenance and other duties described herein in which event the grantee shall immediately reimburse grantor all costs and expenses associated with maintaining or performing such duties as generally described above.

(c) Each grantee hereby grants to each grantor (as such terms are used in Paragraph (b) above) a non-exclusive reciprocal easement, license, privilege and right-of-way to utilize and travel across such portions of the grantee's property as may be necessary or appropriate to provide access and ingress and egress to, and to maintain, repair, reconstruct and replace, the common fence. The grantor and grantee hereby agree to contribute equally to the maintenance, repair, reconstruction and replacement of any common fence, and if either grantor or grantee refuse to contribute or to participate in such maintenance, repair, reconstruction or replacement, then the other party may perform such duties and take such actions as it deems appropriate, and the non-performing parties shall reimburse the performing party for one-half (1/2) of all costs and expenses associated therewith. Without limiting the foregoing, in the event that the common fence needs to be replaced or substantially repaired which involves substantial renovation or reconstruction of the common fence, either party reserves the right, subject to all applicable laws, rules, regulations, restrictions and covenants, to relocate the common fence to the common property line between the grantor's and

grantee's properties in which event the encroachment easement described in Paragraph (b) above shall immediately terminate upon completion of such renovation, reconstruction and relocation of the common fence to the common property line.

(d) The easements, licenses, privileges and rights-of-way described in this Section 6.3 shall constitute covenants running with each of the affected adjacent lots pursuant to applicable law for the benefit of each of the affected adjacent lots and the owners of such affected adjacent lots and their respective successors and assigns, and shall burden each of such affected adjacent lots, the owners of such affected adjacent lots and their successors and assigns.

Section 6.4 Maintenance of Restricted Area by Individual Lot Owner. In the event the Developers do not voluntarily maintain or repair any fences, walls, subdivision monuments, signs, sprinkler systems, grading, planting, landscaping or other improvements erected, installed or situated within the Restricted Area, then the owner of the affected lot shall, at its expense, perform such maintenance and repair work as is necessary to maintain such fences, walls, subdivision monuments, signs, sprinkler systems, grading, planting, landscaping and other improvements in a good and neat condition and appearance; provided, however, that the lot owner shall give the Developers and the Association ten (10) business days' written notice before performing any maintenance other than mowing, edging and trimming. So long as the Restricted Area and any fences, walls, subdivision monuments, signs, sprinkler systems, grading, planting, landscaping and other improvements thereon are reasonably maintained and repaired by Developers, the owner of such affected lot shall not perform any maintenance or repair work within such Restricted Area without the prior written consent of the Developers and the Association. In no event shall the owner of any lot perform any maintenance or repair work on any sprinkler system within the Restricted Area without the prior written consent of the Developers and the Association unless such sprinkler system is owned by the owner and services only the owner's lot.

Section 6.5 Termination. Upon notice from the Developers recorded in the public records of the County, the Developers may terminate any or all of their respective rights, easements and authority pursuant to this Article VI.

Section 6.6 Association's and Lot Owners' Rights. Notwithstanding any contrary provision herein, the Association and the lot owners (if the Association has not been formed or is no longer in existence) shall have the right, but not the obligation, to exercise, at the Association's or lot owners' sole

expense, any of the Developers' rights, easements and authority pursuant to this Article VI, but only to the extent that the Developers have relinquished their rights herein or elects not to exercise such rights, easements and authority. The Developers' termination of their respective rights pursuant to Section 6.5 shall have no effect on the Association's or lot owners' rights pursuant to this Section 6.6.

