Declaration of CC&R's

20111214001346030 12/14/2011 10:14:26 AM MA 1/4

Breckinridge Homeowners Association, Inc.
3102 Oak Lawn, Suite 202
Dallas, TX 75219

Dedicatory Instruments

Collection Policy

WHEREAS, Breckinridge Homeowners Association, Inc. (the "Association") is an addition in Collin County, Texas. The final plats were recorded in the Real Property Records of Collin County, Texas as; Document No. 2004-0144512, Cabinet P, Page 930 on October 1, 2004. Lots in Breckinridge are subject to the Declaration of Covenants, Conditions & Restrictions for Breckinridge Homeowners Association, recorded on November 1, 2004 as Document Number 2004-0158400, Ref Number 43140 in the Real Property Records, Collin County, Texas. **The Association wishes to adopt reasonable guidelines to establish a collection policy for the Association for delinquent regular or special assessments or any other amount owed to the Association; and**

WHEREAS, the Board wishes to update and adopt these reasonable guidelines to be in compliance with Section 209.0062 of the Texas Property Code; and

WHEREAS, the Board intends to file these guidelines in the real property records of each county in which the subdivision is located, in compliance with Section 209.0062 of the Texas Property Code; and

NOW, THEREFORE, IT IS RESOLVED that the attached collection policy has been established by the Board and is to be recorded with the Real Property Records.

PREMIER COMMUNITIES

a FirstService Residential company

Creating the most desirable residential communities in which to live.

Breckinridge HOA
3102 Oak Lawn, Suite 202
Dallas, TX 75219

Breckinridge HOA COLLECTION POLICY

Breckinridge HOA collection process includes the following steps *unless authorized exceptions to this process are communicated in writing from the Board of Directors* through the Association Manager.

Notice	Description	Fees
1st Friendly Notice	• Issued by the billing department after the Association's late date as a statement showing the total amount due. The late date is the 10th. • Only issued to owners with a balance of $10 or more. o Late/interest fees may vary based on governing documents. o Interest is not calculated on balances under $2. o Late date may vary based on governing documents.	$25.00 fee + $8.00 processing fee
2nd Formal Notice	• Issued by the billing department as a late letter (typically 30 days after the Friendly Notice). • Includes the Fair Debt Collections verbiage and allows the account holder 30 days from receipt of notice to address the delinquent account. o Per the Texas Property Code, these notices must be mailed certified (also mailed first class) and include language regarding restricted access to amenities and the right to cure. • Only issued to owners with a balance of $50 or more. o A second late statement may be sent to owners in lieu of or in addition to the second notice, but the processing fees and collateral costs (print, envelopes, postage, etc.) still apply to each review and mailing.	$18.00 processing fee
Demand Letter	o This is a second 30-day collection notice (similar to the 2nd Formal Notice); sent via certified mail. o The billing department will automatically proceed with referring an account for demand ***unless the Manager or Board of Directors stipulates otherwise***. o Association collection policies may require demand letter processing through an attorney's office. o ***NOTE:*** For Associations under developer control, builder referral for advanced collection action requires approval from the divisional Director in addition to the Manager.	$35.00 request for demand + collection agency/attorney fees (*fees vary by office/agency*)
Lien	• If an account is referred directly to an attorney's office, the billing department will automatically proceed with an Authorization to Lien ***unless the Manager or Board of Directors stipulates otherwise***. • If an account if referred to a collection agency (e.g., Red Rock), the	$20.00 request for lien + collection agency/attorney fees (*fees vary by*

Premier Communities Management Company
3102 Oak Lawn Avenue
Suite 202
Dallas, TX 75219

Office: 214.871.9700
Toll Free: 866.424.8072
Fax: 214.889.9980
www.premiercommunities.net

	account is automatically processed for a lien subsequent to the 30-day timeline referenced in the demand letter. • The lien is filed with the county clerk where the property is located and is a legal record that a debt is owed and is secured against the property in question. • Processing and filing a lien with the county clerk can take up to 30 (thirty) days.	*office/agency and county*)
Foreclosure	• ***Authorization for Foreclosure must be Board-approved in writing***. o The approval should be in the form of Board-approved meeting minutes or a signature on an approved form. o The collection agency or attorney's office requires the Board to sign an Assignment of Substitute Trustee (AST) that allows the chosen representative to post and settle a foreclosure on behalf of the Board. • Processing an account for foreclosure can take up to ninety (90) days • A homeowner has a six-month (180 day) period to redeem property that has been foreclosed by paying the amount owed in full, including all dues, legal, and collection fees; a condominium owner has a three month (90-day) right of redemption. o If the property is not redeemed, the next step is Authorization to Sell or Authorization to Evict. o The Association can proceed with Authorization to Evict once the property has been foreclosed. • ***NOTE 1***: The Association lien is subordinate to the first lien holder (mortgage company). If the mortgage company forecloses on the property, the Association lien is relinquished and the amount owed is written off to unrecovered assessments. The mortgage company is responsible for all dues and fees incurred after the date of foreclosure, as they are the new legal owners of the property. • ***NOTE 2:*** There are two types of foreclosure available to Associations, judicial and expedited non-judicial. The governing documents for each community will specify which methods of foreclosure are available to the Association. o Expedited non-judicial foreclosure is a new requirement for Associations that do not require judicial foreclosure per HB 1228 effective 1/1/2012.	$20.00 request for foreclosure + collection agency/attorney fees (*fees vary by office and county*)

This is to certify that the foregoing Collection Policy was adopted by the Board of Directors.

Brecken ridge HOA

Name: EDGAR ZUNIGA

Title: President

Date: 11/21/11

PREMIER COMMUNITIES

a FirstService Residential company

Creating the most desirable residential communities in which to live.

STATE OF TEXAS §
§
COUNTY OF Dallas §

This instrument was acknowledged before me on the 21st day of Nov., 2011, by Edgar Zuniga, Breckenridge HOA ~~of~~ by _____, a Texas non-profit corporation, on behalf of said corporation.

MARY E. MCDONALD
Notary Public, State of Texas
My Commission Expires
June 16, 2013

Mary McDonald
Notary Public, State of Texas

AFTER RECORDING RETURN TO:

Premier Communities Management
3102 Oak Lawn Avenue, Suite 202
Dallas, TX 75219

Filed and Recorded
Official Public Records
Stacey Kemp, County Clerk
Collin County, TEXAS
12/14/2011 10:14:26 AM
$28.00 CLUNA
20111214001346030

Stacey Kemp

Breckinridge Homeowners Association, Inc.
3102 Oak Lawn, Suite 202
Dallas, TX 75219

Dedicatory Instruments

Alternative Payment Schedule Guidelines for Certain Assessments

WHEREAS, Breckinridge Homeowners Association, Inc. (the "Association") is an addition in Collin County, Texas. The final plats were recorded in the Real Property Records of Collin County, Texas as; Document No. 2004-0144512, Cabinet P, Page 930 on October 1, 2004. Lots in Breckinridge are subject to the Declaration of Covenants, Conditions & Restrictions for Breckinridge Homeowners Association, recorded on November 1, 2004 as Document Number 2004-0158400, Ref Number 43140 in the Real Property Records, Collin County, Texas. **The Association wishes to adopt reasonable guidelines to establish an alternative payment schedule by which an owner may make partial payments to the Association for delinquent regular or special assessments or any other amount owed to the Association; and**

WHEREAS, the Board wishes to update and adopt these reasonable guidelines to be in compliance with Section 209.0062 of the Texas Property Code; and

WHEREAS, the Board intends to file these guidelines in the real property records of each county in which the subdivision is located, in compliance with Section 209.0062 of the Texas Property Code; and

NOW, THEREFORE, IT IS RESOLVED that the attached guidelines have been established by the Board and are to be recorded with the Real Property Records.

Breckinridge HOA, Inc.
3102 Oak Lawn Ave Suite 202
Dallas, TX 75219

Alternative Payment Schedule Guidelines for Certain Assessments

WHEREAS, the Board of Directors (the "Board") of *Breckinridge HOA, Inc.*, (the "Association") wishes to adopt reasonable guidelines to establish an alternative payment schedule by which an owner may make partial payments to the Association for delinquent regular or special assessments or any other amount owed to the Association; and

WHEREAS, the Board wishes to adopt these reasonable guidelines in compliance with Section 209.0062 of the Texas Property Code; and

WHEREAS, the Board intends to file these guidelines in the real property records of each county in which the subdivision is located, in compliance with Section 209.0062 of the Texas Property Code; and

NOW, THEREFORE, IT IS RESOLVED that the following guidelines are established by the Board:

1. Upon the request of a delinquent owner, the Association shall enter into an alternative payment schedule with such owner, subject to the following guidelines:

    a. An Alternative Payment Schedule is only available to owners who have delinquent regular assessments, special assessments or any other amount owed to the association.

    b. An Alternative Payment Schedule will not be made available, except in the sole discretion of the Board, to owners who have failed to honor the terms of a previous Alternative Payment Schedule during the two years following the owner's default of such Alternative Payment Schedule.

    c. During the course of an Alternative Payment Schedule, additional monetary penalties, other than reasonable costs associated with administering the Alternative Payment Schedule and interest, shall not be charged against an owner.

    d. The minimum term for an Alternative Payment Schedule is three months from the date of the owner's request for an Alternative Payment Schedule. The maximum term for an Alternative Payment Schedule is eighteen months from the date of the owner's request for an Alternative Payment Schedule.

    e. All other terms of an Alternative Payment Schedule are at the discretion of the Board of Directors.

This is to certify that the foregoing Alternative Payment Schedule Guidelines for Certain Assessments was adopted by the Board of Directors, in accordance with Section 209.0062 of the Texas Property Code.

Brackinridge HOA

Name: EDGAR ZUNIGA

Title: President

Date: 11/21/2011

STATE OF TEXAS §
§
COUNTY OF Dallas §

This instrument was acknowledged before me on the 21st day of Nov, 20 11 by Edgar Zuniga of Brackenridge HOA, a Texas non-profit corporation, on behalf of said corporation.

MARY E. MCDONALD
Notary Public, State of Texas
My Commission Expires
June 16, 2013

Mary E McDonald
Notary Public, State of Texas

AFTER RECORDING RETURN TO:

Premier Communities
3102 Oak Lawn Avenue, Suite 202
Dallas, Texas 75219

Filed and Recorded
Official Public Records
Stacey Kemp, County Clerk
Collin County, TEXAS
12/14/2011 10:14:28 AM
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20111214001346050

Stacey Kemp

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Breckinridge Homeowners Association, Inc.
3102 Oak Lawn, Suite 202
Dallas, TX 75219

Dedicatory Instruments

Policy for Priority of Payments

WHEREAS, Breckinridge Homeowners Association, Inc. (the "Association") is an addition in Collin County, Texas. The final plats were recorded in the Real Property Records of Collin County, Texas as; Document No. 2004-0144512, Cabinet P, Page 930 on October 1, 2004. Lots in Breckinridge are subject to the Declaration of Covenants, Conditions & Restrictions for Breckinridge Homeowners Association, recorded on November 1, 2004 as Document Number 2004-0158400, Ref Number 43140 in the Real Property Records, Collin County, Texas. **The Association wishes to adopt reasonable guidelines for priority of payments for the Association for delinquent regular or special assessments or any other amount owed to the Association; and**

WHEREAS, the Board wishes to update and adopt these reasonable guidelines to be in compliance with Section 209.0062 of the Texas Property Code; and

WHEREAS, the Board intends to file these guidelines in the real property records of each county in which the subdivision is located, in compliance with Section 209.0062 of the Texas Property Code; and

NOW, THEREFORE, IT IS RESOLVED that the attached priority of payment policy has been established by the Board and is to be recorded with the Real Property Records.

Breckinridge HOA, Inc.
3102 Oak Lawn Ave Suite 202
Dallas, TX 75219

Policy for Priority of Payments

WHEREAS, the Board of Directors (the "Board") of *Breckinridge HOA, Inc.*, the ("Association") wishes to establish a Policy for Priority of Payments which shall govern the method in which payments received by the Association from owners are applied; and

WHEREAS, the Board wishes to adopt this policy in compliance with Section 209.0063 of the Texas Property Code; and

WHEREAS, the Board intends to file this policy in the real property records of each county in which the subdivision is located, in compliance with Sections 209.0063 and 202.006 of the Texas Property Code; and

NOW, THEREFORE, IT IS RESOLVED that the following Policy for Priority of Payments is established by the Board:

A. Except as provided by Section (B), a payment received by the Association from an owner shall be applied to the owner's debt in the following order of priority:

   1. any delinquent assessment;

   2. any current assessment;

   3. any attorney's fees or third party collection costs incurred by the Association associated solely with assessments or any other charge that could provide the basis for foreclosure;

   4. any attorney's fees incurred by the association that are not subject to Subsection (3) above;

   5. any fines assessed by the Association;

   6. any other amount owed to the Association.

B. If, at the time the Association receives a payment from an owner and the owner is in default under an Alternative Payment Schedule entered into with the Association, the Association is not required to apply the payment in the order of priority outlined in Section (A), in accordance with Section 209.0063 of the Texas Property Code. Instead, in the event that an owner is in default under an Alternative Payment Schedule at the time the Association receives a payment from the property owner, then the payment received by the Association from an owner shall be applied to the owner's debt in the following order of priority:

1. any attorney's fees or third party collection costs incurred by the Association associated solely with assessments or any other charge that could provide the basis for foreclosure;

2. any attorney's fees incurred by the association that are not subject to the immediately previous Subsection (1);

3. any delinquent assessment;

4. any current assessment;

5. any other amount owed to the Association.

