

THE STATE OF TEXAS)
COUNTY OF DALLAS) REAL PROPERTY RECORDS

001740

DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS
FOR
CHAUCER ESTATES, IN THE TOWN OF FLOWER MOUND
DENTON COUNTY, TEXAS

THIS DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS (this "Declaration"), is made and entered into this 15th day of December, 1992, by Alpine Development Company, a Texas Corporation, hereinafter referred to as "Declarant".

W I T N E S S E T H:

Declarant is the owner of that certain tract of land (hereinafter referred to as "Chaucer Estates") described on Exhibit "A" attached hereto and incorporated herein by reference for all purposes.

Declarant desires to subject Chaucer Estates (the "Property") to the covenants, conditions and restrictions hereinafter set forth, each and all of which is and are for the benefit of the Property and each owner thereof.

NOW, THEREFORE, Declarant declares that the Property is and shall be held, transferred, improved, sold, conveyed and occupied subject to the covenants, conditions and restrictions (sometimes collectively referred to as the "Covenants and Restrictions") hereinafter set forth.

ARTICLE I

DEFINITIONS

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

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

(b) "Association" shall mean and refer to Chaucer Homeowners Association, Inc., a Texas non-profit corporation which has the power, duty and responsibility of maintaining and administering the Common Properties and collecting the assessments and charges hereinafter prescribed and has the right of administering and enforcing the Covenants and Restrictions.

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

The east parkway of Morriss Road from the south right-of-way line of Valley Parkway to the northwest corner of Lot 1/Block 6 of Chaucer Estates, Phase I, and the west parkway of Hemingway Lane for its entire length. "Parkway" being the area between the edge of the pavement and the right-of-way.

All easements described on the Final Plat of Chaucer Estates, Phase I as L.E. (landscape easement), W.M.E. (wall maintenance easement) and F.E. (fence easement).

RETURN TO:
KATHLEEN O ALJUE
TOWN OF FLOWER MOUND
2121 CROSS TIMBERS RD
FLOWER MOUND, TX 750

Although all or portions of the property described above are located on real property which has been dedicated to the Town of Flower Mound, the Association shall maintain such areas and the landscaping and improvements appurtenant thereto for the purpose of creating and maintaining a quality of landscaping consistent with the quality deemed necessary to maintain a desirable neighborhood appearance and to protect property values.

(d) "Declarant" shall mean and refer to Alpine Development Company and the successors and assigns (if any) of Alpine Development Company with respect to the voluntary disposition of all (or substantially all) of the right, title and interest of Alpine Development Company in and to the Property prior to the completion of development thereon. No person or entity purchasing one or more Lots from Alpine Development Company in the ordinary course of business shall be considered as "Declarant".

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

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

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

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

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

ARTICLE II

PROPERTY SUBJECT TO THIS DECLARATION; ADDITIONS THERETO

2.01 Existing Property. The Existing Property is located in the Town of Flower Mound, Denton County, State of Texas, and is more particularly described on Exhibit "A" attached hereto and incorporated herein by reference for all purposes.

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

(a) Declarant may add or annex additional real property to the scheme of these Covenants and Restrictions by filing of record a Supplemental Declaration of Covenants, Conditions and Restrictions which shall extend the scheme of the covenants, conditions and restrictions of these Covenants and Restrictions to such additional property; provided, however, that such supplemental declaration may contain such complementary additions and modifications of the Covenants and Restrictions as may be necessary to reflect the different character, if any, of the additional property and as are not inconsistent with the concept of this Restated Declaration.

(b) In the event any person or entity other than the Declarant desires to add or annex additional residential and/or common areas to the scheme of these Covenants and Restrictions, such proposed annexation must have the prior written consent and

approval of the majority of the outstanding votes within each voting class of the Association.

(c) Any additions made pursuant to Paragraphs (a) and (b) of this Section 2.01, when made, shall automatically extend the jurisdiction, functions, duties and membership of the Association to the properties added.

(d) Subject to the prior written approval of the Town of Flower Mound, Declarant shall have the right and option (upon the joinder, approval or consent of such associations) to cause the Association to merge or consolidate with any similar association then having jurisdiction over real property located (in whole or in part) within one (1) mile of any real property then subject to the jurisdiction of this Association. Upon a merger or consolidation of the Association with another association, its properties, rights and obligations may, by operation of law, be transferred to another surviving or consolidated association or, alternatively, the properties, rights and obligations of another association may, by operation of law, be added to the properties, rights and obligations of the Association as a surviving corporation pursuant to a merger. The surviving or consolidated association may administer the Covenants and Restrictions within the Existing Property together with the covenants, conditions and restrictions established upon any other properties as one scheme.

ARTICLE III

MEMBERSHIP AND VOTING RIGHTS IN THE ASSOCIATION

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

3.02 Voting Rights. The Association shall have three (3) classes of voting membership:

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

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

- (i) when the total number of votes outstanding in the Class A membership equals the total number of votes outstanding in the Class C membership; or
- (ii) on the tenth (10th) anniversary of the date hereof, whichever occurs first in time.