ARTICLE VII

MAINTENANCE

Section 7.1 Property and Lot Maintenance. Prior to completion of the development of the entire Addition and construction of a residence on each lot, all vacant lots and undeveloped portions of the Addition shall be kept mowed and free of trash and construction debris by the owner thereof. After the Lot Approval Date with respect to a particular lot, the owner and occupant of each lot shall cultivate an attractive ground cover or grass on all areas visible from the street, shall maintain all areas in a sanitary and attractive manner and shall edge the street curbs that run along the property line and the sidewalks and driveway located on the lot. Grass, weeds and vegetation on each lot must be kept mowed at regular intervals so as to maintain the property in a neat and attractive manner. No vegetables shall be grown in any yard that faces a street unless completely screened from public view by fences which comply with the provisions of this Declaration. No owner shall permit weeds or grass to grow to a height of greater than six (6) inches upon its lot. Upon failure of the owner of any lot to maintain such lot (whether or not developed), either Developers may, at it's option, have the grass, weeds and vegetation cut as often as necessary in their judgment, and the owner of such lot shall be obligated, when presented with an itemized statement, to reimburse such Developers for the cost of such work. In the event the Developers shall fail to exercise their right granted under the preceding sentence within ten (10) days following written notice to both Developers from the Association or the City stating the Association's or City's intent to exercise such right, the Association or City, whichever applies, shall have the right, in lieu of the Developers, to have the grass, weeds and vegetation cut as provided above, and upon exercise of such right, the owner of such undeveloped property or the owner of the lot in question shall be obligated, when presented with an itemized statement, to reimburse the Association or City, whichever applies, for the cost of such work. These provisions shall be construed to create a lien in favor of the performing party against such property for the cost of such work or the reimbursement sought for such work performed on such

property. In the event that the Association has not been formed or is no longer in existence, then the rights of the Association described herein may be exercised by the lot owners as set forth in Section 11.7(b) herein.

Section 7.2 Maintenance of Improvements. Subject to the provisions of this Article VII, each owner shall maintain the exterior of all buildings, fences, walls and other improvements on his lot in good condition and repair, shall replace worn and rotten parts, shall regularly repaint all painted surfaces and shall not permit the roofs, rain gutters, downspouts, exterior walls, windows, doors, walks, driveways, parking areas or other exterior portions of the improvements to deteriorate. Upon failure of the owner of any lot to maintain the exterior of all buildings, fences, walls and other improvements on his lot, either Developers may, at its option, perform such maintenance as often as necessary in their judgment, and the owner of such lot shall be obligated, when presented with an itemized statement, to reimburse such Developers for the cost of such maintenance work. In the event Developers shall fail to exercise their right granted under the preceding sentence within ten (10) days following written notice from the Association to both Developers of the Association's intent to exercise such right, the Association shall have the right, in lieu of the Developers, to perform such maintenance as provided above, and upon exercise of such right, the owner of such lot in question shall be obligated, when presented with an itemized statement, to reimburse the Association for the cost of such maintenance work. These provisions shall be construed to create a lien in favor of the performing party against such lot for the cost of such work or the reimbursement sought for such work performed on such lot. In the event that the Association has not been formed or is no longer in existence, then the rights of the Association described herein may be exercised by the lot owners as set forth in Section 11.7(b) herein.

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ARTICLE VIII

MEMBERSHIP AND VOTING RIGHTS IN THE
ASSOCIATION AND VOTING RIGHTS OF THE LOT OWNERS

Section 8.1 Membership in the Association. Every owner of a lot shall be a member of the Association, which shall function as a homeowners' association for the owners of lots in the Addition. Membership shall be appurtenant to, and shall not be separated from, ownership of a lot. Without limiting the foregoing, the owner(s) (including the Developers) of land which has not been final platted and fully developed shall have membership in the Association as if the land had been final platted and fully developed into the lots reflected on the Preliminary Plat, and shall be entitled to vote for each such proposed lot in accordance with the provisions of Section 8.2 hereof.

Section 8.2 Voting Rights. (a) In the event the Association is formed and created, the Association shall have two (2) classes of voting membership:

(i) Class A. Class A members shall be all owners (other than Class B members) and shall be entitled to one (1) vote for each lot. When more than one (1) person holds an interest in any lot, all such persons shall be members, but the vote for such lot shall be exercised as they among themselves determine, and in no event shall more than one (1) vote be cast with respect to any lot.