6. any fines assessed by the Association.

This policy shall supersede and render null and void any previously adopted priority of payment/payment plan policy to the extent that the terms of such policy are contradictory.

This is to certify that the foregoing Policy for Priority of Payments was adopted by the Board of Directors, in accordance with Section 209.0063 of the Texas Property Code.

Breckinridge HOA

Name: EDGAR ZUNIGA

Title: President

Date: 11/21/2011

STATE OF TEXAS §
§
COUNTY OF Dallas §

This instrument was acknowledged before me on the 21st day of Nov, 20 11, by Edgar Zuniga of Breckenridge HOA, a Texas non-profit corporation, on behalf of said corporation.

Mary McDonald
Notary Public, State of Texas

AFTER RECORDING RETURN TO:
Premier Communities
3102 Oak Lawn Avenue, Suite 202
Dallas, Texas 75219

MARY E. MCDONALD
Notary Public, State of Texas
My Commission Expires
June 16, 2013

Filed and Recorded
Official Public Records
Stacey Kemp, County Clerk
Collin County, TEXAS
12/14/2011 10:14:27 AM
$28.00 CLUNA
20111214001346040

Breckinridge Homeowners Association, Inc.
3102 Oak Lawn, Suite 202
Dallas, TX 75219

Dedicatory Instruments

Policy for Records Production and Copying

WHEREAS, Breckinridge Homeowners Association, Inc. (the "Association") is an addition in Collin County, Texas. The final plats were recorded in the Real Property Records of Collin County, Texas as; Document No. 2004-0144512, Cabinet P, Page 930 on October 1, 2004. Lots in Breckinridge are subject to the Declaration of Covenants, Conditions & Restrictions for Breckinridge Homeowners Association, recorded on November 1, 2004 as Document Number 2004-0158400, Ref Number 43140 in the Real Property Records, Collin County, Texas. **The Association wishes to adopt reasonable guidelines for records production and copying for the Association; and**

WHEREAS, the Board wishes to update and adopt these reasonable guidelines to be in compliance with Section 209.0062 of the Texas Property Code; and

WHEREAS, the Board intends to file these guidelines in the real property records of each county in which the subdivision is located, in compliance with Section 209.0062 of the Texas Property Code; and

NOW, THEREFORE, IT IS RESOLVED that the attached records production and copying policy has been established by the Board and is to be recorded with the Real Property Records.

Breckinridge HOA, Inc.
3102 Oak Lawn Ave Suite 202
Dallas, TX 75219

Records Production and Copying Policy

WHEREAS, the Board of Directors (the "Board") of *Breckinridge HOA, Inc.*, (the "Association") wishes to establish a Records Production and Copying Policy which shall govern the costs the Association will charge for the compilation, production, and reproduction of information requested under Section 209.005 of the Texas Property Code; and

WHEREAS, the Board wishes to adopt this policy in compliance with Section 209.005 of the Texas Property Code; and

WHEREAS, the Board intends to file this policy in the real property records of each county in which the subdivision is located, in compliance with Sections 209.005and 202.006 of the Texas Property Code; and

NOW, THEREFORE, IT IS RESOLVED that the following Records Production and Copying Policy is established by the Board:

A. An owner is responsible for costs related to the compilation, production, and reproduction of the books and records of the Association. Costs shall be the same as all costs under 1 T.A.C. Section 70.3, the pertinent part of which is reproduced in italics below, and are subject to increase in the event 1 T.A.C. Section 70.3 is amended:

1. *Copy charge.*

(A) Standard paper copy. The charge for standard paper copies reproduced by means of an office machine copier or a computer printer is $.10 per page or part of a page. Each side that has recorded information is considered a page.

(B) Nonstandard copy. The charges in this subsection are to cover the materials onto which information is copied and do not reflect any additional charges, including labor, that may be associated with a particular request. The charges for nonstandard copies are:

- *Diskette--$1.00;*
- *Magnetic tape--actual cost;*
- *Data cartridge--actual cost;*
- *Tape cartridge--actual cost;*
- *Rewritable CD (CD-RW)--$1.00;*
- *Non-rewritable CD (CD-R)--$1.00;*
- *Digital video disc (DVD)--$3.00;*

- *JAZ drive--actual cost;*
- *Other electronic media--actual cost;*
- *VHS video cassette--$2.50;*
- *Audio cassette--$1.00;*
- *Oversize paper copy (e.g.: 11 inches by 17 inches greenbar, bluebar, not including maps and photographs using specialty paper--See also §70.9 of this title)--$.50;*
- *Specialty paper (e.g.: Mylar, blueprint, blueline, map, photographic--actual cost.*

2. *Labor charge for programming. If a particular request requires the services of a programmer in order to execute an existing program or to create a new program so that requested information may be accessed and copied, the governmental body may charge for the programmer's time.*

   (A) The hourly charge for a programmer is $28.50 an hour. Only programming services shall be charged at this hourly rate.

   (B) Governmental bodies that do not have in-house programming capabilities shall comply with requests in accordance with §552.231 of the Texas Government Code.

   (C) If the charge for providing a copy of public information includes costs of labor, a governmental body shall comply with the requirements of §552.261(b) of the Texas Government Code.

3. *Labor charge for locating, compiling, manipulating data, and reproducing public information.*

   (A) The charge for labor costs incurred in processing a request for public information is $15 an hour. The labor charge includes the actual time to locate, compile, manipulate data, and reproduce the requested information.

   (B) A labor charge shall not be billed in connection with complying with requests that are for 50 or fewer pages of paper records, unless the documents to be copied are located in:

      (i) Two or more separate buildings that are not physically connected with each other; or

      (ii) A remote storage facility.

(C) A labor charge shall not be recovered for any time spent by an attorney, legal assistant, or any other person who reviews the requested information:

(i) To determine whether the governmental body will raise any exceptions to disclosure of the requested information under the Texas Government Code, Subchapter C, Chapter 552; or

(ii) To research or prepare a request for a ruling by the attorney general's office pursuant to §552.301 of the Texas Government Code.

(D) When confidential information pursuant to a mandatory exception of the Act is mixed with public information in the same page, a labor charge may be recovered for time spent to redact, blackout, or otherwise obscure confidential information in order to release the public information. A labor charge shall not be made for redacting confidential information for requests of 50 or fewer pages, unless the request also qualifies for a labor charge pursuant to Texas Government Code, §552.261(a)(1) or (2).

(E) If the charge for providing a copy of public information includes costs of labor, a governmental body shall comply with the requirements of Texas Government Code, Chapter 552, §552.261(b).

(F) For purposes of paragraph (2)(A) of this subsection, two buildings connected by a covered or open sidewalk, an elevated or underground passageway, or a similar facility, are not considered to be separate buildings.

4. *Overhead charge.*

(A) Whenever any labor charge is applicable to a request, a governmental body may include in the charges direct and indirect costs, in addition to the specific labor charge. This overhead charge would cover such costs as depreciation of capital assets, rent, maintenance and repair, utilities, and administrative overhead. If a governmental body chooses to recover such costs, a charge shall be made in accordance with the methodology described in paragraph(3) of this subsection. Although an exact calculation of costs will vary, the use of a standard charge will avoid complication in calculating such costs and will provide uniformity for charges made statewide.

(B) An overhead charge shall not be made for requests for copies of 50 or fewer pages of standard paper records unless the request also qualifies for a labor charge pursuant to Texas Government Code, §552.261(a)(1) or (2).

(C) The overhead charge shall be computed at 20% of the charge made to cover any labor costs associated with a particular request. Example: if one hour of labor is used for a particular request, the formula would be as follows: Labor charge for locating, compiling, and reproducing, $15.00 x .20 = $3.00; or Programming labor charge, $28.50 x .20 = $5.70. If a request requires one hour of labor charge for locating, compiling, and reproducing information ($15.00 per hour); and one hour of programming labor charge($28.50 per hour), the combined overhead would be: $15.00 + $28.50 = $43.50 x .20 = $8.70.

5. *Microfiche and microfilm charge.*

(A) If a governmental body already has information that exists on microfiche or microfilm and has copies available for sale or distribution, the charge for a copy must not exceed the cost of its reproduction. If no copies of the requested microfiche or microfilm are available and the information on the microfiche or microfilm can be released in its entirety, the governmental body should make a copy of the microfiche or microfilm. The charge for a copy shall not exceed the cost of its reproduction. The Texas State Library and Archives Commission has the capacity to reproduce microfiche and microfilm for governmental bodies. Governmental bodies that do not have in-house capability to reproduce microfiche or microfilm are encouraged to contact the Texas State Library before having the reproduction made commercially.

(B) If only a master copy of information in microfilm is maintained, the charge is $.10 per page for standard size paper copies, plus any applicable labor and overhead charge for more than 50 copies.

6. *Remote document retrieval charge.*

(A) Due to limited on-site capacity of storage documents, it is frequently necessary to store information that is not in current use in remote storage locations. Every effort should be made by governmental bodies to store current records on-site. State agencies are encouraged to store inactive or non-current records with the Texas State Library and Archives Commission. To the extent that the retrieval of documents results in a charge to comply

with a request, it is permissible to recover costs of such services for requests that qualify for labor charges under current law.

(B) If a governmental body has a contract with a commercial records storage company, whereby the private company charges a fee to locate, retrieve, deliver, and return to storage the needed record(s), no additional labor charge shall be factored in for time spent locating documents at the storage location by the private company's personnel. If after delivery to the governmental body, the boxes must still be searched for records that are responsive to the request, a labor charge is allowed according to subsection (d)(1) of this section.

7. *Computer resource charge.*

(A) The computer resource charge is a utilization charge for computers based on the amortized cost of acquisition, lease, operation, and maintenance of computer resources, which might include, but is not limited to, some or all of the following: central processing units (CPUs), servers, disk drives, local area networks (LANs), printers, tape drives, other peripheral devices, communications devices, software, and system utilities.

(B) These computer resource charges are not intended to substitute for cost recovery methodologies or charges made for purposes other than responding to public information requests.

(C) The charges in this subsection are averages based on a survey of governmental bodies with a broad range of computer capabilities. Each governmental body using this cost recovery charge shall determine which category(ies) of computer system(s) used to fulfill the public information request most closely fits its existing system(s), and set its charge accordingly. Type of System--Rate: mainframe--$10 per CPU minute; Midsize--$1.50 per CPU minute; Client/Server--$2.20 per clock hour; PC or LAN--$1.00 per clock hour.

(D) The charge made to recover the computer utilization cost is the actual time the computer takes to execute a particular program times the applicable rate. The CPU charge is not meant to apply to programming or printing time; rather it is solely to recover costs associated with the actual time required by the computer to execute a program. This time, called CPU time, can be read directly from the CPU clock, and most frequently will be a matter of seconds. If programming is required to comply with a particular

request, the appropriate charge that may be recovered for programming time is set forth in subsection (d) of this section. No charge should be made for computer print-out time. Example: If a mainframe computer is used, and the processing time is 20 seconds, the charges would be as follows: $10 / 3 = $3.33; or $10 / 60 x 20 = $3.33.

(E) A governmental body that does not have in-house computer capabilities shall comply with requests in accordance with the §552.231 of the Texas Government Code.

8. *Miscellaneous supplies. The actual cost of miscellaneous supplies, such as labels, boxes, and other supplies used to produce the requested information, may be added to the total charge for public information.*

9. *Postal and shipping charges. Governmental bodies may add any related postal or shipping expenses which are necessary to transmit the reproduced information to the requesting party.*

10. *Sales tax. Pursuant to Office of the Comptroller of Public Accounts' rules sales tax shall not be added on charges for public information (34 TAC, Part 1, Chapter 3, Subchapter O, §3.341 and §3.342).*

11. *Miscellaneous charges: A governmental body that accepts payment by credit card for copies of public information and that is charged a "transaction fee" by the credit card company may recover that fee.*

B. Any requesting owner must provide advance payment of the costs of compilation, production, and reproduction for the requested information, as estimated by the Association. If the estimated costs are lesser or greater than the actual costs, the Association shall submit a final invoice to the owner on or before the 30th business day after the date the information is delivered. If the final invoice includes additional amounts due from the owner, the additional amounts, if not reimbursed to the Association before the 30th business day after the date the invoice is sent to the owner, may be added to the owner's account as an assessment. If the estimated costs exceed the final invoice amount, the owner is entitled to a refund, and the refund shall be issued to the owner not later than the 30th business day after the date the invoice is sent to the owner.

This policy shall supersede and render null and void any previously adopted policy to the extent that the terms of such policy are contradictory.

This is to certify that the foregoing Records Production and Copying Policy was adopted by the Board of Directors, in accordance with Section 209.005 of the Texas Property Code.

Brecklinridge HOA

Name: EDWAR ZUNIGA

Title: President

Date: 11/21/2011

STATE OF TEXAS §
§
COUNTY OF Dallas §

This instrument was acknowledged before me on the 21st day of NOV, 20 11, by Edgar Zuniga of Brecklinridge HOA, a Texas non-profit corporation, on behalf of said corporation.