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

Notwithstanding the aforementioned voting rights within the Association, until Declarant no longer owns record title to (or a lien interest in) any Lot, or until January 31, 2005, whichever occurs first in time, neither the Association nor the Members shall take any action inconsistent with this Declaration without the consent and approval of Declarant.

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3.03 Quorum, Notice and Voting Requirements.

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

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

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

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

At the first meeting called, the presence at the meeting of Members, or of proxies, entitled to cast thirty percent (30%) of all of the votes of each eligible voter in each voting class shall constitute a quorum. If the required quorum is not present at the first meeting, one additional meeting may be called, subject to the notice requirement hereinabove set forth, and the required quorum at such second meeting shall be one-half (1/2) of the required quorum at the preceding meeting; provided, however, that no such second meeting shall be held more than sixty (60) days after the first meeting.

(d) As an alternative to the procedure set forth above, any action referred to in Paragraph (a) of this Section may be taken with the assent given in writing and signed by Members who hold more than sixty percent (60%) of the eligible outstanding votes of each voting class; and any action referred to in Paragraph (c) of this Section may be taken with the assent given in writing and signed by Members who hold more than thirty percent (30%) of the outstanding votes of each voting class.

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

ARTICLE IV

PROPERTY RIGHTS IN THE COMMON PROPERTY

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

4.02 Title to the Common Properties. Under certain circumstances, Declarant may hold record title to the Common Properties for an indefinite period of time, subject to the easements set forth in Section 4.01 hereof. Declarant shall have the right and option (without the joinder and consent of any person or entity, save and except any consent, joinder or approval required by the Town of Flower Mound) to encumber, mortgage, design, redesign, reconfigure, alter, improve, landscape and maintain the Common Properties, provided that Declarant fully and timely complies with any and all requirements of the Town of Flower Mound. At some point in time (deemed reasonable and appropriate by the Declarant but prior to January 31, 2005), Declarant will convey to the Association that portion of the Common Properties not previously conveyed to the Town of Flower Mound by means of platting, for the purposes herein envisioned. Declarant reserves the right to execute any declarations applicable to the Common Properties which may be permitted by law in order to reduce property taxes.

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

- (a) The right of the Association to prescribe reasonable regulations governing the use, operation and maintenance of the Common Properties;
- (b) Liens or mortgages placed against all or any portion of the Common Properties with respect to monies borrowed by Declarant to develop and improve the Property or by the Association to improve or maintain the Common Properties;
- (c) The right of the Association to enter into and execute contracts with any party (including, without limitation, Declarant) for the purpose of providing maintenance or such other materials or services consistent with the purposes of the Association;
- (d) The right of Declarant or the Association to take such steps as are reasonable necessary to protect the Common Properties against foreclosure;
- (e) The right of Declarant or the Association to suspend the voting rights of any member and to suspend the right of any individual to use or enjoy any of the Common Properties for any period during which any assessment against a Lot resided upon by such individual remains unpaid, and for any period not to exceed sixty (60) days for an infraction of the then-existing rules and regulations;
- (f) The right of the Association, subject to approval by written consent of the Members having a majority of the eligible and outstanding votes of each voting class of the Association, to dedicate or transfer all or any part of the Common Properties to any municipal corporation, public agency, authority, or utility company for such purposes and upon such conditions as may be agreed upon by such Members;
- (g) The right of Declarant and/or any other Class B Member to maintain models and a sales or management office within the Property at a location selected by Declarant or such Member for such period of time as they deem appropriate.

4.04 Obligations of Declarant. Declarant agrees to install landscaping improvements along Morriss Road frontage in accordance with a landscaping plan approved by the City Council of the Town of Flower Mound as part of the PD Ordinance Number 15-92 approved on April 6, 1992, or any successor ordinance or variance approved by the Town of Flower Mound.

ARTICLE V

COVENANTS FOR ASSESSMENTS

5.01 Creation of the Lien and Personal Obligation of Assessments. Declarant, for each Lot owned by it within the Property, hereby covenants and agrees, and each purchaser or Owner of any Lot by acceptance of a deed thereof, whether or not it shall be so expressed in any such deed or other conveyance, is deemed to covenant and agree (and such covenant and agreement shall be deemed to constitute a portion of the purchase money and consideration for acquisition of the Lot), to pay to the Association (or to an entity or agency which may be designated by the Association to receive such monies) all of the following: (1) annual assessments or charges for maintenance, taxes and insurance on the Common Properties; (2) a fifty dollar (\$50.00) fee payable by Class A Members only to a reserve fund for the Association upon acquisition of any Lot; (3) special assessments for capital improvements, such assessments to be fixed, established and collected from time to time as hereinafter provided; and (4) individual special assessments levied against individual Lot Owners to reimburse the Association for the extra cost of maintenance and repairs caused by the willful or negligent acts of the individual Owner and not caused by ordinary wear and tear, or for violation of Section 8.13, such assessment to be fixed, established and collected from time to time as hereinafter provided. The annual, special and individual assessments, together with such interest thereon and costs of collection thereof as hereinafter provided, shall be a charge on the land and shall be a continuing lien upon each Lot against which each such assessment is made and shall also be the continuing personal obligation of the Owner of such Lot at the time when the assessment became due.