(ii) Class B. Class B member(s) shall be the Developers, who shall be entitled to three (3) votes for each lot owned by each Developers. The Class B membership shall cease and be converted to Class A membership at the earlier to occur of (A) the date when the total votes outstanding in the Class A membership equal the total votes outstanding in the Class B membership, or (B) ten (10) years from consummation of the first sale of a lot with a residence thereon in the Addition.

(b) In the event the Association is not created or is no longer in existence as of a particular date, then, on all matters submitted to or which must be approved by the lot owners, (i) each Developers shall be entitled to three (3) votes for each lot (or proposed lot) owned by such Developers, and (ii) the other owner(s) of each lot shall be entitled to one (1) vote for each lot. In this regard, any reference in this Declaration to approval or action by the lot owners shall require the affirmative vote of such lot owners taking into account the weighted voting set forth above.

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Section 8.3 Board of Directors. (a) The members of the Association shall elect the board of directors (the "Board") of the Association subject to the provisions of subparagraph (b) hereof, and the Board shall, by majority rule, conduct all of the business of the Association, except when membership votes are required pursuant to this Declaration or pursuant to the articles of incorporation or bylaws of the Association. Subject to the provisions of Section 5.1, the Board shall appoint the Committee in the manner set forth in Section 5.1 hereof.

(b) Notwithstanding anything contained in the preceding subparagraph (a) or elsewhere in this Declaration to the contrary, as long as a Developers own any lot(s) in the Addition, such Developers shall be entitled to appoint at least one (1) member of the Board, or such larger number of members as its lot ownership and weighted voting may warrant.

Section 8.4 Bylaws. The Association may make whatever rules and bylaws it deems desirable to govern the Association and its members; provided, however, any conflict between such bylaws and the provisions hereof shall be controlled by the provisions hereof.

Section 8.5 Inspection Rights. Each owner shall have the right to inspect and examine the books, records and accounts of the Association at reasonable times upon reasonable written notice, provided that such inspection and examination shall be at such owner's sole cost and expense.

ARTICLE IX

ASSESSMENTS

Section 9.1 Creation of Lien and Personal Obligation of Assessments. No mandatory assessments shall be due prior to the Lot Approval Date. From and after the Lot Approval Date, the Developers, for each fully developed lot in the Addition owned by such Developers, hereby covenant, and each owner (other than the Developers), by acceptance of a deed to a lot, is deemed to covenant and agree, to pay to an account or fund established by the Developers or the Association (if the Association has been formed and is in existence as of such date) (a) annual assessments, and (b) special assessments, such assessments to be established and collected as hereinafter provided. The annual and special assessments, together with interest, costs of collection and reasonable attorneys' fees, shall be a charge on each lot and, if unpaid as described in Section 9.5 hereof, shall constitute a continuing lien upon the lot against which each such unpaid

assessment is made. Each such assessment, together with interest, costs of collection and reasonable attorney's fees, shall be the personal obligation of the owner of such lot at the time when the assessment came due as set forth in Section 9.3. The personal obligation for delinquent assessments shall not pass to such owner's successors in title unless expressly assumed by them, provided that the lien for such assessments shall continue and may be enforced against the lot.

Section 9.2 Annual Assessment. (a) From and after the Lot Approval Date, each lot shall hereby be subjected to an annual assessment for the purpose of creating a fund to be designated and known as the "maintenance fund". The annual assessment will be paid by the owner of each lot, as set forth under Section 9.3, to an account or fund established by Developers or the Association annually in advance or in such intervals and methods as may be established by the Developers or the Board from time to time. The assessment per lot for the year in which the Lot Approval Date occurs shall be established by the Developers. Without limiting the foregoing, the annual assessments shall be sufficient to fund the purposes, uses and benefits described in Section 9.4 hereof.