MARY E. MCDONALD
Notary Public, State of Texas
My Commission Expires
June 16, 2013

Mary McDonald
Notary Public, State of Texas

AFTER RECORDING RETURN TO:

Premier Communities Management
3102 Oak Lawn Avenue, Suite 202
Dallas, TX 75219

Filed and Recorded
Official Public Records
Stacey Kemp, County Clerk
Collin County, TEXAS
12/14/2011 10:14:29 AM
$44.00 CLUNA
20111214001346060

Stacey Kemp

Breckinridge Homeowners Association, Inc.
3102 Oak Lawn, Suite 202
Dallas, TX 75219

Dedicatory Instruments

Policy for Document Retention

WHEREAS, Breckinridge Homeowners Association, Inc. (the "Association") is an addition in Collin County, Texas. The final plats were recorded in the Real Property Records of Collin County, Texas as; Document No. 2004-0144512, Cabinet P, Page 930 on October 1, 2004. Lots in Breckinridge are subject to the Declaration of Covenants, Conditions & Restrictions for Breckinridge Homeowners Association, recorded on November 1, 2004 as Document Number 2004-0158400, Ref Number 43140 in the Real Property Records, Collin County, Texas. **The Association wishes to adopt reasonable guidelines for document retention for the Association; and**

WHEREAS, the Board wishes to update and adopt these reasonable guidelines to be in compliance with Section 209.0062 of the Texas Property Code; and

WHEREAS, the Board intends to file these guidelines in the real property records of each county in which the subdivision is located, in compliance with Section 209.0062 of the Texas Property Code; and

NOW, THEREFORE, IT IS RESOLVED that the attached document retention policy has been established by the Board and is to be recorded with the Real Property Records.

Breckinridge HOA, Inc.
3102 Oak Lawn Ave Suite 202
Dallas, TX 75219

Document Retention Policy

WHEREAS, the Board of Directors (the "Board") of *Breckinridge HOA, Inc.*, the ("Association") wishes to adopt a Document Retention Policy in order to be compliant with Section 209.005(m) of the Texas Property Code; and

WHEREAS, the Board intends to file this policy in the real property records of each county in which the subdivision is located, in compliance with Sections 209.005 and 202.006 of the Texas Property Code; and

NOW, THEREFORE, IT IS RESOLVED that the following Document Retention Policy is established by the Board:

1. Certificates of formation, bylaws, restrictive covenants, and all amendments to the certificates of formation, bylaws, and covenants shall be retained permanently.

2. Financial books and records shall be retained for seven years.

3. Account records of current owners shall be retained for five years.

4. Contracts with a term of one year or more shall be retained for four years after the expiration of the contract term.

5. Minutes of meetings of the owners and the board shall be retained for seven years.

6. Tax returns and audit records shall be retained for seven years.

This policy shall supersede and render null and void any previously adopted policy to the extent that the terms of such policy are contradictory.

[signature page to follow]

This is to certify that the foregoing Document Retention Policy was adopted by the Board of Directors, in accordance with Section 209.005 of the Texas Property Code.

Breckinridge HOA

Name: EDGAR ZUNIGA

Title: President

Date: 11/21/2011

STATE OF TEXAS §
§
COUNTY OF Dallas §

This instrument was acknowledged before me on the 21st day of Nov, 20 11, by Edgar Zuniga of Breckenridge HOA, a Texas non-profit corporation, on behalf of said corporation.

MARY E. MCDONALD
Notary Public, State of Texas
My Commission Expires
June 16, 2013

Mary E McDonald
Notary Public, State of Texas

AFTER RECORDING RETURN TO:

Premier Communities Management
3102 Oak Lawn Avenue, Suite 202
Dallas, TX 75219

Filed and Recorded
Official Public Records
Stacey Kemp, County Clerk
Collin County, TEXAS
12/14/2011 10:14:30 AM
$24.00 CLUNA
20111214001346070

Stacey Kemp

File Estates of Breckenridge

GEBII | CTIC | HH

SUPPLEMENTARY
DECLARATION OF COVENANTS AND RESTRICTIONS

This Supplementary Declaration of Covenants and Restrictions (the "Supplemental Declaration"), is made this 12th day of May, 2006, by GL Development Corporation, a Texas corporation ("Declarant").

WITNESSETH

WHEREAS, on November 1, 2004 Declarant recorded that certain Declaration of Covenants and Restrictions for GL Development Corporation (the "Declaration") in Deed Book 5786, Pages 03777 - 03826 of the Public Real Estate records of Collin County, Texas;

WHEREAS, in accordance with Article II, 2.3 of the Declaration, Declarant may subject additional tracks of land, together with the improvements situated thereon, to the Declaration if Declarant is the owner of any property which it desires to add to the concept of the Declaration, by filing of record a Supplementary Declaration of Covenants and Restrictions which extends the concept of the Covenants, Conditions and Restrictions of the Declaration to such property;

WHEREAS, Declarant is the sole owner of the real property described in Exhibit "A" attached hereto ("Additional Property"); and

WHEREAS, Declarant desires to subject the Additional Property to the terms of the Declarations.

NOW, THEREFORE, pursuant to the powers obtained by Declarant under the Declaration, Declarant hereby submits the Additional Property to provisions of the Declaration. Such property shall be sold, transferred, used, conveyed, occupied, and mortgage or otherwise encumbered pursuant to the provisions of the Declaration, as amended and supplemented from time to time, which shall run with the title to such property and shall be binding upon all persons having any right, title, or any interest in such property, their respective heirs, legal representatives, successors, successors-in-title, and assigns.

IN WITNESS WHEREOF, Declarant and the Estates of Breckenridge Homeowners Association, Inc. have executed this Supplementary Declaration the day and year first above written.

DECLARANT:

GL DEVELOPMENT CORPORATION
A Texas corporation

By: _____
Edward D. Toole III, President

STATE OF TEXAS §
§
COUNTY OF DALLAS §

This instrument was acknowledged before me on the 12th day of May, 2006, by Edward D. Toole III, President of GL Development Corporation, a Texas Corporation, on behalf of such entity.

Notary Public in and for the State of Texas

DANAE BARNES
Notary Public, State of Texas
My Commission Expires
September 03, 2008

Danae Barnes
Printed Name

ASSOCIATION:

ESTATES OF BRECKENRIDGE HOMEOWNERS ASSOCIATION, INC.,
A Texas non-profit corporation

By: _____
Edward D. Toole III, Vice President

STATE OF TEXAS §
§
COUNTY OF DALLAS §

This instrument was acknowledged before me on the 12th day of May, 2006, by Edward D. Toole III, Vice President of ESTATES OF BRECKINRIDGE HOMEOWNERS ASSOCIATION, INC., a Texas non-profit corporation, on behalf of such entity.

Notary Public in and for the State of Texas

DANAE BARNES
Notary Public, State of Texas
My Commission Expires
September 03, 2008

Danae Barnes
Printed Name

EXHIBIT "A"
(legal description)

Being Lots 1-24, Block A and Lots 1-2, Block B, Grand Estates of Breckinridge-Richardson, an addition to the City of Richardson, Collin County, Texas, according to the plat thereof recorded in Volume Q, Page 385, Map Records, Collin County, Texas.

Document Receipt Information

Reference Number: **MISC17306 - Declaration**	
Instrument Number:	20060705000916600
Number of Pages:	3
Recorded Date:	7/5/2006 2:16:26 PM
County:	Collin
Officer Name:	BCAVENDER
Recording Fees:	24
Transfer Tax Amount:	0
Mortgage Tax Fee:	0
Tax Certification Fee:	0

THIS DOCUMENT HAS BEEN ELECTRONICALLY FILED OF RECORD AT THE COUNTY CLERK'S OFFICE INDICATED ABOVE.

THE ABOVE RECORDING RECEIPT CONTAINS THE RECORDING DATA PROVIDED BY THE COUNTY CLERK IN WHICH THIS DOCUMENT HAS BEEN FILED

CTIC 5786 03777
2004- 0158400

DECLARATION OF COVENANTS AND RESTRICTIONS

FOR

GRAND ESTATES OF BRECKINRIDGE

THIS DECLARATION (this "Declaration"), made this 25 day of OCTOBER, 2004, by GL Development Corporation ("Declarant");

WITNESSETH:

Introductory Statement

A. Declarant is the owner of thirty-two (32) residential lots situated in the City of Plano, Collin County, Texas, as more particularly described on Exhibit "A", attached hereto and made a part hereof, and the Association (as defined below) has maintenance obligations and access rights in connection with one (1) common area described on Exhibit "B", attached hereto and made a part hereof (collectively the "Properties").

B. Declarant desires to provide for the maintenance of certain common areas within the Properties and for the maintenance and preservation of certain other areas, as hereinafter provided.

C. Declarant has further deemed it advisable, for the efficient preservation of the values and amenities within the Properties, to impose covenants upon the Properties and to create a non-profit corporation to which would be delegated and assigned the powers of performing the maintenance herein provided, and collecting and disbursing the assessments and charges, as hereinafter provided.

D. Declarant has caused or will cause to be incorporated under the Non-Profit Corporation Act of the State of Texas (the "Act") a non-profit corporation, Estates of Breckinridge Homeowners Association, Inc. (the "Association").

NOW, THEREFORE, Declarant declares that the Properties shall be held, transferred, sold, conveyed and occupied subject to the covenants, restrictions, easements, charges and liens (sometimes referred to as "Covenants") hereinafter set forth and which run with the land and shall be binding on any subsequent Owners (as defined below) of the Properties, their heirs, executors, administrators, successors and assigns.

Return to:
Chicago Title Insurance Co
5440 Harvest Hill Road
Suite 140
Dallas, TX 75230

COUNTY CLERK'S MEMO
PORTIONS OF THIS
DOCUMENT NOT
REPRODUCIBLE
WHEN RECORDED

Declaration

ARTICLE I

DEFINITIONS

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

"ACC" means the Architectural Control Committee appointed by the Board in accordance with the provisions of Article VII hereof.

"Assessments" shall mean and refer to the regular annual assessments, the special assessments and the default assessments provided in Section 3.1 hereof.

"Association" shall mean and refer to the Estates of Breckinridge Homeowners Association, Inc., a Texas non-profit corporation.

"Board" shall mean the Board of Directors of the Association.

"Builder" shall mean any person or entity which purchases one of more Lots for the purpose of constructing improvements for later sale to consumers.

"City" shall mean the city council of the City of Plano, Texas.

"Common Maintenance" shall mean and refer to normal and routine maintenance of Common Maintenance Areas as determined from time to time by the Board, including but not limited to: (i) mowing and edging Common Maintenance Areas, (ii) trimming Common Maintenance Areas with weed eaters, (iii) fertilizing, trimming shrubbery, turning flower beds and applying insect control chemicals to Common Maintenance Areas, (iv) maintaining irrigation and other utility systems, screening walls and retaining walls within the Common Maintenance Areas, (v) erosion control measures to protect the Lots adjacent to the Green Area, (vi) removal of debris, silt and other substances which could obstruct the flow of storm water runoff within the Common Maintenance Areas, and (vii) removal of trash and debris from the Common Maintenance Areas. Common Maintenance shall not, in any event, include the trimming of trees, planting shrubbery, grass, trees or other landscaping, or any other maintenance or service except as determined by the Board to be within normal and routine maintenance of Common Maintenance Areas.

"Common Maintenance Areas" shall mean and refer to (i) the Green Area(s), and (ii) screening walls, retaining walls, and any other common areas and landscaping lying within right-of-ways as the Board may elect to include (subject only to HUD's prior approval, if required) within "Common Maintenance Areas" from time to time for maintenance by the Association.

"Declarant" shall mean and refer to GL Development Corporation, and its successors and assigns, and any assignee, other than an Owner, who shall receive by

assignment from GL Development Corporation all or a portion of its rights hereunder as such Declarant, by an instrument expressly assigning such rights as Declarant to such assignee.

"Dwelling Unit" shall mean and refer to any building or portion of a building situated upon the Properties which is designed and intended for use and occupancy as a residence by a single person, a couple, a family or a permitted family size group of persons.

"HUD" shall mean the U.S. Department of Housing and Urban Development.

"Lot" shall mean and refer to any plot or tract of land shown upon any recorded subdivision map of the Properties which is shown as a lot thereon and which is or is to be improved with a residential dwelling.

"Maintenance Fund" shall have the meaning given to it in Section 3.1 hereof.

"Member" shall mean and refer to each Owner as provided herein in Article II.

"Owner" shall mean and refer to the record owner, whether one or more persons or entities, of the fee simple title to any Lot but, notwithstanding any applicable theory of mortgages or other security devices, shall not mean or refer to any mortgagee or trustee under a mortgage or deed of trust unless and until such mortgagee or trustee has acquired title pursuant to foreclosure or any conveyance in lieu of foreclosure.

"Plat" shall mean the plat of the subdivision called Grand Estates of Breckinridge, an addition to the City of Plano, Collin County, Texas, as more particularly described in the plat filed or to be filed in the Map Records of Collin County, Texas.

"Properties" shall have the meaning given to it in Paragraph A of the Introductory Statement above, together with additions thereto as may be made subject to the terms of this Declaration by a Supplemental Declaration of Covenants executed and filed by Declarant in the Deed Records of Collin County, Texas, from time to time; provided, that this Declaration shall only be applicable to those Lots situated within the Properties from and after the date upon which they are acquired by Declarant.