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

5.03 Basis and Amount of Annual Maintenance Assessments.

(a) Until and unless otherwise determined by the Board, the maximum annual assessment shall be One Hundred Dollars (\$100.00) per Lot per year.

(b) The Board of Directors may establish the maximum annual assessment for each Lot, provided that the maximum annual assessment may not be increased more than twenty-five percent (25%) above the maximum annual assessment for the previous year unless approved by the Members of the Association as provided in Section 3.03 of Article III. Notwithstanding the foregoing, in the event that the Board determines that due to unusual circumstances the maximum assessment even as increased by twenty-five percent (25%) will be insufficient to enable the Association to meet its expenses as set forth in Article VI hereof, then in such event, the Board shall have the right to increase the maximum annual assessment by the amount necessary to provide sufficient funds to cover the expenses of the Association without the approval of the Members as provided in Section 3.03 of Article III; provided, however, that

the Board shall only be allowed to make one such increase without obtaining approval of the Members, and in any event no increase over fifty percent (50%) is allowed.

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

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

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

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

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

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

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

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

(b) Written notice of the assessment shall thereupon be delivered or mailed to every Owner subject thereto. In case of multiple ownership of a Lot, a single person or entity shall be designated to receive all notices of assessments.

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

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

(a) If any assessment or any part thereof is not paid on the date(s) when due, then the unpaid amount of such assessment shall become delinquent and shall, together with late charges and service charges (hereinafter defined in subparagraph (c)), and interest thereon at the highest permitted lawful rate per annum and costs of collection thereof, including reasonable attorneys fees, thereupon become a continuing debt secured by a lien on the Lot of the non-paying Owner which shall bind such Lot in the hands of the Owner, his heirs, executors, devisees, personal representatives and assigns. The Association shall have the right to reject partial payments of an assessment and demand the full payment thereof. The personal obligation of the then-existing Owner to pay such assessment shall remain his personal obligation and shall not pass to his successors in title unless expressly assumed by them. Furthermore, the lien for unpaid assessments shall be unaffected by any sale or assignment of a Lot and shall continue in full force and effect. No Owner may waive or otherwise escape liability for the assessment provided herein by non-use of the Common Properties or by abandonment of his Lot.

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

(c) If any assessment remains unpaid at the expiration of fifteen (15) calendar days from and after the due date established by the Board of Directors, a late charge shall be assessed against the non-paying Owner for each month that any portion of any assessment remains unpaid. The late charge shall be in the amount of ten percent (10%) of the then established regular annual assessment for each Lot. A service charge in the amount of Twenty and No/100 Dollars (\$20.00) shall be charged for each check that is returned for any reason. The amounts of late charges and service charges may be adjusted, from time to time, by the Board of Directors consistent with any changes in the amounts of regular or special assessments.

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

5.09 Rights of Town of Flower Mound. Unless otherwise approved by seventy-five percent (75%) of the outstanding votes within each voting class and the prior written approval of the Town of Flower Mound, the Association shall not by act or omission seek to abandon its obligations as established by this Declaration. However, in the event that:

(a) The Association dissolves and the Common Properties shall not be either (i) dedicated to and accepted by an appropriate municipal corporation, public agency, authority or utility to be

devoted to purposes as nearly as practicable the same as those to which such Common Properties were required to be devoted by the Association, or (ii) conveyed to another organization or entity which assumes all obligations imposed hereunder upon the Association to maintain said Common Properties; or

(b) The Association, its successors or assigns, shall fail or refuse to adequately maintain the appearance and condition of the Common Properties which it is obligated to maintain hereunder.