(b) The assessment for a particular lot for the calendar year in which the Lot Approval Date occurs shall be prorated for such calendar year for the period commencing on the Lot Approval Date and ending on December 31 of such calendar year. The rate at which each lot will be assessed for subsequent years will be determined annually at least thirty (30) days in advance of each annual assessment by the party creating the assessment as set forth above, provided that, without a vote of the membership as described in the next sentence, the annual assessment, if created by the Association, may not be increased by the Association in any year by an amount in excess of ten percent (10%) above the previous year's annual assessment. The annual assessment may be increased by the Association to an amount in excess of Ten percent (10%) of the annual assessment for the previous year by the assent of two-thirds (2/3rds) of the votes of each class of members who are voting in person or by proxy, at a meeting duly called for such purpose at which a quorum is present. The notice and quorum requirements for such meeting are the same as those set forth in Section 9.5 for special assessments for capital improvements. The assessments for each lot shall be set forth under section 9.3. The Developers or the Association shall, upon demand and upon payment of a reasonable fee, furnish a certificate signed by an officer of each Developers or the Association setting forth whether the assessments on a specified lot have been paid.

Section 9.3 Declarant Assessment - Option to Pay Shortfall. So long a Declarant retains Class B Membership the Declarant may elect to pay only the Shortfall. If assessments shall be assessed and collecting according to the status of the Lot owned, as follows:

(a) As to a Lot owned by all owners other than the Declarants, the full assessment shall be payable.

(b) As to a lot Owned by Vista Oaks Development, Ltd., may elect to pay the lesser of (I) the full assessment, or (ii) the fraction, the numerator of which is the number of Lots owned by Vista Oaks Development, Ltd. and the denominator of which is the total number of Lots owned by the Declarants, by (B) the amount, if any, by which the amount of actual expenditures exceeds the amount of assessments collected on all Lots owned by the Declarants (the "Shortfall"). If Vista Oaks Development, Ltd. elects to pay its share of the Shortfall as provided in clause (ii) above, Vista Oaks Development, Ltd. shall remit such amount to the Association within five(5) days after receiving from the Association, or its Agent, and invoice reflecting the amount of Shortfall.

(c) As to a lot Owned by Hersman Development - Lybbert Properties, may elect to pay the lesser of (I) the full assessment, or (ii) the fraction, the numerator of which is the number of Lots owned by Hersman Development - Lybbert Properties and the denominator of which is the total number of Lots owned by the Declarants, by (B) the amount, if any, by which the amount of actual expenditures exceeds the amount of assessments collected on all Lots owned by the Declarants (the "Shortfall"). If Hersman Development - Lybbert Properties elects to pay its share of the Shortfall as provided in clause (ii) above, Hersman Development - Lybbert Properties shall remit such amount to the Association within five(5) days after receiving from the Association, or its Agent, and invoice reflecting the amount of Shortfall.

Unless the Declarant otherwise notifies the Board in writing (30) days before the beginning of each fiscal year, Declarant shall be deemed to have elected to continue paying on the same basis as during the immediately preceding fiscal year. To secure obligation, the Association shall have lien rights as provided in Section 9.1 hereof, against Lots owned by Declarant.

Section 9.4 Purposes. Developers or the Association, whichever applies, shall use the proceeds of the maintenance fund for the use and benefit of the Addition. Such uses and benefits may include, by way of example and not limitation, any and all of the following:

(a) Maintaining, operating, managing, repairing, replacing or improving the Recreational Center (if constructed) and the landscaping, lighting, sprinkler systems, walls, fences, subdivision monuments, signs and other features located in any Restricted Area and other common areas owned by Developers, the Association or the City of Denton, whichever applies, as designated on Exhibit A or the Plat(s) (the Recreational Center, if any, and all of the items and features referenced in this subparagraph (a) are hereinafter collectively referred to as the "Common Area");

(b) Mowing the grass, maintaining the gravel and maintaining signs in or adjoining any rights-of-way, easements, or Park Land (for a minimum of ten (10) years), in the event the City or County fails to maintain such areas;

(c) Paying legal charges and expenses incurred in connection with the enforcement of all recorded charges and assessments, covenants, restrictions and conditions affecting the land to which the maintenance fund applies;

(d) Paying reasonable and necessary expenses in connection with the collection and administration of the assessments; and

(e) Paying insurance premiums for liability and fidelity coverage for Developers, Committee and/or the Association and/or their officers and directors, employing policemen and watchmen, caring for vacant lots and doing any other things which are necessary or desirable in the opinion of Developers or the Board, whichever applies, to keep the lots neat, secure and in good order, or which are considered of general benefit to the owners or occupants of the Addition, it being understood that the judgment of Developers or the Board, whichever applies, in the expenditure of said funds shall be final and conclusive so long as such judgment is exercised in good faith.