"Resident" shall mean and refer to each person (not otherwise an Owner or Member) authorized by an Owner to reside within such Owner's Dwelling Unit.

"Subdivision" shall mean and refer to the residential community arising out of the development and improvement of the Properties with Dwelling Units and the use and occupancy of the Properties as a residential subdivision.

ARTICLE II

MEMBERSHIP AND VOTING RIGHTS IN THE ASSOCIATION; ADDITIONS TO THE PROPERTIES

2.1 Membership. Every Owner of a Lot shall automatically be a Member of the Association.

2.2 Classes of Membership. The Association shall have two classes of voting membership:

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

CLASS B. The Class B Member(s) shall be the Declarant. Until such time as all Lots held by the Class B Member(s) have been sold and conveyed, all votes of the Association shall be cast solely by the Class B Members, to the exclusion of the Class A Members. At such time as all Lots held by Class B Members have been sold and conveyed, then the Class B membership of the Association shall terminate and all votes shall thereafter be cast solely by Class A Members; provided, that in the event all Lots held by Declarant are sold and conveyed but thereafter Declarant again acquires one or more Lots, then and in such event Declarant shall again be a Class B Member until all such Lots have been sold and conveyed by Declarant. As long as a Class B member exists there shall be no annual meeting required, but at such time as no Class B members exist the Class A members shall be required to have an annual meeting.

2.3 Additions to the Properties. Additional tracts of land, together with the improvements situated thereon, may become subject to this Declaration and added to the Properties in the following manner: If Declarant is the owner of any property which it desires to add to the concept of this Declaration, it may do so by filing of record a Supplementary Declaration of Covenants and Restrictions which shall extend the concept of the covenants, conditions and restrictions of this Declaration to such property; provided, however, that (a) such Supplementary Declaration may contain such complimentary additions and modifications of the covenants, conditions and restrictions contained in this Declaration as may be necessary to reflect the different character, if any, of the added properties and as are not inconsistent with the concept of this Declaration and (b) Declarant receives any prior written approval required by HUD.

ARTICLE III

COVENANT FOR MAINTENANCE ASSESSMENTS

3.1 Creation of the Lien and Personal Obligation for Assessments. Each Owner of a Lot (by acceptance of a deed therefor, whether or not it shall be so expressed in any such deed or other conveyance), for each Lot owned by any such Owner, hereby covenants and agrees and shall be deemed to covenant and agree to pay to the Association (or to a mortgage company or other collection agency designated by the Association): (a) annual assessments or charges, to be paid in installments as the Board of Directors of the Association may elect, (b) special assessments for unexpected capital expenditures (such as maintenance equipment) and/or unanticipated expenses, such assessments to be fixed, established and collected from time to time as hereinafter provided, and (c) default assessments which may be assessed against an Owner's Lot by the Association at any time and from time to time to reimburse the Association for costs and expenses incurred on behalf of such owner by the Association in accordance with this Declaration. The regular annual assessments collected by the Association shall constitute the "Maintenance Fund" of the Association. The regular annual, special and default assessments, together with such interest thereon and costs of collection thereof as hereinafter provided (collectively "Assessments"), shall be a charge on the land and shall be a continuing lien upon each Lot against which each such Assessment is made. Each such Assessment, together with such interest thereon and costs of collection thereof, as hereinafter provided, shall also be the continuing personal obligation of the person who was the Owner of such Lot at the time when the Assessment became due. Notwithstanding the foregoing, however, in no event shall Declarant or Builder or any Lot or other portion of the Properties owned by Declarant or Builder at any time be subject to or liable for any Assessment, claim, lien or other obligation due to or of the Association.

3.2 Purpose of Assessments. The Assessments levied by the Association shall be used exclusively for the purpose of promoting the recreation, health, safety and welfare of the residents of the Properties, and in particular for the payment of all costs and expenses related to Common Maintenance, including without limitation services, utility bills, equipment and facilities devoted to this purpose, including, but not limited to, the payment of all costs and expenses incurred for carrying out the duties of the Board as set forth in Article IV hereafter and for carrying out the purposes of the Association as stated in its Articles of Incorporation. Except to the extent otherwise approved from time to time by the Board, the costs of maintaining sprinkler and irrigation systems on each Lot and the cost of water used to irrigate each Lot shall be paid by the Owner of such Lot and not by the Association.

3.3 Maintenance of the Common Maintenance Areas by Declarant.

(a) Until such time as Declarant has sold and conveyed all of the Lots to third party purchasers, Declarant shall have the right (but not the obligation), at its election and in its sole discretion, to assume the exclusive responsibility from time to time of maintaining the Common Maintenance Areas, including, but not limited to, paying the

costs of labor, equipment (including the expense of leasing any equipment) and materials required for the maintenance of the Common Maintenance Areas. In this regard, and during such period, all Assessments, both regular and special, collected by the Association shall be forthwith paid by the Association to Declarant, to the extent that such Assessments are required by Declarant to maintain the Common Maintenance Areas as set forth in this paragraph. The Association shall rely upon a certificate executed and delivered by Declarant with respect to the amount required by Declarant to maintain the Common Maintenance Areas and conduct Common Maintenance hereunder.

(b) All Common Maintenance Areas situated within the Properties shall be maintained by the Association with sums provided by Assessments, and such maintenance shall include and be limited to the items included within the defined term Common Maintenance herein. **Under no circumstance shall any member of the Board or any officer or agent of the Association be liable to any Owner for any action or inaction of the Board with respect to any Common Maintenance, and each Owner hereby releases and relinquishes forever any claims, demands or actions which such Owner may at any time have or be deemed to have against the Board, any member of the Board or the Association with regard to Common Maintenance, whether arising out of the alleged negligence, misfeasance, malfeasance (but not gross negligence or willful misconduct) of any agent of the Association, any officer of the Association or any member of the Board.**

3.4 Basis and Amount of Assessments.

(a) Until the year beginning January 1, 2005, the annual Assessment shall be $450.00 per Lot per year, paid on a semi-annual basis.

(b) Commencing with the year beginning January 1, 2005, and each year thereafter, the Board of Directors, at its annual meeting next preceding such January 1, 2005, and each January 1 thereafter, shall set the amount of the annual Assessment for the following year for each Lot, taking into consideration the current maintenance costs and the future needs of the Association; provided, that from and after January 1, 2005, in no event shall the annual Assessment for each Lot which is subject to being assessed for any year exceed the annual Assessment levied by the Board for the immediately preceding year by more than ten (10%) percent except only in the case of unusual or extraordinary costs and expenses to be paid by the Association as determined from time to time by the Board.

3.5 Special Assessments for Capital Items. In addition to the annual Assessments authorized by Section 3.4 above, the Association may levy in any Assessment year a special Assessment, applicable to that year only, for the purpose of defraying, in whole or in part, any unanticipated cost or expense related to the Common Maintenance or for the cost of acquiring or replacing any capital item, including the necessary maintenance equipment and personal property related to the Common Maintenance; PROVIDED THAT any such Assessment for capital improvements shall have the assent of the Members entitled to cast two-thirds (2/3) of the votes of the members of the Association entitled to vote who either (i) are voting in person or by

proxy at a meeting duly called for this purpose, as provided in Section 2.2, or (ii) execute a written consent in lieu of a meeting for such purpose.

3.6 Uniform Rate of Assessment. Both regular and special Assessments shall be fixed at a uniform rate for all Lots; provided, that no Lot shall be subject to any Assessment until the date upon which such Lot has been conveyed by Declarant to a third-party purchaser.

3.7 Date of Commencement of Assessments; Due Date.

(a) The initial Assessment provided for in Section 3.4 above shall commence on the date fixed by the Board to be the date of commencement, and shall be paid in advance, on the first day of each period designated by the Board thereafter; provided, however, that if the date of commencement falls on other than the first day of such quarter, the Assessment for such quarter shall be prorated by the number of days remaining in the quarter.

(b) The due date or dates, if it is to be paid in installments, of any special Assessment under Section 3.5 above shall be fixed in the resolution authorizing such Assessment.

3.8 Duties of the Board with Respect to Assessments.

(a) The Board shall fix the date of commencement and the amount of the Assessment against each Lot for each Assessment period at least thirty (30) days in advance of such date or period and shall, at that time, prepare a roster of the Lots and Assessments applicable thereto which shall be kept in the office of the Association and shall be open to inspection by any Owner.

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

(c) The Board shall upon demand at any time furnish to any Owner liable for each Assessment a certificate in writing signed by an officer of the Association, setting forth whether such Assessment has been paid. Each such certificate shall be conclusive evidence of payment of any Assessment therein stated to have been paid. A reasonable charge may be made by the Board for the issuance of such certificates.

3.9 Effect of Non-Payment of Assessment: The Personal Obligation of the Owner, the Lien, Remedies of Association.

(a) If any Assessment or any part thereof is not paid on the date(s) when due (being the dates specified by the Board pursuant to Section 3.7 above), then the unpaid amount of such Assessment shall become delinquent and shall, together with such interest thereon and the costs of collection thereof as hereinafter provided, thereupon become a continuing lien on the Lot of the non-paying Owner which shall bind such Lot in the hands of the then Owner, his heirs, executors, devisees, personal representatives

and assigns. The personal obligation of the then Owner to pay such Assessment, however, shall remain his personal obligation and shall not pass to his successors in title unless expressly assumed by them. The lien for unpaid Assessments shall be unaffected by any sale or assignment of a Lot and shall continue in full force and effect. No Owner may waive or otherwise escape liability for the Assessments provided herein by non-use of the Common Maintenance Areas or abandonment of his Lot.

(b) In furtherance of the Lien provided in Section 3.9(a) above, and to secure the full and timely payment of all Assessments and other amounts payable by each Owner hereunder, each Owner does hereby grant and convey unto Declarant, in trust as Trustee (the "Trustee"), the Lot owned by such Owner, subject to all easements and other encumbrances affecting such Lot; provided, that each such grant shall be subordinated to the lien of any mortgage or deed of trust to the extent provided in Section 3.10 below; and for these purposes the provisions of this paragraph shall be deemed to have created a deed of trust (the "Deed of Trust") covering all of the Lots with a power of sale granted to the Trustee in accordance with the provisions of Chapter 51 of the Texas Property Code (the "Code") and as it may be amended from time to time. The Deed of Trust created hereby shall be upon the same terms and conditions, and shall provide to the Association all of the rights, benefits and privileges, of the Deed of Trust promulgated by the State Bar of Texas for use by lawyers designated as Form No. 2402, and all amendments, modifications and substitutions thereof, which form is hereby incorporated by reference for all purposes hereof. The Association, acting through its president, shall have the right in its sole discretion at any time, and from time to time, to appoint in writing a substitute or successor trustee who shall succeed to all rights and responsibilities of the then acting Trustee.

(c) Without limitation of the remedies available to the Association and to the other owners upon the occurrence of a default by any Owner in the payment of any Assessment or other amount due and payable hereunder, the Association may, at its election and by and through the Trustee, sell or offer for sale the Lot owned by the defaulting Owner to the highest bidder for cash at public auction in accordance with the provisions of the Code. The Association may, at its option, accomplish such foreclosure sale in such manner as permitted or required by the Code or by any other present or subsequent laws relating to the same. After the sale of any Lot in accordance with the provisions of this paragraph, the Owner of such Lot shall be divested of any and all interests and claims thereto, and the proceeds of any such sale shall be applied in the following order of priority: (i) to the payment of the costs and expenses of taking possession of the Lot, (ii) to the payment of reasonable Trustee's fees, (iii) to the payment of costs of advertisement and sale, (iv) to the payment of all unpaid Assessments and other amounts payable by such Owner to the Association hereunder, and (v) to the defaulting Owner or to any other party entitled thereto. The Association shall have the right to become the purchaser at the sale of any Lot hereunder and shall have the right to be credited on the amount of its bid therefor all of the Assessments due and owing by the defaulting Owner to the Association as of the date of such sale.

(d) If any Assessment or part thereof is not paid within thirty (30) days after the delinquency date, the unpaid amount of such Assessment shall bear interest from the date of delinquency at the maximum legal rate of interest, and the Association may, at its election, bring an action at law against the Owner personally obligated to pay the same in order to enforce payment and/or to foreclose the lien against the property subject thereto, and there shall be added to the amount of such Assessment the costs of preparing and filing the complaint (including reasonable attorneys' fees) in such action, and in the event a judgment is obtained such judgment shall include interest on the Assessment as above provided and a reasonable attorneys' fee to be fixed by the court, together with the costs of the action. In addition to interest on delinquent amounts as set forth above, each Delinquent Owner shall be obligated to pay a late charge with respect to any Assessment which is not paid within thirty (30) days after the date due as determined from time to time by the Board.