In either such event, the Town of Flower Mound, Texas, shall have the right, but not the obligation, to assume the duty of performing all such maintenance obligations of the Association at any time after such dissolution, upon giving written notice to the Owners, or at any time after the expiration of twenty (20) days after receipt by the Association, its successor or assign, of written notice specifying in detail the nature and extent of the failure to maintain without such failure being remedied. Upon assuming such maintenance obligations, the Town of Flower Mound may collect, when the same become due, all assessments, annual or special, levied by the Association pursuant to the provisions hereof for the purposes of repairing, replacing, maintaining or caring for the Common Properties and, if necessary, enforce the payment of delinquent assessments in the manner set forth herein. In the alternative, upon assuming such maintenance obligations, the Town of Flower Mound may levy an assessment upon each lot on a pro-rata basis for the cost of such maintenance, notwithstanding any other provisions contained in this Declaration, which assessment shall constitute a lien upon the Lot against which each assessment is made. During any period that the Town of Flower Mound assumes the obligation to maintain and care for the Common Properties, the Association shall have no obligation or authority with respect to such maintenance. The right and authority of the Town of Flower Mound to maintain the Common Properties shall cease and terminate when the Association, its successors or assigns, shall present to the Town of Flower Mound reasonable evidence of its willingness and ability to resume maintenance of the Common Properties. In the event the Town of Flower Mound assumes the duty of performing the maintenance obligations of the Association as provided herein, then the Town of Flower Mound, its agents, representatives and employees, shall have the right of access, ingress and egress to and over the Common Properties for the purposes of maintaining, improving and preserving the same, and in no event, and under no circumstances, shall the Town of Flower Mound be liable to the Association or any Owner or their respective heirs, devisees, personal representatives, successors and assigns for negligent acts or construction (excluding, however, malfeasance and gross negligence) relating in any manner to maintaining, improving and preserving the Common Properties. The Association will hold the Town of Flower Mound harmless from any and all costs, expenses, suits, demands, liabilities or damages, including, attorney's fees and costs of suit incurred or resulting from the Town of Flower Mound's removal of any landscape system, features or elements that cease to be maintained by the Association or from the Town of Flower Mound's performance of the aforementioned operation, maintenance or supervision responsibilities of the Association due to the Association's failure to perform said responsibilities. The Town of Flower Mound shall be able to avail itself of any other enforcement action available to the Town of Flower Mound pursuant to state law or to the Town of Flower Mound codes or regulations.

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

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

- (a) All properties dedicated and accepted by the local public authority and devoted to public use;
- (b) All Common Properties as defined in Article I hereof;
- (c) Any and all areas which may be reserved by Declarant on the recorded plat(s) of the Property.

ARTICLE VI

GENERAL POWERS AND DUTIES OF THE BOARD OF DIRECTORS

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

- (a) Care and preservation of the Common Properties and the furnishing and upkeep of any desired personal property for use in the Common Properties;
- (b) Taxes, insurance and utilities (including, without limitation, electricity, gas, water and sewer charges) which pertain to the Common Properties only;
- (c) The services of a person or firm to manage the Association or any separate portion thereof, to the extent deemed advisable by the Board, and the services of such other personnel as the Board shall determine to be necessary or proper for the operation of the Association, whether such personnel are employed directly by the Board or by a manager designated by the Board;
- (d) Legal and accounting services;
- (e) Any other materials, supplies, furniture, labor, services, maintenance, repairs, structural alteration, taxes or assessments which the board is required to obtain or pay for pursuant to the terms of these Covenants and Restrictions or which in its opinion shall be necessary or proper for the operation or protection of the Association or for the enforcement of these Covenants and Restrictions.

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

- (f) To execute all declarations of ownership for tax assessment purposes with regard to any of the Common Properties owned by it;
- (g) To enter into agreements or contracts with insurance companies, taxing authorities and the holders of first mortgage liens on the individual Lots with respect to: (i) taxes on the Common Properties, (ii) maintenance of those Common Properties described in Article I, Section (c), (iv) and (v), and (iii) insurance coverage (if any) on Common Properties, as they relate to the assessment, collection and disbursement process envisioned by Article V hereinabove;
- (h) To borrow funds to pay costs of operation, secured by assignment or pledge of rights against delinquent Owners, if the Board sees fit;
- (i) To enter into contracts, maintain one or more bank accounts, and, generally, to have all the powers necessary or incidental to the operation and management of the Association;

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

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

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

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

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

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

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

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

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

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

ARTICLE VII

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INSURANCE, REPAIR AND RESTORATION

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

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

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

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

(d) Officers and directors liability insurance.

7.02 Insurance Proceeds. The Association and the Members shall use the net insurance proceeds to repair and replace any damage or destruction of property, real or personal, covered by such insurance. Any balance from the proceeds of insurance paid to the Association, as required in this Article VII, remaining after satisfactory completion of repair and replacement, shall be retained by the Association as part of a general reserve fund for repair and replacement of the Common Properties.

7.03 Insufficient Proceeds. If the insurance proceeds are insufficient to repair or replace any loss or damage, the Association may levy a special assessment as provided in Article V of these Covenants and Restrictions to cover the deficiency.

ARTICLE VIII

CONSTRUCTION OF IMPROVEMENTS AND
USE OF LOTS - PROTECTIVE COVENANTS

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

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

8.02 Minimum Floor Space. Each dwelling constructed on any Lot shall contain a minimum of 1,450 square feet of air-conditioned floor area, exclusive of all porches, garages or breezeways attached to the main dwelling.

8.03 Building Materials. The exterior walls of each building constructed or placed on a Lot shall be at least seventy-five percent (75%) brick, brick veneer, stone or stone veneer, or masonry, and the exterior portion of any fireplace chimney shall be one hundred percent (100%) brick, stone or masonry. However, the side and rear portions of houses which back to, or side, to Morriss Road, Valley Parkway and Kirkpatrick Lane shall be 100% bricked, except for windows, doors, openings, gables (or other

areas above the height of the top of standard height first floor windows) which areas are excluded from the calculation of 100% bricked. No bricks, stones or masonry used on the exterior of any building, outside walls, fence, walkway, or other improvement of structure on any Lot shall be painted.