Section 9.5 Special Assessments for Capital Improvements.

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(a) In addition to the annual assessments authorized above, the Developers (if the Association has not been formed or is no longer in existence as of such date) or the Association (if the Association has been formed and is in existence as of such date) may levy, in any calendar year after the Lot Approval Date, a special assessment, applicable to that year only, for the purpose of defraying, in whole or in part, the cost of any indemnification set forth in the Articles of Incorporation or Bylaws for the Association and any construction, reconstruction, repair or replacement of or a capital improvement on or to the Recreational Center (if any), Restricted Area or Common Area (if any) in that same or immediately subsequent calendar year, including walls, fences, lighting, subdivision monuments, signs and sprinkler systems.

(b) Any special assessment made by the Association pursuant to this Section 9.5 must have the assent of two-thirds (2/3rds) of the votes of each class of members who are voting in person or by proxy at a meeting duly called for this purpose not less than ten (10) days nor more than fifty (50) days in advance of such meeting. At the first such meeting called by the Association, the presence of members (in person or by proxy) entitled to cast sixty percent (60%) of all the votes of each class of membership shall constitute a quorum. If the required quorum is not present, another meeting may be called subject to the same notice requirement, provided that the required quorum at the subsequent meeting shall be one-half (1/2) of the minimum required quorum at the preceding meeting. No rescheduled meeting shall be held more than fifty (50) days following the preceding scheduled meeting.

Section 9.6 Effect of Nonpayment of Assessments; Remedies of Developers or the Association. Any assessment not paid within thirty (30) days after the due date shall bear interest from the due date until paid in full at the rate of six percent (6%) per annum, but in no event in excess of the maximum rate allowed by applicable Texas and United States law. Developers (if the Association has not been created or is no longer in existence as of such date) or the Association (if the Association has been formed and is in existence as of such date) may bring an action at law against the lot owner personally obligated to pay the same, may foreclose the lien against the lot and/or may pursue any other legal or equitable remedy available to it. No owner may waive or otherwise avoid liability for the assessment provided for herein by nonuse of the Recreational Center (if any) or any Common Area or by abandonment of its lot.

Section 9.7 Subordinated Lien to Secure Payment. The lien on any particular lot created as the result of the non-payment of any assessment provided for herein shall only be subordinate to

the liens of any valid first lien mortgage or deed of trust secured by such lot. Sale or transfer of any lot shall not impair the enforceability or priority of the assessment lien against such lot.

Section 9.8 Duration. The assessments will remain effective for the full term (and extended term, if applicable) of the Declaration.

Section 9.9 Declarant and Developers Not Liable for Association Deficits. Notwithstanding anything contained in this Declaration to the contrary, Declarant and Developers shall not be liable for any liabilities, obligations, damages, causes, causes of action, claims, debts, suits or other matters incurred by or on behalf of the Association or lot owners or for any deficits or shortfalls incurred or realized by or on behalf of the Association or lot owners in connection with the Addition or this Declaration. Declarant' and Developers' sole liability and obligation hereunder shall be limited to the assessments assessed against any lots owned by the Declarant or Developers as set forth under Section 9.3, whichever applies.

ARTICLE X

PROPERTY RIGHTS IN COMMON AREA

Section 10.1 Property Rights in Common Area. The Developers, Association and their successors, assigns, contractors, agents and employees shall have the right and easement to enter upon the Common Area (if any) for the purpose of exercising the rights set forth in this Declaration.