3.10 Subordination of the Lien to Mortgages. The lien securing the payment of the Assessments and other obligations provided for herein shall be superior to any and all other charges, liens or encumbrances which may hereafter in any manner arise or be imposed upon any Lot whether arising from or imposed by judgment or decree or by any agreement, contract, mortgage or other instrument, except for:

(a) bona fide mortgage or deed of trust liens for purchase money and/or home improvement purposes placed upon a Lot in which event the Association's lien shall automatically become subordinate and inferior to such lien,

(b) liens for taxes or other public charges as are by applicable law made superior to the Association's lien; and

(c) such other liens about which the Board may, in the exercise of its reasonable discretion, elect to voluntarily subordinate the Association's lien;

provided however, such subordination shall apply only to (i) the Assessments which have been due and payable prior to the foreclosure sale (whether public or private) of such Lot pursuant to the terms and conditions of any such mortgage or deed of trust or tax lien; and (ii) the permitted lien on the Lot alone. Such sale shall not relieve such Lot from liability for the amount of any Assessment thereafter becoming due nor from the lien of any such subsequent Assessment. Such subordination shall not apply where the mortgage or deed of trust or tax lien is used as a device, scheme or artifice to evade the obligation to pay Assessments and/or to hinder the Association in performing its functions hereunder.

3.11 Exempt Property. The following property subject to this Declaration shall be exempted from the Assessments, charge and lien created herein.

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

(b) All Lots owned by Declarant or Builder.

ARTICLE IV

GENERAL POWERS AND DUTIES OF BOARD OF DIRECTORS OF THE ASSOCIATION

4.1 Powers and Duties.

(a) The Board, for the benefit of the Properties and the Owners, shall provide, and shall pay for out of the Maintenance Fund provided for in Section 3.1 above, the following:

(i) Care, preservation and maintenance of the Common Maintenance Areas, including without limitation Common Maintenance and the purchase and upkeep of any desired personal property used in connection with the maintenance of the Common Maintenance Areas.

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

(iii) Legal and accounting services.

(iv) If deemed appropriate by the Board, a policy or policies of insurance insuring the Association against any liability to the public or to the Owners (and/or invitees or tenants), incident to the operation of the Association, in an amount not less than $100,000 to indemnify against the claim of one person, $300,000 against the claims of two or more persons in any one occurrence, and property damage insurance in an amount not less than $100,000 per occurrence; which policy or policies shall contain an endorsement providing that the rights of the named insureds shall not be prejudiced with respect to actions against other named insureds.

(v) Workmen's compensation insurance to the extent necessary to comply with any applicable laws.

(vi) Such fidelity bonds as the Board may determine to be advisable.

(vii) Any other materials, supplies, insurance, furniture, labor, services, maintenance, repairs, taxes or Assessments (including taxes or Assessments assessed against an individual Owner) which the Board is required to obtain or pay for pursuant to the terms of this Declaration or by law or which in its opinion shall be necessary or proper for the operation or protection of the Association or for the enforcement of this Declaration.

(viii) Inspection and engineering services as required for the retaining walls.

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

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

(ii) To enter into contracts, maintain one or more bank accounts (granting authority as the Board shall desire to one or more persons to sign checks), and, generally, to have all the powers necessary or incidental to the operation and manage of the Association.

(iii) To provide adequate reserve for maintenance and repairs.

(iv) To make reasonable rules and regulations for the maintenance and protection of the Common Maintenance, and to amend them from time to time, provided that any rule or regulation may be amended or repealed by an instrument in writing signed by a majority of the Members.

(v) To make available to each Owner upon written request within sixty days after the end of each year an annual report and, upon the written request of one-tenth of the members, to have such report audited by an independent auditor, which audited report shall be made available to each Member within thirty days after completion. The Board may elect to have the audit made by an auditor other than a certified public accountant if the Board determines the cost of a certified audit to be prohibitive provided such auditor is not related to the Association or Declarant.

(vi) To adjust the amount, collect, and use any insurance proceeds to repair damage or replace lost property, and if proceeds are insufficient to repair damage or replace lost property, to assess the Members in proportionate amounts to cover the deficiency.

(vii) To enforce the provisions of this Declaration and any rules made hereunder and to enjoin and seek damages from any Owner for violation of such provision or rules.

(c) Notwithstanding anything contained to the contrary in this Section 4.1, in no event shall the Board grant a mortgage against or otherwise convey an interest in the Common Maintenance Areas unless:

(i) HUD has given its prior written consent to such mortgage or conveyance, if required, and

(ii) The Board has received the written consent of the Owners of at least seventy-five percent (75%) of the Lots within the Properties, or the affirmative vote of the Members entitled to cast seventy-five percent (75%) of the

votes of the Members of the Association entitled to vote who are present at a meeting duly called for such purpose.

4.2 Board Powers, Exclusive. The Board shall have the exclusive right to contract for all goods, services, and insurance, payment for which is to be made from the Maintenance Fund and the exclusive right and obligation to perform the functions of the Board, except as otherwise provided herein.

ARTICLE V

EASEMENTS

5.1 Easement Reserved for the Association. Full rights of ingress and egress shall be had by the Association at all times over and upon each Lot and the Properties for the carrying out by the Association of its rights, functions, duties and obligations hereunder; provided, that any such entry by the Association upon any Lot shall be made with as minimum inconvenience to the Owner as practical, and any damage caused thereby shall be repaired by the Association at the expense of the Maintenance Fund. Additionally, a five (5) foot maintenance easement is granted to the Association for maintenance of all screen walls, fences, and retaining walls.

5.2 Rights Reserved by Declarant. Declarant hereby reserves temporary construction easements for the construction, repair, removal, maintenance and reconstruction of improvements within the Properties, including the right to remove, on a temporary basis, fences, driveways, sprinkler systems, landscaping and other improvements as shall be reasonably necessary to enable such Declarant to complete the development and improvement of the Properties; provided, that any such improvements removed by any Declarant shall be replaced and/or restored, upon completion of the construction activities, to substantially their former condition. All claims for damages, if any, arising out of any such construction or other activities by Declarant are hereby waived by each Owner and the Association.

5.3 Rights Reserved to Municipal Authorities and Utility Companies. Full rights of ingress and egress shall be had by Declarant, any municipal authority having jurisdiction over the Properties, and any utility company which provides utilities to the Properties, at all times over any dedicated easement for the installation, operation, maintenance, repair or removal of any utility, together with the right to remove any obstruction that may be placed in such easement that would constitute interference with the use of such easement, or with the use, maintenance, operation or installation of such utility. All claims for damages, if any, arising out of the construction, maintenance and repair of utilities or on account of temporary or other inconvenience caused thereby against the Declarant, or any utility company or municipality, or any of its agents or servants are hereby waived by each Owner and the Association. Declarant further reserves the right to alter, redesign or discontinue any street, avenue or way shown on the subdivision plat not necessary for ingress or egress to and from an Owner's Lot, subject to the approval of the City, if required.

ARTICLE VI

PROTECTIVE COVENANTS

6.1 Residential Purpose Only. Each Lot and Dwelling Unit shall be used exclusively for single-family residential purposes only. No building or structure intended for or adapted to business purposes, and no apartment house, double house, lodging house, rooming house, hospital, sanatorium or doctor's office, or other multiple-family dwelling shall be erected, placed, permitted or maintained on any Lot, or on any part thereof. No improvement or structure whatever, other than a first-class private Dwelling Unit, patio walls, swimming pool, and customary outbuildings, garage, servants' quarters or guest house may be erected, placed or maintained on any Lot. All parking spaces shall be used exclusively for the parking of passenger automobiles.

6.2 Building Size. Each Dwelling Unit on each Lot shall contain not less than two-thousand (2,000) square feet of fully enclosed floor area devoted to living purposes. Said floor area shall be exclusive of roofed or unroofed porches, terraces, garages, and other outbuildings and shall be computed from the faces of the exterior walls.

6.3 Building Materials. No Dwelling Unit shall be erected on a lot of material other than brick, stone, traditional stucco, brick-veneer, or other masonry material unless the above named materials constitute at least seventy-five percent (75%) of the outside wall areas of the first floor, excluding window and door areas. The outside wall area of a second story elevation facing the street may only be of brick, stone, traditional stucco, brick-veneer, cementious fiberboard or other masonry material. Any siding, whether it is located on the first or second story outside wall area, shall be of cementious fiberboard. Any vinyl, plastic, aluminum or other metallic siding or cladding of any kind, size, shape or color is prohibited anywhere on the exterior of any Dwelling Unit.

6.4 Monotony Code. Declarant may promulgate and publish "Design Guidelines", from time to time so as long as a Class B Member exists. Any and all criteria shall be at the sole and exclusive judgment of the Declarant.

6.5 Rubbish, Etc. Upon completion of the home by the builder no Lot shall be used in whole or in part for the storage of rubbish or any character whatsoever, nor for the storage of any property or thing that will cause such Lot to appear in an unclean or untidy condition or that will be obnoxious to the eye; nor shall any substance, thing or material be kept upon any Lot that will emit foul or obnoxious odors, or that will cause any noise that will or might disturb the peace, quiet, comfort or serenity of the occupants of the surrounding property. A designated concrete washout area shall be permitted to exist on up to no more than two (2) Lots, which shall be designated by Declarant and clearly marked as such until such time as all the homes are completed. No weeds, underbrush or other unsightly growths shall be permitted to grow or remain upon the Lot, and no refuse pile or unsightly objects shall be permitted to be placed or suffered to remain anywhere thereon. Trash, garbage or other waste shall not be kept upon any Lot except in city approved sanitary containers. All equipment for storage or disposal of such

materials shall be kept in a clean and sanitary condition and shall be kept where such equipment is not visible from the street or adjacent lots. All garbage shall be placed where designated by the city for collection on the day of collection only.

6.6 Animals. No Owner shall keep or allow others to keep domestic animals of a kind ordinarily used for commercial purposes on his property, and no Owner shall keep any adult animals in numbers in excess of three (3) which may be kept for the purpose of companionship for the private family, provided they do not create a nuisance, it being the purpose and intention hereof to restrict the use of said Lot so that no Owner shall quarter on the Lot horses, cows, hogs, sheep, goats, guinea fowls, ducks, chickens, turkeys or any other animals that may interfere with the quietude, health or safety of the Subdivision.

6.7 Development Activity. Notwithstanding any other provision herein, Declarant and its successors and assigns shall be entitled to conduct on the Properties all activities normally associated with and convenient to the development of the Properties and the construction and sale of Dwelling Units on the Properties.

6.8 Signs/Flags and Picketing. No signs whatsoever (movable or affixed) including, but not limited to, commercial, political and similar signs, which are visible from adjacent property or from public thoroughfares shall be erected or maintained on any Lot except:

a. Such signs as may be required by law.

b. A residential identification sign not more than eighteen (18) by twenty-four (24) inches in height and width.

c. During the time of construction of any building or other improvements, one job identification sign not larger than eighteen (18) by twenty-four (24) inches in height and width.

d. A "for sale" or "for rent" sign, of reasonable type, size and appearance, which is similar to other signs customarily used in the area to advertise individual parcels of residential real estate.

e. An alarm monitoring sign not more than one (1) square foot in size.

f. As deemed reasonable by the Declarant or Builder for the construction, development, operation, promotion and sale of the Lots.

g. For the patriotic display of flags not exceeding four (4) foot by six (6) foot in size shall be permitted. Flags may be mounted on a Dwelling Unit. No more than one flag per Lot may be displayed at any one time. Accent lighting of flags is not permitted.

Any such signs must conform to the requirements of this Section 6.8 and may not (i) describe the condition of the Home or Lot, (ii) describe, malign or refer to the reputation,

character or building practices of Declarant, Builder, or any other Lot owner, and (iii) discourage or otherwise impact or attempt to impact anyone's decision to acquire a Lot or Home in the Property. Declarant, 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 6.8, and in doing so shall not be subjected to any liability for trespass or any liability in connection with such removal.

The provisions of this Section shall not prevent Declarant from commencing, erecting, or maintaining structures or signs of any content or size for advertising the entire Property when Declarant, in its sole discretion, deems it necessary or convenient to the development, sale, operation, or other disposition of the Lots or other portions of the Property. All signs advertising the Property shall be removed after the later of (a) all buildings to be initially constructed on the advertised Lot(s) have been sold, or (b) model homes are not being used by the builder or (c) Declarant has completed selling and construction activities for the Property.

6.9 Campers, Trucks, Boats and Recreational Vehicles. No campers, trailers, commercial vans, commercial pickup trucks, boats, boat trailers, recreational vehicles and other types of non-passenger vehicles, vehicles displaying any message intended for public view, equipment, implements or accessories may be kept on any Lot unless the same are fully enclosed within the garage located on such Lot and/or said vehicles and accessors are screened from view by a screening structure or fencing approved by the ACC (as provided in Article VII hereof), and such vehicles and accessories are in an operable condition. The ACC, as designated in this Declaration, shall have the absolute authority to determine from time to time whether a vehicle and/or accessory is operable and adequately screened from public view. Upon an adverse determination by said ACC, the vehicle and/or accessory shall be removed and/or otherwise brought into compliance with this paragraph.

6.10 Commercial or Institutional Use. No Lot, and no building erected or maintained on any Lot, shall be used for manufacturing, industrial, business, commercial, institutional or other non-residential purposes. This residential restriction does not, however, prohibit an Owner or Resident from using the Dwelling Unit for personal business or professional pursuits provided that: (a) the uses are incidental to the use of the Dwelling Unit as a dwelling, (b) the uses conform to all applicable governmental ordinances, (c) there is no external evidence of the uses, and (d) the uses do not entail visits to the Dwelling Unit by employees or the public.