8.04 Garages/Carports. Each single-family residential dwelling erected on any Lot shall provide garage space for a minimum of two (2) conventional automobiles. Each garage shall open only to the rear of the Lot or to the alley so as not to directly face a residential street; provided, however, lots not served by an alley, or lots with a side alley, may have side entry garages located at the front of the house. No carports shall be permitted without prior written approval from the Architectural Control Committee.

8.05 Roofs. Roofing shall be of a substance that is acceptable to the Town of Flower Mound, the FHA, the VA and the Architectural Control Committee.

8.06 Exterior Surfaces. Installation of all types of exterior items and surfaces such as address numbers or external ornamentation, lights, mail chutes and exterior paint and stain, shall be subject to the prior written approval of the Architectural Control Committee; provided, however, that prior approval shall not be required for normal replacement or repair which does not change exterior colors or appearances.

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

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

Given the great variety of potential fencing and screening configurations and materials, it is understood that the fencing restrictions contained in this Section 8.07 may not be exhaustive; therefore, no fence, wall or hedge on any Lot shall be erected, placed, altered, painted or stained without the prior written approval of the Architectural Control Committee. Upon submission of a written request for same, the Architectural Control Committee may, from time to time, at its sole discretion, permit the construction of fences or walls which are in variance with the

provisions of this Section 8.08 where in the sole opinion of the Architectural Control Committee, the fence or wall is an integral part of the architectural style or design of the home.

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

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

Except as to special street lighting or other aerial facilities which may be required pursuant to the Town of Flower Mound or may be required by the franchise of any utility company, no aerial utility facilities of any type (except meters, risers, service pedestals and other surface installations necessary to maintain or operate appropriate underground facilities shall be erected or installed within the Property, whether upon Lots, easements, streets, or rights-of-way of any type, either by the utility company or any other person or entity, (including but not limited to any person owning or acquiring any part of the Property) and all utility service facilities (including but not limited to water, sewer, gas, electricity, cable television and telephone) shall be buried underground within the Common Properties, streets or utility easement areas for the purpose of serving any structure located on any part of the Property. All utility meters, equipment, air-conditioning compressors, evaporative coolers and similar items must be visually screened from view (i.e. not visible from any residential street). The screening of air-conditioning compressors must be constructed or composed of solid masonry of the type used on the dwelling, wood fencing in compliance with Section 8.08 or landscape shrubbery.

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

8.12 Vehicles. Trucks with tonnage in excess of one (1) ton and any vehicle with painted advertisement shall not be permitted to park overnight on the Property, except those used by a builder during the construction of improvements on the Property. No vehicle of any size which transports inflammatory or explosive cargo may be parked or stored within the Property at any time.

8.13 Garbage, Weeds. All Lots shall be maintained free from rubbish, trash or garbage. All garbage shall be kept in city approved containers. All garbage containers shall be placed where designated by the Town of Flower Mound on the day of collection. If, at any time, an Owner shall fail to control weeds, grass and/or other unsightly growth

resulting in such weeds, grass or unsightly growth exceeding eight (8) inches in height, Declarant or the Board shall have the authority and right to go onto such Lot for the purpose of mowing and cleaning such Lot and shall have the authority and right to assess and collect from the Owner of such Lot a sum not to exceed five hundred dollars (\$500.00) for the mowing or cleaning on each respective occasion of such mowing or cleaning. The individual special assessments, together with interest (at the highest permitted lawful rate per annum) thereon and any costs of collection thereof, shall be a charge on the Lot and shall be a continuing lien upon the Lot against which such assessment is made. Each such assessment, together with interest thereon and costs of collection thereof, shall also be the continuing personal obligation of the Owner of such Lot at the time when the assessment occurred. The lien securing any such assessment shall be subordinate and inferior to the lien of any mortgage and any renewals or extensions thereof existing prior to the assessment date.

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

8.15 Offensive Activities. No noxious or offensive activity shall be conducted on any Lot and nothing shall be done thereon which is or may become an annoyance or nuisance within the Property or any portion thereof. No animals, livestock or poultry of any kind shall be raised, bred or kept on any Lot except that dogs, cats or other household pets are permitted, provided that they are not kept, bred or maintained for commercial purposes.

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

8.17 Landscaping. All front and side yards are to have a fully automatic sprinkler system. All yards are to have trees as follows:

- (i) the parkway shall have two (2) shade trees with a minimum of two inch (2") caliper;
- (ii) in addition, two (2) trees of two inch (2") caliper shall be required in the side yard of a house siding a street;
- (iii) two (2) ornamental trees can be substituted for one (1) shade tree if desired;

8.18 Guttering. All houses shall, as a minimum, have appropriately sized and painted gutters and downspouts on the front of the house as well as that portion of any house siding to a street.