Section 10.2 Common Area Easements. Every owner shall have a non-exclusive right and easement of enjoyment in and to any Common Area, which right shall be appurtenant to and shall pass with the title to every lot, subject to the following provisions:

(a) The right of the Developers or Association to charge reasonable admissions and other fees for the use of any recreational facility (including, without limitation, the Recreational Center, if any) situated upon any Common Area;

(b) The right of the Developers or Association to suspend the voting rights and right to the use of the recreational facilities by an owner or occupant of a lot for any period during which any assessment against such owner's lot remains unpaid, and for a period not to exceed sixty (60)

days for any infraction of this Declaration or the published rules and regulations of the Developers or Association ; and

(c) The right of the Developers or Association to dedicate or transfer all or any part of any Common Area to any public agency, authority or utility company for such purposes and subject to such conditions as may be agreed to by the Developers or Board (if the Association is formed); provided, however, that no such dedication or transfer shall be effective unless an instrument has been recorded and has been signed by two-thirds (2/3rds) of (i) the votes allocated to the lot owners as provided herein (if the Association is not formed or is no longer in existence as of such date), taking into account the weighted voting described herein, and (ii) each class of members evidencing their agreement to such dedication or transfer (if the Association has been formed and is in existence as of such date).

Section 10.3 Delegation of Rights. Any owner may delegate, in accordance with this Declaration or the bylaws of the Association, his right of enjoyment to the Common Area (if any) and facilities to the members of such owner's family or to persons residing on the lot under a lease or contract to purchase.

Section 10.4 Conveyance of Common Area to Association. Developers shall convey the Common Area (if any) to the Association , free and clear of any encumbrances other than as may be created by this Declaration or imposed by the City, County or other applicable governmental authority, (a) prior to the first VA loan guaranty or direct loan in the Addition if the Association is formed prior to such date, (b) if the Association is formed at a later date, then within a reasonable period of time after the Association is formed, or (c) if the improvements on the Common Area will be completed at a later date than the dates specified in subparagraphs (a) or (b) above, then within a reasonable period of time after the completion of such improvements, subject to any required FHA and/or VA approvals.

Section 10.5 Dissolution of the Association. The Association may be dissolved after the first 15 years from the date the Association is formed by a written assent signed by the lot owners representing not less than two-thirds (2/3) of the votes of each class of members. In the event the Association is dissolved, the Common Area (if any) shall be conveyed to either (a) another non-profit Texas corporation, association, trust or other organization devoted to purposes similar to those of the Association, or (b) an appropriate governmental agency to be used for purposes similar to those for which the Association was created.

Section 10.6 Mandatory HOA. See Exhibit C for mandatory requirements of Maintenance for the Association.

ARTICLE XI

GENERAL PROVISIONS

Section 11.1 Utility Easements. Easements for the installation and maintenance of utilities and drainage facilities are reserved and shown on the Plat, including, without limitation, an easement over the rear five (5) feet of each lot. Easements are or will be also reserved on the Plat for the installation, operation, maintenance and ownership of utility service lines from the lot lines to the residences. Developers reserves the right to make changes in and additions to the above easements for the purpose of most efficiently and economically developing the land and installing improvements in the Addition. The owner of a lot shall mow weeds and grass and shall keep and maintain in a neat and clean condition any easement which may traverse a portion of the owner's lot.

Section 11.2 Recorded Plat. All dedications, limitations, restrictions, and reservations shown on the Plat(s) are and shall be incorporated herein and shall be construed as being adopted in each contract, deed or conveyance executed or to be executed by Developers or any Builder or other owner conveying lots in the Addition whether specifically referred to therein or not.

Section 11.3 Mortgages. It is expressly provided that the breach of any of the conditions in this Declaration shall not defeat or render invalid the lien of any mortgage or deed of trust made in good faith and for value, as to the same premises or any part thereof encumbered by such mortgage or deed of trust, but said conditions shall be binding thereto as to lots acquired by foreclosure, trustee's sale or otherwise, but only as to any breach occurring after such acquisition of title.