6.11 Building Standards. No building shall be erected or maintained on any Lot unless it complies with all applicable governmental requirements, including any applicable building codes, zoning ordinances, rules and regulations and ordinances. No building shall be erected, placed or altered on any Lot in the Subdivision until the building plans, specifications and Lot plan have been approved in writing by Declarant or its authorized representatives. Materials and colors of any alteration shall replicate that of the original structure. Additions must maintain or exceed the percentage of masonry that exists for the Dwelling Unit prior to the addition.

6.12 Detached Buildings. No detached accessory buildings, including, but not limited to, detached garages and storage buildings, shall be erected, placed or constructed upon any Lot without the prior consent of the ACC.

6.13 Fences. No fence, wall or hedge shall be placed on any Lot nearer to any front street than is permitted for the Dwelling Unit on said Lot and no fence or wall shall be placed on any portion of the site with a height greater than eight feet (8') from the natural ground elevation. All fence material must be wood with the good side facing out, no fencing shall be of vinyl, plastic, chain link (rear yard concealed dog runs exempted) or any other wire type fencing. Wood fence material shall be installed vertically only (not horizontally or diagonally) and be no higher than eight (8) feet, and not be painted or stained on any surface facing a street or adjoining lot. The fence must be maintained and sealed with a clear or natural cedar color stain or finish, which has been approved by the Architectural Control Committee. Posts may be steel pipe columns, cedar, redwood or pressure treated pine. Posts must be set in concrete. Any masonry materials incorporated into fences or walls on any given Lot shall match or compliment the Dwelling Unit of that Lot. In the event an Owner fails to construct and maintain the fence required pursuant to this Section 6.13, and such failure continues for a period of thirty (30) days following written notice to such Owner by the Association, the Association may cure such default on behalf of the defaulting Owner, and any costs and expenses incurred by the Association in so curing such default shall constitute a "default assessment" pursuant to Section 3.1 above.

6.14 Antennae, Satellite Dishes and Solar Collectors and Panels. No Owner may erect or maintain a television or radio receiving or transmitting antenna, satellite dish or similar implement or apparatus, or solar collectors or panels, or equipment upon any Lot unless such apparatus is erected and maintained in such a way that it is screened from public view from the street; and no such apparatus shall be erected without the prior written consent of the ACC, provided, that the enforcement of this restriction as to satellite dishes shall be subject to applicable FCC regulations. Solar collectors or panels used for electrical generation shall not exceed two (2) square feet in size. Typical uses for solar collectors or panels are for landscape lighting. Solar collectors or panels may not exceed the fence height with an eight (8) ft. maximum height at its tallest point and shall be screened so as not to be seen from the adjacent lots or streets. Solar collectors or panels of larger sizes or those used for thermal or any other uses will not be approved by the ACC due to non-conforming appearance.

6.15 Chimneys. All fireplace flues, smoke stacks, chimneys shall be of materials architecturally compatible with the finish material of the exterior walls of the dwelling or otherwise approved by the ACC.

6.16 Clothes Hanging Devices. Exterior clothes hanging or drying devices shall not be permitted in the Subdivision.

6.17 Windows. Adhesive-backed sunscreens/window films are permitted only if they are of dark or "smoke" color. Metallic or reflective sunscreens/window films are

prohibited. Mesh security or solar screens are also prohibited. No window unit air conditioners or evaporative coolers are permitted.

6.18 Temporary Structures. No structure of a temporary character, mobile home, trailer, including boat trailer, basement, tent, shack, barn or other outbuilding, shall be used on any Lot at any time as a Dwelling Unit, either temporarily or permanently, except that the Declarant may grant permission for temporary buildings or structures to be placed on Lots for storage of materials during construction by the persons doing such work and for a temporary sales office for Declarant or any other person engaged in the sale of Lots within the Subdivision. If permission is granted, the temporary buildings or structures shall be removed within thirty (30) days after written notice from the Declarant to remove the buildings or structures.

6.19 Building Colors. No Dwelling Unit or outbuilding shall be painted or colored any shade of yellow, purple, pink, red, blue or orange with an exception that allows for a front door to be of dark red, black, green, or dark blue. If an Owner wishes to repaint his/her Dwelling Unit with the same existing color, the ACC's approval is not required. Any significant color/stain changes on trim, siding, front door, shutters, etc., must be submitted to the Declarant or its authorized representative for prior written approval. After Declarant ceases to be a Class B Member such changes must be submitted to the ACC for prior written approval.

6.20 Roof Materials. Any composition roofing materials shall be a minimum 240 lb. architectural grade thirty (30) year shingle and be "weathered wood" color or similar as approved by the Architectural Control Committee. The roof pitch shall be a minimum of 6/12, unless a deviation is deemed appropriate by the Declarant. Decorative metal roofs shall be allowed at the sole discretion of the Architectural Control Committee.

6.21 Roof Attachments. No projections of any type shall be placed or permitted to remain above the roof of any Dwelling Unit with the exception of fireplace flues, smoke stacks, chimneys, vent stacks and attic ventilators. Attic ventilators shall be located on the rear slopes of the roof and shall not to be visible from the street. Attic ventilators, vent stacks and flashing must be painted to match or blend with the color of the roof or brick as appropriate.

6.22 Window Awnings. Window awnings shall be of understated colors and appropriately sized for the window and be limited to rear elevations of the home. Brightly colored or multi-colored awnings are not permitted. Awnings must be maintained so as to avoid a "worn" appearance.

6.23 Drainage. Gutters and downspouts shall match the color of the existing trim of the Dwelling Unit. Downspouts must not direct water to adjacent Lots. No piped drains are permitted to have an outlet that directs water to adjoining Lots. The ideal outlet for piped drainage is toward the street. After initial construction, all Lots will be graded so that surface water will flow in conformity with the general drainage plans for the Subdivision.

6.24 House Numbers. House numbers located on a Dwelling Unit shall be metal (i.e., brass, wrought iron) or cast stone. Maximum size of the numbers shall be six (6) inches in height. House numbers painted on the curb in front of a Dwelling Unit for safety reasons are permitted and should be painted with white numbers against a black background. Fluorescent or brightly colored numbers are not permitted.

6.25 Storm and Screen Doors. Screen and storm doors shall have a nine (9) inch maximum wide frame, which shall be finished to match or complement the window mullions or the trim on the Dwelling Unit. Screen and storm doors shall have transparent glass and there shall be no ornamentation. Screen doors shall have screen mesh with an even transparent look. Silver finished aluminum doors or windows are not permitted.

6.26 Mailboxes. All mailboxes shall be in general conformity with all other mailboxes in the Subdivision.

6.27 Garage Standards. Each Dwelling Unit shall have, at minimum, a two (2) car garage. Such garage may not be converted to living space or be used for anything inconsistent with a purpose other than storage of automobiles. An exception shall be made for the Builder's model home sales office(s), which shall be allowed to convert the garage space to living space.

6.28 Gazebos, Trellises and Arbors. Any gazebos, trellises or arbors shall be attractive in appearance. Wood material must be painted or stained. If painted, it must be painted to match or compliment the colors of the Dwelling Unit. Overall height of a gazebo, trellis or arbor shall not exceed twelve (12) feet in height. A gazebo shall not exceed seventy-five (75) square feet in size. Roofing shall match or complement that of the Dwelling Unit. Gazebos, trellises or arbors shall be located in side or rear yard locations. Gazebos must have a ten (10) foot minimum clearance from any fence or Lot line. Gazebos are to be constructed with open sides or low railing only, solid walls are not permitted. Foundations will be of structurally re-enforced concrete. Only one (1) gazebo is permitted per Lot and is not permitted on a Lot that already has another yard structure.

6.29 Sheds and Tool Storage Facilities. Sheds and tool storage facilities must be located in rear yard areas and shall not extend beyond the sides of the Dwelling Unit. They may not exceed eight (8) ft. maximum height at its tallest point and may not exceed seventy-five (75) square feet of interior floor size. Color of all materials of sheds and tool storage facilities must match or complement that of the Dwelling Unit. Foundations will be of structurally re-enforced concrete. No plumbing may be installed to the sheds and tool storage facilities. Sheds and tool storage facilities must have a ten (10) ft. minimum clearance from any fence or Lot line. Only one (1) shed or tool storage facility is permitted per Lot and is not permitted on a Lot that already has another yard structure. Wood piles and tool sheds must be enclosed within fences, walls and/or landscaping so as not to be visible from a street or adjacent Lot.

6.30 Yards. All yards must be kept in a neat and orderly manner, watered, free of weeds, maintained and mowed on a regular basis. Front and side yards must be sodded and have shrubs no later than sixty (60) days after the completion of construction of the

Dwelling Unit. No cactus or rock gardens, or desert landscaping or xeriscaping shall be permitted in order to keep a uniform appearance. Should a hedge, shrub, tree or other planting be placed, or afterwards grown, so as to encroach upon adjoining property, such encroachment shall be removed upon request of the Owner of the adjoining property.

6.31 Yard Decorations. Yard decorations, statuary and furniture (i.e.: plastic flamingos, gnomes, ceramic sculpture, statues, wells, fountains, swings, etc.) in the front and side yards are prohibited. Any yard decorations, statuary and furniture in the rear yard must not exceed six (6) feet in height.

6.32 Trees. No living tree sized five (5) caliper inches or larger as measured thirty (30) inches above the root ball shall be removed without the prior written approval of the Declarant or its authorized representatives. If a tree is removed without the written approval of the Declarant or its authorized representatives, the Owner shall be required to "replace" the tree with one of like size and quality at the Owner's expense. The Declarant will decide what is "like size" and quality. All tree stumps must be entirely removed.

6.33 Gas Tanks. The installation and use of any propane, butane, LP Gas or other gas tank, bottle or cylinder of any type (except in portable gas grills) is prohibited.

6.34 Decks and Patios. Decks and patios are permitted in rear yards only. They may be made of concrete, concrete stepping blocks, brick, concrete pavers, stone, pressure treated wood or redwood.

6.35 Basketball Backboards. Basketball backboards may be installed as freestanding goals only and may be installed at least twenty (20) feet behind the front building line of such Lot. Only one (1) such goal per Lot is permitted. Placement of any portable basketball goal should be located so as to minimize impact on neighboring properties.

6.36 Exterior Lighting. Outdoor lighting shall not be obtrusive or glare unduly toward streets, neighboring properties, walkways or dwellings. Hoods on floodlights to shield glare shall be required. Soffit mounted down-lighting and building mounted lighting shall be subtle and use attractive fixtures and enclosures. Tree up-lights shall be concealed underground or in shrub masses. Wattage is limited to 150W maximum. No barnyard lights (metal halide) or sodium vapor lights (yellow light source) are permitted. Colored lights are not permitted except as part of holiday decorations. Holiday decorations may only be displayed from Thanksgiving to January 10.

6.37 Hot Tubs/Spas. Hot tubs and spas shall not protrude more than twenty-four (24) inches above grade if attached to a pool and forty-eight (48) inches above grade if freestanding, unless mitigating measures are taken with landscape or other methods to fit the improvement into the site. Concentrated drainage (i.e., pipes) to the Common Maintenance Areas or adjacent Lots is not permitted. Spas and hot tubs are limited to rear yards only. Free-standing hot tubs or spas are restricted to back porches or a close proximity to the Dwelling Unit and shall have a foundation made of structurally re-enforced concrete. All hot tub/spa equipment must be fully screened from view from the

street or other Dwelling Units with landscaping or a privacy fence. Only one (1) hot tub or spa is permitted per Lot.

6.38 Pools. All swimming pools and associated decks shall be located in side or rear yards. They may not be located in easements. No above ground pools shall be allowed. Pool equipment must be located in side or rear yards where it will not cause a nuisance to neighbors and must be fully screened with a privacy fence or with evergreen shrubs or other approved landscaping. A privacy fence shall not be higher than necessary to screen the equipment and shall not exceed a height greater than six feet (6') from the natural ground elevation. Above ground pools, masonry block, vinyl lined and low hung vinyl lined pools are not permitted. Small plastic or inflatable kiddie pools are permitted with the restriction that they are kept and used in the rear yard only. ***Owner is hereby put on notice that they should consult and comply with a licensed and competent engineer's design and specifications in the design and construction of any pool.*** The addition of a swimming pool to any Property shall be subject to submission and approval of plans by the Architectural Control Committee, as well as Notice to the Association. Construction of a pool shall in all events comply with the City of Plano requirements regarding the design, installation, and fencing, and all other requirements relating to pools.

6.39 Retaining Walls. Retaining walls shall be only made from stone masonry or brick complementary to the masonry used on the facade of the Dwelling Unit. Allowance for water drainage and proper run off design must be considered. Retaining walls should be the minimum height needed to accomplish the desired split in grade.

6.40 Parking. On-street parking is restricted to deliveries, pick-up or part-time guests and invitees. No obviously inoperable vehicle shall be left anywhere on the Lot. No overnight parking in areas visible from the street or adjacent Lots of large trucks (3/4 ton or larger) or vehicles with painted advertising is permitted. No vehicle of any sort shall be left on the landscaped portion of the front, rear or side yards.