8.19 Sidewalks. All sidewalks shall conform to the Town of Flower Mound, FHA and VA specifications and regulations.

8.20 Tennis Courts. Tennis courts shall not be permitted without the prior written approval of the Architectural Control Committee.

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

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

8.23 Mail Boxes. All mail boxes and supporting posts or structures shall be of a design approved in writing by the Architectural Control Committee and/or mandated by the U.S. Postal Service.

8.24 Exterior Maintenance. Each Owner shall maintain the exterior appearance of his dwelling, lawn, landscaping and fence in a manner which is consistent with the standards of the Property.

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

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

(i) The Construction Group shall be composed of one (1) or more individuals selected and appointed by Declarant. The Construction Group shall use its best efforts to promote and ensure a high level of quality, harmony and conformity throughout the Property.

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

(ii) The Board shall function as the representative of the Owners of the Lots for the purposes herein set forth, as well as for all other purposes consistent with the creation and preservation of a first-class residential development. The Board shall use its best efforts to promote and ensure a high level of quality, harmony and conformity throughout the Property.

A majority of the members of the Board may act on behalf of the entire Board or the Board may appoint an advisory committee to act on behalf of the Board. In the event of the death or resignation of any member of the Board, the remaining members shall have full authority to designate and appoint a successor. No member of the Board, or of any advisory committee, shall be entitled to any compensation for service performed hereunder and neither the Board, any of its members, nor the members of any advisory committee shall be liable to any Owner for any claims, causes or action or damages of what

ever kind arising out of service performed, actions taken or inaction in connection with any undertaking, responsibility or activity hereunder, or request for same.

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

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

(ii) conformity and harmony of the external design, color, type and appearance of exterior surfaces and landscaping;

(iii) location with respect to topography and finished grade elevation and effect of location and use on neighboring Lots and improvements situated thereon and any drainage arrangement;

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

(c) Final plans and specifications shall be submitted in duplicate to the Committee for approval or disapproval. At such time as the plans and specifications meet the approval of the Committee, one complete set of plans and specification will be retained by the Committee and the other complete set of plans will be marked "Approved" and returned to the Owner of his designated representative, and accompanied by a statement of complete approval, or approval based on certain conditions and specifications. If found not to be in compliance with these Covenants and Restrictions, one set of such plans and specifications shall be returned marked "Disapproved", accompanied by a reasonable statement of items found not to comply with these Covenants and Restrictions. Any modification or change to the approved set of plans and specifications must again be submitted to the Committee for its inspection and approval. The approval or disapproval of the Committee, as required herein, shall be narrative and in writing. If the Committee, or its respective designated representative, fails to approve or disapprove such plans and specifications within thirty (30) days after the date of submission, then disapproval shall be presumed. If any submission is deemed disapproved as a result of failure to respond, then the applicant may request, by Certified Mail, Return Receipt Requested, from each member of the Board or Committee, a written decision on the application; if such decision is not rendered within 30 days after the demand, then the submission will be deemed to be approved. Further provided, however, that nothing in this paragraph shall affect in any way the method for seeking or granting variances, as described in the following paragraph, nor shall any failure of the Committee to act on a variance request within any particular period of time constitute the granting or approval of any such variance request.

(d) Upon submission of a written narrative request for same, the Committee may, from time to time, in its sole discretion, permit Owners to construct, erect or install improvements which are in variance from the Covenants or Restrictions or which may be promulgated in the future. In any case, however, such variances shall be in basic conformity with and shall blend effectively with the general architectural style and design of the community. No member of the Committee shall be liable to any Owner or other person claiming by, through or on behalf of any Owner, for any claims, causes of action or damages arising out of the granting or

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denial of, or other action or failure to act upon, any variance request by any Owner or any person acting for or on behalf of any Owner. Each request for a variance submitted hereunder shall be reviewed separately and apart from other such requests and the granting of a variance to any Owner shall not constitute a waiver of the Committee's right to strictly enforce these Covenants and Restrictions against any other Owner. Each such written request must identify and set forth in narrative detail the specific restriction or standard from which a variance is sought and describe in complete detail the exact nature of the variance sought. Any grant of a variance by the Committee must be in writing and must identify in narrative detail both the standard from which a variance is being sought and the specific variance being granted. Any variance granted by the Committee shall be considered a rule made under these Covenants and Restrictions.

(e) The Committee may, from time to time, publish and promulgate architectural standards bulletins which shall be fair, reasonable and uniformly applied and shall carry forward the spirit and intention of these Covenants and Restrictions, provided, however, that the Construction Group may publish such bulletins only with respect to Class B Members and initial construction by Class A Members and the Board may do so only with respect to additions or remodeling by Class A Members. Such bulletins shall supplement these Covenants and Restrictions and are incorporated herein by reference. Although the Committee shall not have unbridled discretion with respect to taste, design and any absolute standards specified herein, the Committee shall be responsive to technological advances or general changes in architectural designs and related conditions in future years and use its best efforts to balance the equities between matters of taste and design (on the one hand) and use of private property (on the other hand).