Section 11.4 Term. The foregoing covenants and restrictions shall run with and bind all land within the Addition and shall remain in full force and effect for a term of thirty (30) years after this Declaration is recorded, and shall be automatically extended for successive periods of ten (10) years unless amended as provided herein.

Section 11.5 Severability. If any condition, covenant or restriction herein contained shall be invalid, which invalidity shall not be presumed until the same is determined by the

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unappealable judgment or order of a court of competent jurisdiction, such invalidity shall in no way affect any other condition, covenant or restriction, each of which shall remain in full force and effect.

Section 11.6 Binding Effect. Each of the conditions, covenants, restrictions and agreements herein contained is made for the mutual benefit of, and is binding upon, each and every person acquiring any part of the land within the Addition, it being understood that, except as otherwise expressly provided herein with respect to Declarant, Developers and the Committee, such conditions, covenants, restrictions and agreements are not for the benefit of the owner of any land except land in the Addition. This instrument, when executed, shall be filed of record in the deed records of the County so that each and every owner or purchaser of any portion of the land within the Addition is on notice of the easements, conditions, covenants, restrictions and agreements herein contained.

Section 11.7 Enforcement. (a) Except as limited or restricted hereby, Declarant, Developers, the Committee, the Association and the owners of each lot and any portion of the land within the Addition shall have the easement and right to have each and all of the foregoing restrictions, conditions and covenants herein faithfully carried out and performed with reference to each and every portion of land within the Addition, together with the right to bring any suit or undertake any legal process that may be proper to enforce the performance thereof, it being the intention hereby to attach to each portion of land within the Addition, without reference to when it was sold, the right and easement to have such restrictions, conditions and covenants strictly complied with, such right to exist with the owner of each portion of the land within the Addition and to apply to all lots in the Addition. Failure by any owner, Declarant, Developers, Committee or Association to enforce any covenant or restriction herein contained or to take any action herein permitted shall in no event be deemed a waiver of the right to do so thereafter. The rights of enforcement granted Declarant, Developers, Committee and Association under this Declaration are personal rights and in no other event shall the owner of any land except land in the Addition have any right of enforcement with respect to this Declaration. In addition, the restrictions, conditions and covenants set forth herein may be enforced by the Building Inspector (or official performing similar functions) of the City, and such Building Inspector is hereby authorized to refuse or revoke all permits for the construction of any improvements on any lot if the proposed improvements on such lot do not strictly comply with such restrictions, conditions and covenants.

(b) Notwithstanding anything contained herein to the contrary, all consents, approvals and actions reserved to or permitted to be taken or made by the Association may be taken, made or provided by the lot owners only if (i) the Association has not been created or is no longer in existence as of such date, or (ii) if the Association has been created and is in existence as of such date, the Association elects not to exercise such rights, easements and authority. In such event, the lot owners may take such action by the requisite vote of such lot owners as provided herein.

Section 11.8 Other Authorities. If other authorities, such as the City or County, impose more demanding, extensive or restrictive requirements than those set forth herein, the requirements of such authorities shall govern. Other authorities' imposition of lesser requirements than those set forth herein shall not supersede or diminish the requirements herein.

Section 11.9 Addresses. Any notices or correspondence to an owner of a lot shall be addressed to the street address of the lot. Any notices or correspondence to the Developers or Committee shall initially be addressed to the Developers or Committee, whichever applies, at the addresses of the Developers, or to such other addresses as are specified by the Developers or Committee, whichever applies, pursuant to an instrument recorded in the deed records of the County.

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EXECUTED by the Declarant on the date shown in the acknowledgments below, to be effective as of MARCH 10, 1998.

DECLARANT:

HERSMAN DEV. - LYBBERT PROPERTIES

By: [Signature]
Name: Verl C. Lybbert

By: [Signature]
Name: Chris Lybbert

By: [Signature]
Name: Katharine Lybbert
[Signature]
JAKE HERSMAN

DECLARANT:

VISTA OAKS DEVELOPMENT, LTD.