6.41 Offensive Activity. While these covenants relate primarily to the construction and maintenance of the real property, it is important to the quiet enjoyment of all Owners and Residents that the personal conduct of Owners and Residents in Grand Estates of Breckinridge not, in itself constitute a nuisance. Therefore, NOTICE IS HEREBY GIVEN THAT no noxious or offensive activity or trade shall be conducted on any Lot nor shall anything be done thereon which is or may become an annoyance or nuisance within the Properties or any portion thereof. Loud, boisterous, drunken, or threatening conduct, on the part of any Member or Resident, tenant, or invitee, or any vandalism, or trespassing on the Lot of another Owner, or any activities which injure or may injure persons or property shall, without limitation, be defined as "Offensive Activity". Cumulative of any other fines, penalties, or damages provided herein, upon a complaint from any Owner or Resident, and after such investigation as the Board may deem appropriate, a written notice shall be sent by the Board (or management company or attorney retained by the Board) to the Owner of the Lot occupied by the person or persons violating this provision (and to the occupant if other than the Owner) specifying

the nature of the complaint and making formal demand that it cease. If the conduct does not cease the Board or its agent will deliver the notice and conduct the hearing mandated by Sections 209.006 and 209.007 of the Texas Property Code as same may be hereafter amended, or such other similar requirements of law. After such hearing and determination of Offensive Activity, the Owner and Resident guilty of the Offensive Activity may, in the discretion of the Board, be subject to a fine to be determined by the Board not to exceed $200.00 for each subsequent violation. If the offending party is a tenant the Owner of the Lot shall, upon direction of the Board, remove the offending tenant from the Owner's Lot. Any leases made on any Lot will be subject to this right to terminate the lease and each Owner will be responsible to write such provision into the lease agreement.

6.42 Construction Exceptions. Notwithstanding anything contained in this Article VI to the contrary, Declarant may grant permission for temporary buildings, structures, normal and reasonable construction debris, flags and/or signs to be placed on Lots during construction by the persons doing such work and for a temporary sales office and/or model home for Declarant or any other person engaged in the sale or construction of Dwelling Units within the Subdivision. If such permission is granted, the temporary buildings, structures, normal and reasonable construction debris, flags and/or signs shall be removed within thirty (30) days after written notice from the Declarant to remove the buildings, structures, normal and reasonable construction debris, flags and/or signs.

6.43 Combining Lots. Any person owning two or more adjoining Lots may not combine those Lots for the purpose of building one residential structure

6.44 Landscaping and Sprinkler System. Any and all plans for landscaping of front yards and side yards not enclosed by solid fencing, including alterations, changes, or additions thereto, shall be subject to the written approval of the Architectural Control Committee. All Lots shall contain an underground water sprinkler system and shall be designed to provide sufficient water to all front yards and side yards not enclosed by solid fencing and shall conform with all municipal requirements and regulations. All front and side yards shall be fully sodded.

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

6.46 Removal of Dirt. The digging of dirt or the removal of any dirt from an y Lot is prohibited, except as necessary in conjunction with landscaping or the construction of improvements thereon. Minimum finished floor elevations established on the plats shall be maintained.

6.47 Duty of Maintenance.

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

i. Prompt removal of litter, trash, refuse, and waste;

ii. Lawn mowing on a regular basis;

iii. Tree and shrub pruning;

iv. Watering landscaped areas;

v. Keeping exterior lighting in working order

vi. Keeping lawn and gardens areas alive, free of weeds, and attractive;

vii. Keeping parking areas, driveways, curbs, and roads in good repair;

viii. Complying with all governmental health and public safety requirements;

ix. Repair of exterior damages to improvements;

x. Sprinkler systems and Lot drainage, including, but not limited to any drainage specific to the retaining walls located on Member's Lot;

xi. Cleaning of landscaped areas lying between street curbs and Lot lines, unless such streets or landscaped areas are expressly designated to be Common Areas maintained by applicable governmental authorities or the Association; and

xii. Repainting and replacing, as necessary, roofs and exterior walls of buildings and other improvements.

(b.) If, in the opinion of the Association, any such Owner or occupant has failed in any of the foregoing duties or responsibilities, then the Association may give such person written notice of such failure and such person must within ten (10) days after receiving such notice, perform the repairs and maintenance or make arrangements with the Association for making the repairs and maintenance required. Should any such person fail to fulfill this duty and responsibility within such period, then the Association, through its authorized agent or agents, shall have the right and power to enter the onto the premises and perform such repair and

maintenance without any liability for damages for wrongful entry or trespass.

(c.) Notwithstanding the provisions of Section 6.46(b) above, if, at any time, an Owner shall fail to control weeds, grass and/or other unsightly growth, the Association shall have the authority and right to go onto the Lot of such Owner for the purpose of mowing and cleaning said Lot and shall have the authority and right to assess and collect from the Owner of said Lot a sum equal to the cost of the Association for mowing, cleaning, or maintaining the Lot on each respective occasion of such. If, at any time, weeds or other unsightly growth on the Lot exceeds six (6) inches in height, the Association shall have the right and authority to mow and clean the Lot, as aforesaid.

ARTICLE VII

ARCHITECTURAL CONTROL

Anything contained in the foregoing Article VI of this Declaration to the contrary notwithstanding, no erection of buildings or exterior additions or alterations to any building situated upon the Properties, nor erection of or changes to or additions in fences, hedges, screening walls, retaining walls and other structures, nor construction of any swimming pools or other improvements, shall be commenced, erected and maintained until (1) a preliminary sketch showing basic plan and general specifications of same shall have been submitted and approved by an Architectural Control Committee (herein called the "ACC") appointed by the Board, and (2) the final plans and specifications showing the nature, kind, shape, height, materials, and location of the same shall have been submitted to and approved in writing as to harmony of external design, appearance, and location in relation to surrounding structures and topography by the ACC or by the Board, including, without limitation, colors; provided, however, that the provisions of this Article VII shall not apply to buildings, structures, additions and alterations commenced, erected or maintained by Declarant. A copy of the approved plans and drawings shall be furnished by each Owner to the ACC and retained by the ACC. In the event the ACC or the Board fails to approve or disapprove such design and location within forty-five (45) days after the said plans and specifications have been submitted to it, or, in the event, if no suit to enjoin the addition, alteration or changes has been commenced prior to the completion thereof, approval will not be required and this Article will be deemed to have been fully complied with. Notwithstanding anything contained to the contrary herein, after a homebuilder submits a specific floor plan of a Dwelling Unit or elevation to the ACC and the ACC has approved such specific floor plan or elevation, the homebuilder may use the identical floor plan or elevation again in the Subdivision without resubmitting such identical floor plan or elevation to the ACC for its prior written approval.

In the event any improvement is made without the approval of the ACC, the absence of a notice of violation within ninety (90) days of the completion of such improvement, such improvement is deemed accepted by the ACC and approval will not

be required and this Article will be deemed to have been fully complied with. Neither the members of the ACC nor the Board shall be entitled to compensation for, or liable for damages, claims or causes of actions arising out of, services performed pursuant to this Article. The provisions of this Article VII shall not be applicable to Declarant or to the construction or erection of any improvements, additions, alterations, buildings or other structures by Declarant upon any Lot.

THE ASSOCIATION HEREBY UNCONDITIONALLY AND PERPETUALLY INDEMNIFIES AND HOLDS DECLARANT, THE BOARD, THE ACC, AND THEIR RESPECTIVE MEMBERS, EMPLOYEES, AND AGENTS, INCLUDING PROFESSIONAL MANAGEMENT, HARMLESS FROM AND AGAINST ANY CLAIMS, LIABILITIES, LOSS, DAMAGE, COSTS AND EXPENSES, INCLUDING BUT NOT LIMITED TO ATTORNEY'S FEES IN CONNECTION WITH OR ARISING OUT OF ANY ACTION OR INACTION TAKEN HEREUNDER IN CONNECTION WITH THE ARCHITECTURAL REVIEW.

ARTICLE VIII

GENERAL PROVISIONS

8.1 Power of Attorney. Each and every Owner and Member hereby makes, constitutes and appoints Declarant (without the necessity of the joinder of the other Declarant) as his/her true and lawful attorney-in-fact, coupled with an interest and irrevocable, for him/her and in his/her name, place and stead and for his/her use and benefit, to do the following:

(a) to exercise, do or perform any act, right, power, duty or obligation whatsoever in connection with, arising out of, or relating to any matter whatsoever involving this Declaration and the Properties;

(b) to sign, execute, acknowledge, deliver and record any and all instruments which modify, amend, change, enlarge, contract or abandon the terms within this Declaration the Bylaws, or rules and regulations, or any part of same, with such clause(s), recital(s), covenant(s), agreement(s) and restriction(s) as Declarant shall deem necessary, proper and expedient under the circumstances and conditions as may be then existing; and

(c) to sign, execute, acknowledge, deliver and record any and all instruments which modify, amend, change, enlarge, contract or abandon the Subdivision plat(s) of the Properties, or any part thereof, with any easements and rights-of-way to be therein contained as the Declarant shall deem necessary, proper and expedient under the conditions as may then be existing.

The rights, powers and authority of said attorney-in-fact to exercise any and all of the rights and powers herein granted shall commence and be in full force upon recordation of this Declaration in the Collin County Clerk's Office and shall remain in

full force and effect thereafter until all Lots owned by Declarant have been sold and conveyed by Declarant to Class A Members.

8.2 Duration. This Declaration shall run with and bind the land subject to this Declaration, and shall inure to the benefit of and be enforceable by the Association and/or the Owner of any land subject to this Declaration, their respective legal representatives, heirs, successors and assigns, for an original twenty-five (25) year term expiring on the twenty-fifth (25th) anniversary of the date of recordation of this Declaration, after which time this Declaration shall be automatically extended for successive periods of ten (10) years unless an instrument is signed by the Owners of at least fifty-one percent (51%) of all Lots within the Properties and recorded in the Deed Records of Collin County, Texas, which contains and sets forth an agreement to abolish this Declaration; provided, however, no such agreement [where approved by less than seventy-five percent (75%) of the Owners of all Lots within the Properties] to abolish shall be effective unless made with the prior written consent of the City of Plano and recorded one (1) year in advance of the effective date of such abolishment.

8.3 Amendments. This Declaration is expressly subject to change, modification and/or deletion by means of amendment at any time and from time to time as provided herein. This Declaration may be amended and/or changed in part as follows:

(a) In response to any governmental or quasi-governmental suggestion, guideline, checklist, requisite or requirement, particularly with respect to those entities or agencies directly or indirectly involved in, or having an impact on, mortgage financing, mortgage insurance and/or reinsurance, Declarant shall have the complete and unrestricted right and privilege (subject only to HUD's prior approval, if required) to amend, change, revise, modify or delete portions of this Declaration, and each and every Owner and Member specifically and affirmatively authorizes and empowers Declarant, utilizing the attorney-in-fact status set forth in Section 8.1 above, to undertake, complete and consummate any and all such amendments, changes, revisions, modifications or deletions as Declarant (in its sole and absolute discretion) shall deem reasonable and appropriate.

(b) Until such time as Declarant or Builder no longer owns any Lot, Declarant may amend or change these covenants (subject only to HUD's prior approval, if required) by exercising its powers under Section 8.1 hereinabove. No amendments will be made while Declarant or Builder owns one or more Lots without Declarant written consent.

(c) At such time as Declarant or Builder no longer owns any Lot within the Properties, this Declaration may be amended either by (i) the written consent of the Owners of a majority of the Lots within the Properties, or (ii) the affirmative vote of the Members entitled to cast fifty-one percent (51%) of the votes of the Members of the Association entitled to vote who are present at a meeting duly called for such purpose.

(d) Any section of this Declaration that relates to the Association's agreements, covenants or restrictions pertaining to the use, operation, maintenance and/or supervision of any facilities, structures, improvements, systems, areas or grounds that are

the responsibility of the Association shall not be amended without the prior written approval of the City.

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

8.4 Enforcement. Each Owner of each Lot shall be deemed, and held responsible and liable for the acts, conduct and omission of each and every Resident, Member, guest and invitee affiliated with such Lot, and such liability and responsibility of each Owner shall be joint and several with their Resident(s), Member(s), guests and invitees. The lien created hereby on each Lot shall extend to, cover and secure the proper payment and performance by each and every Resident, Member, guest and invitee affiliated with each Owner. Unless otherwise prohibited or modified by law, all parents shall be liable for any and all personal injuries and property damage proximately caused by the conduct of their children (under the age of 18 years) within the Properties. Enforcement of this Declaration may be initiated by any proceeding at law or in equity against any person or persons violating or attempting to violate them, whether the relief sought is an injunction or recovery of damages, or both, or enforcement of any lien created by this Declaration, but failure by the Association or any Owner to enforce any Covenant herein contained shall in no event be deemed a waiver of the right to do so thereafter. The Association and the City are each specifically authorized (but not obligated) to enforce this Declaration. With respect to any litigation hereunder, the prevailing party shall be entitled to recover all costs and expenses, including reasonable attorneys' fees, from the non-prevailing party.

8.5 Validity. Violation of or failure to comply with this Declaration shall not affect the validity of any mortgage, bona fide lien or other similar security instrument which may then be existing on any Lot. Invalidation of any one or more of the provisions of this Declaration, or any portions thereof, by a judgment or court order shall not affect any of the other provisions or covenants herein contained, which shall remain in full force and effect. In the event any portion of this Declaration conflicts with mandatory provisions of any ordinance or regulation promulgated by the City (including, without limitation, the Zoning Ordinance), then such municipal requirement shall control.