ARTICLE IX

EASEMENTS

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

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

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

ARTICLE X

GENERAL PROVISIONS

10.01 Duration. The Covenants and Restrictions of these Covenants and Restrictions shall run with and bind the land subject to these Covenants and Restrictions, and shall inure to the benefit of and be enforceable by the Association and/or the Owners subject to these Covenants and Restrictions, their respective legal

representative, heirs, successors and/or assigns for a term ending January 1, 2028, after which time said Covenants and Restrictions shall be automatically extended for successive periods of ten (10) years unless an instrument is signed by the Members entitled to cast seventy-five percent (75%) of the votes of each voting class of the Association and recorded in the Land Records of Denton County, Texas, which contains and sets forth an agreement to abolish the Covenants and Restrictions, provided, however, no such agreement to abolish shall be effective unless made and recorded one (1) year in advance of the effective date of such abolishment. The Association may not dissolve without the prior written consent of the Town of Flower Mound.

10.02 Amendments. Subject to the prior written approval of the Town of Flower Mound and notwithstanding Section 10.01 of this Article, these Covenants and Restrictions may be amended and/or changed in part as follows:

(a) during the ten (10) year period commencing on the date hereof and ending on the tenth (10th) anniversary of such date, Declarant may amend or change these Covenants and Restrictions with the consent of at least seventy-five percent (75%) of the outstanding votes of the Members of the Association;

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

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

10.03 Enforcement. Enforcement of these Covenants and Restrictions shall be by a proceeding initiated by any Owner, any member of the Construction Group or the Board or by the Town of Flower Mound, against any person or persons violating or attempting to violate any Covenant or Restriction contained herein, either to restrain or enjoin such violation, to recover damages for the violation, or both, or to enforce any lien created by this instrument. The Construction Group, and each of its appointed members, shall have an election and right, but not an obligation or duty, to enforce these Covenants and Restrictions by a proceeding or proceedings at law or in equity. Notwithstanding any provision to the contrary in these Covenants and Restrictions, Declarant shall not have any duty, obligation or responsibility to enforce any of these Covenants and Restrictions. Failure by any party to enforce any Covenant or Restriction herein contained shall in no event be deemed a waiver of the right to do so thereafter. With respect to any litigation hereunder, the prevailing party shall be entitled to recover reasonable attorneys' fees from the non-prevailing party. Further, and with respect to any litigation brought against the Construction Group, the Board or any of their members or representatives arising out of any action, failure to act, or performance or non-performance of duties imposed hereby, by the Construction Group, the Board or their members or representatives, the Construction Group, the Board and/or their members or representatives so sued shall be entitled to recover their reasonable attorneys' fees from the person or entity bringing such action against it or them, unless the Construction Group, the Board or their members or representatives shall specifically be adjudicated liable to such claimant. In the event of litigation of any sort, there shall be no trial by jury.

10.04 Imposition of Violation Fines. In the event that any person fails to cure (or fails to commence and proceed with diligence to completion) the work necessary to cure any violation of the Covenants and Restrictions contained herein within ten (10) days after receipt of written notice from the Board designating the particular violation, the Board shall have the power and authority

to impose upon that person a fine for such violation (the "Violation Fine") not to exceed Five Hundred Dollars (\$500.00). If, after the imposition of the Violation Fine, the violation has not been cured or the person has still not commenced the work necessary to cure such violation, the Board shall have the power and authority, upon ten (10) days written notice, to impose another Violation Fine which shall also not exceed five hundred dollars (\$500.00). There shall be no limit to the number, or the aggregate amount, of Violation Fines which may be levied against a person for the same violation. The Violation Fines, together with interest at the highest lawful rate per annum and any costs of collection, including attorneys' fees, shall be a continuing lien upon the Lot against which such Violation Fine is made.

10.05 Severability. If any one of these Covenants or Restrictions is held to be invalid, illegal or unenforceability of the remaining Covenants and Restrictions shall not be affected thereby.

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

10.07 Notices to Owners. Any notice required to be given to any Owner under the provisions of these Covenants and Restrictions shall be deemed to have been properly delivered when deposited in the United States mails, postage prepaid via Registered Mail or Certified Mail, Return Receipt Requested, addressed to the last known address of the person who appears as Owner on the records of the Association at the time of such mailing.

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

IN WITNESS WHEREOF, Alpine Development Company, being Declarant herein, has caused this instrument to be executed this 4 day of DEC, 1992.