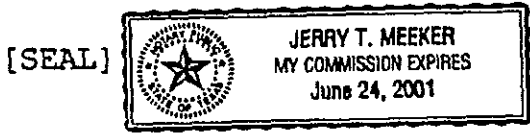
By: [Signature]
Name: Steve Gee

STATE OF TEXAS

COUNTY OF Denton

BEFORE ME, the undersigned authority, a Notary Public, on this day personally appeared Katharine Lybbert, known to me to be the person whose name is subscribed to the foregoing instrument, and acknowledged to me that he executed the same for the purpose and consideration therein expressed, as the act and deed of HERSMAN DEV. - LYBBERT PROPERTIES in the capacity therein stated.

GIVEN UNDER MY HAND AND SEAL OF OFFICE, this 2nd day of March, 1998.



[Signature]
Notary Public in and for
The State of Texas

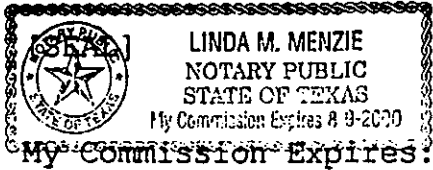
My Commission Expires:
6-24-2001

STATE OF TEXAS

COUNTY OF Denton

BEFORE ME, the undersigned authority, a Notary Public, on this day personally appeared Uere Dybbert, known to me to be the person whose name is subscribed to the foregoing instrument, and acknowledged to me that he executed the same for the purpose and consideration therein expressed, as the act and deed of HERSMAN DEV. - LYBBERT PROPERTIES. in the capacity therein stated.

GIVEN UNDER MY HAND AND SEAL OF OFFICE, this 3RD day of March, 1998.



Linda M. Menzie
Notary Public in and for
The State of Texas

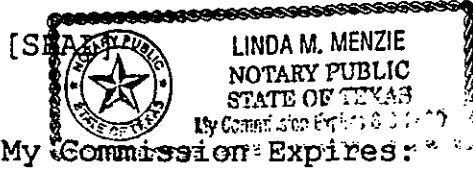
8-9-2000

STATE OF TEXAS

COUNTY OF Denton

BEFORE ME, the undersigned authority, a Notary Public, on this day personally appeared Chris Dybbert, known to me to be the person whose name is subscribed to the foregoing instrument, and acknowledged to me that he executed the same for the purpose and consideration therein expressed, as the act and deed of HERSMAN DEV. - LYBBERT PROPERTIES in the capacity therein stated.

GIVEN UNDER MY HAND AND SEAL OF OFFICE, this 3RD day of March, 1998.



Linda M. Menzie
Notary Public in and for
The State of Texas

8-9-2000

STATE OF TEXAS

COUNTY OF DAWSON

BEFORE ME, the undersigned authority, a Notary Public, on this day personally appeared JAKE HERSMAN, known to me to be the person whose name is subscribed to the foregoing instrument, and acknowledged to me that he executed the same for the purpose and consideration therein expressed, as the act and deed of HERSMAN DEV. - LYBERT PROPERTIES in the capacity therein stated.

GIVEN UNDER MY HAND AND SEAL OF OFFICE, this 3rd day of March, 1997.

[SEAL]

Lachryn M. Gilmore
Notary Public in and for
The State of Texas



My Commission Expires:

8-14-2000

STATE OF TEXAS

COUNTY OF DAUAS

BEFORE ME, the undersigned authority, a Notary Public, on this day personally appeared STEVE GEE, known to me to be the person whose name is subscribed to the foregoing instrument, and acknowledged to me that he executed the same for the purpose and consideration therein expressed, as the act and deed of VISTA OAKS DEVELOPMENT, LTD. in the capacity therein stated.

GIVEN UNDER MY HAND AND SEAL OF OFFICE, this 10th day of MARCH, 1998.

[SEAL]

Sandra L. Trenton
Notary Public in and for
The State of Texas

My Commission Expires:

8/27/99