8.6 Headings. The headings contained in this Declaration are for reference purposes only and shall not in any way affect the meaning or interpretation of this Declaration. Words of any gender used herein shall be held and construed to include any other gender, and words in the singular shall be held to include the plural and vice versa, unless the context requires otherwise. Examples, illustrations, scenarios and hypothetical situations mentioned herein shall not constitute an exclusive, exhaustive or limiting list of what can or cannot be done.

8.7 Registration with the Association. Each and every Owner, Member and Resident shall have an affirmative duty and obligation to originally provide, and thereafter revise and update, within fifteen (15) days after a material change has occurred,, various items of information to the Association such as: (a) the full name and address of each Owner, Member and Resident, (b) the full name of each individual family member

who resides within the Dwelling Unit of the Lot Owner, (c) the business telephone numbers of each Resident; (d) the description and license plate number of each automobile owned or used by a Resident and brought within the Properties. In the event any Owner, Member or Resident fails, neglects or refuses to so provide, revise and update such information, then the Association may, but is not required to, use whatever means it deems reasonable and appropriate to obtain such information and the offending Owner, Member and Resident shall become automatically jointly and severally liable to promptly reimburse the Association for all reasonable costs and expenses incurred in so doing.

8.8 Notices to Resident/Member/Owner. Any notice required to be given to any Resident, Member or Owner under the provisions of this Declaration shall be deemed to have been properly delivered when (i) deposited in the United States Mail, postage prepaid, addressed to the last known address of the person who appears as the Resident, Member or Owner on the records of the Association at the time of such mailing, or when (ii) delivered by hand or by messenger to the last known address of such person within the Properties.

8.9 Disputes. Matters of dispute or disagreement between Owners, Residents or Members with respect to interpretation or application of the provisions of this Declaration or the Association Bylaws, shall be determined by the Board. These determinations (absent arbitrary and capricious conduct or gross negligence) shall be final and binding upon all Owners, Residents and Members.

ARTICLE IX

GENERAL RIGHTS AND INDEMNITY OF THE CITY

9.1 Right to Cure Default by Association. In the event that the Association fails to enforce the terms and conditions set forth in this Declaration or discharge its obligations set forth in this Declaration, and such failure continues for a period of thirty (30) days following written notice to the Association by the City, or a reasonable longer period if the Association has commenced to cure such default within the 30-day period and thereafter diligently prosecutes such cure to completion, the City, in addition to any other remedies available at law or in equity, has the right to cure such default on behalf of the Association, and any costs and expenses incurred by the City in so curing such default shall be paid by the Association to the City within fifteen (15) days after demand thereof.

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9.2 Indemnity. To the extent permitted by applicable law, the Association hereby agrees to indemnify and defend the City from any and all reasonable costs, expenses, suits, demand liabilities or damages arising out of or relating to the City curing a default by the Association in accordance with the terms and conditions set forth in Section 9.1 above.

Witness the hand of an authorized representative of Declarant on the acknowledgment date noted below.

DECLARANT:

GL Development Corporation,
a Texas corporation

By: _____
Edward D. Toole III, Executive Vice President

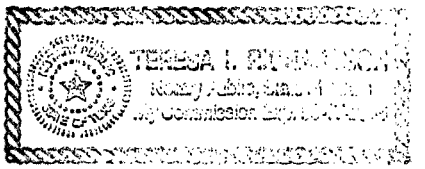
ASSOCIATION:

ESTATES OF BRECKINRIDGE HOMEOWNERS ASSOCIATION, INC.,
a Texas non-profit corporation

By: _____
Edward D. Toole III, Vice President

THE STATE OF TEXAS §
§
COUNTY OF DALLAS §

This instrument was acknowledged before me on the 25 day of October, 2004, by Edward D. Toole III, Executive Vice President of GL Development Corporation, a Texas corporation, on behalf of such entities.

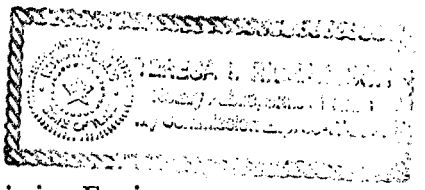


Teresa A. Richardson
Notary Public in and for
the State of Texas
Teresa I. Richardson
Printed Name

My Commission Expires:
6-17-06

THE STATE OF TEXAS §
§
COUNTY OF DALLAS §

This instrument was acknowledged before me on the 25 day of October, 2004, by Edward D. Toole III, Vice President of ESTATES OF BRECKINRIDGE HOMEOWNERS, INC., a Texas non-profit corporation, on behalf of such entity.



Teresa A. Richardson
Notary Public in and for
the State of Texas
Teresa I. Richardson
Printed Name

My Commission Expires:
6-17-06

Exhibit "A" -- Property Description
Exhibit "B" -- Description of Common Areas
Exhibit "C" -- Articles of Incorporation of Estates of Breckinridge Homeowners Association, Inc.
Exhibit "D" -- Bylaws of Estates of Breckinridge Homeowners Association, Inc.

EXHIBIT "A"

Residential Lots

All those certain Lots in Grand Estates of Breckinridge, an Addition to the City of Plano according to the plat thereof filed in Cabinet P, Page 930, Document Number 2004-0144512, filed on October 1, 2004 at 4:02 PM, Map Records of Collin County, Texas, and being:

Lot	Block
1	A
2	A
3	A
4	A
5	A
6	A
7	A
8	A
9	A
10	A
11	A
12	A
23	A
14	A
15	A
16	A
17	A
18	A
19	A
20	A
21	A
22	A
23	A
24	A
25	A
26	A
27	A
28	A
29	A
30	A
31	A
32	A

Total Number of Lots 32

EXHIBIT "B"

Green Area ("Common Area")

As depicted on the plat for Grand Estates of Breckinridge, an Addition to the City of Plano according to the plat thereof filed in Cabinet P, Page 930, Document Number 2004-0144512, filed on October 1, 2004 at 4:02 PM, Map Records of Collin County, Texas.

EXHIBIT "C"

ARTICLES OF INCORPORATION

OF

ESTATES OF BRECKINRIDGE

HOMEOWNERS ASSOCIATION, INC.

[FOLLOWS THIS PAGE]

ARTICLES OF INCORPORATION

OF

ESTATES OF BRECKINRIDGE HOMEOWNERS ASSOCIATION, INC.

We, the undersigned, natural persons of the age of twenty-one years or more, at least two of whom are citizens of the State of Texas, acting as incorporators of a corporation under the Texas Non-Profit Corporation Act, do hereby adopt the following Articles of Incorporation for such corporation.

ARTICLE ONE

Definitions

The following words when used in these Articles of incorporation shall have the following meanings:

"Act" shall mean and refer to the Texas Non-Profit Corporation Act, Articles 1396-1.01 through 1396-11.01, Vernon's Tex. Ann. Civil Statutes, and all amendments and additions thereto.

"Common Maintenance Areas" shall have the meaning given to it in the Declaration.

"Corporation" shall mean and refer to the corporation incorporated hereunder.

"Declarant" shall mean and refer to GL Development Corporation, and its successors and any assignee, other than an Owner, who shall receive by assignment from the said GL Development Corporation, all, or a portion, of its rights under the Declaration as such Declarant, by an instrument expressly assigning such rights as Declarant to such assignee.

"Declaration" shall mean and refer to that certain Declaration of Covenants, Conditions and Restrictions For Grand Estates of Breckinridge applicable to the Properties recorded or to be recorded in the Deed Records of Collin County, Texas, as the same may be amended or supplemented from time to time as therein provided.

"Lot" shall mean and refer to any plot or tract of land shown on any recorded subdivision map of the Properties which is shown as a lot thereon and which is or is to be improved with a residential dwelling.

"Member" or "Owner" shall have the meanings given to them in the Declaration.

"Properties" shall mean and refer to the residential lots in the City of Plano, Collin County, Texas, as described and defined in the Declaration.

ARTICLE TWO

The name of the Corporation is Estates of Breckinridge Homeowners Association, Inc.

ARTICLE THREE

The Corporation is a non-profit corporation.

ARTICLE FOUR

The period of its duration is perpetual.

ARTICLE FIVE

This Corporation does not contemplate pecuniary gain or profit to its Members, and the specific purposes for which it is formed are:

To provide for maintenance and preservation, and to promote the health, safety and welfare of the residents, of the Properties, and to preserve the beautification of the Properties, and for these purposes:

(a) To acquire (by gift, purchase or otherwise), own, hold, improve, build upon, operate, maintain, convey, sell, lease, transfer, dedicate for public use or otherwise dispose of real or personal property in connection with the affairs of the Corporation;

(b) To maintain the Common Maintenance Areas;

(c) To exercise all of the powers and privileges and to perform all of the duties and obligations of the Corporation as set forth in the Declaration, and reference to the Declaration is hereby made for all purposes;

(d) To fix, levy, collect and enforce payment by any lawful means, all charges or assessments provided for by the terms of the Declaration and to pay all expenses in connection therewith and all office and other expenses incident to the conduct of the business of the Corporation, including any licenses, taxes or governmental charges which may be levied or imposed against any property owned by the Corporation;

(e) To borrow money, to mortgage, pledge, deed in trust, or hypothecate any or all of its real or personal property as security for money borrowed or debts incurred;

(f) Insofar as permitted by law, to do any other thing that, in the opinion of the Board of Directors of the Corporation, will promote the common benefit and enjoyment of the residents of the Properties, provided, that no part of the net earnings of the Corporation shall inure to the benefit of or be distributable to any Member, director or officer of the Corporation, or any private individual (except that reasonable compensation may be paid for services rendered to or for the Corporation effecting one or more of its purposes), and no member, director or officer of the Corporation, or any private individual, shall be entitled to share in the distribution of any of the corporate assets on dissolution of the Corporation; and provided, further, that no part of the activities of the Corporation shall be carrying on propaganda, or otherwise attempting, to

influence legislation, or participating in, or intervening in (including the publication or distribution of statements), any political campaign on behalf of any candidate for public office; and

(g) Nothing contained in these Articles of Incorporation shall grant any authority to any officer or director of the Corporation for the exercise of any powers which are inconsistent with limitations on any of the same which may be expressly set forth in the Act.

ARTICLE SIX

The address of the initial registered office of the Corporation is c/o Premier Communities Management Company, 2711 North Haskell Avenue, Suite 2650, Dallas, Texas 75204-2901 and the name of its initial registered agent at such address is Cindy C. Huey.

ARTICLE SEVEN

The business and affairs of the Corporation shall be managed by an initial Board of three (3) Directors. The number of directors may be changed by amendment of the By-laws of the Corporation, but shall in no event be less than three (3). The names and addresses of the persons who are to act initially in the capacity of directors until the selection of their successors are:

Stephen H. Brooks	8350 North Central Expressway Suite 900 Dallas, Texas 75206
Edward D. Toole III	8350 North Central Expressway Suite 900 Dallas, Texas 75206
Chad E. Johannesen	8350 North Central Expressway Suite 900 Dallas, Texas 75206

ARTICLE EIGHT

The name and street address of the incorporator is:

Edward D. Toole III	8350 North Central Expressway Suite 900 Dallas, Texas 75206

ARTICLE NINE

Every person or entity who is now or hereafter becomes an "Owner" or "Member" as defined in the Declaration shall automatically be a Member of the Corporation.

ARTICLE TEN

The capitalized terms used herein and not otherwise defined shall have the meanings given to them in the Declaration.

Every person or entity who is a record owner of a fee or an undivided fee interest in any Lot, and only such persons or entities, shall be Members of the Corporation. Membership in the Corporation shall be appurtenant to and may not be separated from ownership of any Lot in the Properties. Ownership of such Lot shall be the sole qualification for membership in the Corporation. The Corporation may (but shall not be required to) issue certificates evidencing membership therein.

The Corporation shall have two classes of voting membership as set forth and described in the Declaration, and the voting rights of each Member shall be as set forth in the Declaration. Cumulative voting in the election of the Board of Directors or in the exercise of any other right to vote is expressly prohibited.

ARTICLE ELEVEN

Upon dissolution of the Corporation, the assets both real and personal of the Corporation shall be dedicated to an appropriate public agency to be devoted to purposes as nearly as practicable the same as those to which they were required to be devoted by the Corporation. In the event that such dedication is refused acceptance, such assets shall be granted, conveyed and assigned to any non-profit corporation, association, trust or other organization engaged in activities substantially similar to those of the Corporation and which are qualified as exempt organizations under the Internal Revenue Code of 1986, as amended, or the corresponding provisions of any future United States Internal Revenue law.

ARTICLE TWELVE

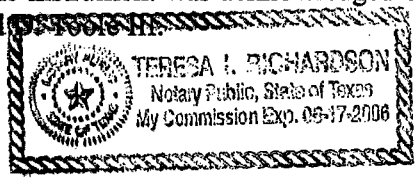
The Association shall indemnify, defend and hold harmless the Declarant, the Board, the Architectural Control Committee and each director, officer, employee and agent of the Declarant, the Board and the Architectural Control Committee from all judgments, penalties (including excise and similar taxes),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

IN WITNESS WHEREOF, I have hereunto set my hand this 25th day of October, 2004.

Edward D. Toole III

THE STATE OF TEXAS §
§
COUNTY OF DALLAS §

This instrument was acknowledged before me on 25th day of October, 2004, by Edward [illegible] Tooke III.



Teresa I Richardson
NOTARY PUBLIC IN AND FOR THE
STATE OF TEXAS

My Commission Expires: 6-17-06

Teresa I. Richardson
Printed Name