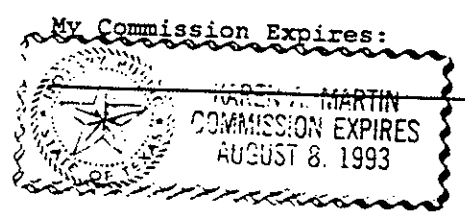
ALPINE DEVELOPMENT COMPANY

By: Clifton W. Baker
Its: President

STATE OF TEXAS)
COUNTY OF DALLAS)

This instrument was acknowledged before me on the 4th day of December, 1992, by Clifton W. Baker, President of Alpine Development Company, on behalf of said corporation, in the capacity therein stated.

Loren A. Martin
Notary Public in and for
the State of Texas



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COURT CLERK DENNIS CO. TEX

BY *[Signature]* DEPUTY

STATE OF TEXAS
COUNTY CLERK, DENNIS COUNTY, TEXAS
Instrument was filed on the date and time stamped herein by me
and was duly recorded in the volume and page of the indexed records
of Dennis County, Texas.

JAN 11 1993



[Signature]

COUNTY CLERK, DENNIS COUNTY, TEXAS

THE STATE OF TEXAS
COUNTY OF DALLAS

**THIS DOCUMENT BEING RE-FILED
FOR THE PURPOSE OF ADDING ORIGINALS
PLATS - EXHIBITS A & B.**

~~_____~~

SUPPLEMENTAL DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS
FOR
CHAUCER ESTATES, IN THE TOWN OF FLOWER MOUND
DENTON COUNTY, TEXAS

050979

THIS SUPPLEMENTAL DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS (this "Declaration"), is made and entered into this 14 day of May, 1994 by Alpine Development Company, a Texas Corporation, hereinafter referred to as "Declarant".

W I T N E S S E T H:

Declarant is the owner of those certain tracts of land (hereinafter referred to as "Chaucer Estates") described in Exhibits "A" and "B", referred to hereinafter as the "Property", which are attached hereto and incorporated herein by reference for all purposes.

Pursuant to Article II, Section 2.02, (a) of the Declaration of Covenants, Conditions and Restrictions for Chaucer Estates, In the Town of Flower Mound, Denton County, Texas filed in the Real Property Records, Denton County, in Volume 3423, Page 0178, Declarant desires to subject Chaucer Estates - Phase II (Exhibit "B") to the covenants, conditions and restrictions as originally set forth, including all subsequent Amendments, each and all of which is and are for the benefit of the Property and each owner thereof.

NOW, THEREFORE, Declarant declares that the Property is and shall be held, transferred, improved, sold, conveyed and occupied subject to the covenants, conditions and restrictions (sometimes collectively referred to as the "Covenants and Restrictions") as originally set forth, including all subsequent Amendments.

IN WITNESS WHEREOF, Alpine Development Company, being Declarant herein, has caused this instrument to be executed this 14 day of May, 1994.

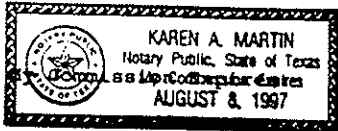
ALPINE DEVELOPMENT COMPANY

By: Clifton W. Baker
Its: President

STATE OF TEXAS)
COUNTY OF DALLAS)

This instrument was acknowledged before me on the 16th day of May, 1994, by Clifton W. Baker, President of Alpine Development Company, on behalf of said corporation, in the capacity therein stated.

Karen A. Martin
Notary Public in and for
the State of Texas



APPROVED this 14th day of June, 1994.

ATTEST:
[Signature]
Town Secretary

[Signature]
Mayor, Town of Flower Mound

APPROVED AS TO FORM AND LEGALITY:

Robert F. Brown
Town Attorney

AFTER RECORDING, PLEASE RETURN TO:
American Title Company
5440 Harvest Hill Rd., Suite 185
Dallas, Texas 75230

APPROVED:
[Signature]
Department of Housing & Urban Development

STATE OF TEXAS)
COUNTY OF DALLAS)

FIRST AMENDMENT TO THE DECLARATION OF COVENANTS,
CONDITIONS AND RESTRICTIONS FOR CHAUCER ESTATES,
IN THE TOWN OF FLOWER MOUND,
DENTON COUNTY, TEXAS

THE DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS, as originally
executed on December 4, 1992 and filed in the Real Property Records of Denton
County in Volume 3423, Page 017 by Alpine Development Company is hereby amended
to read as follows:

ARTICLE I (b) "Association" shall mean and refer to the [Association of
Chaucer Estates], a Texas non-profit corporation...

ARTICLE VIII 8.04 Garages/Carports Delete [Each garage shall open only
to the rear of the Lot or to the alley so as not to directly face a residential
street; provided, however lots not served by an alley, or lots with a side alley,
may have side entry garages located at the front of the house.]

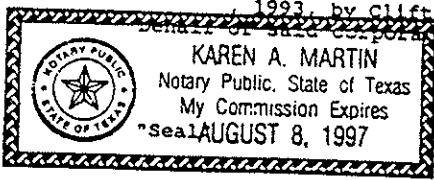
ARTICLE X 10.02 Amendments Add ...of the Town of Flower Mound [and the
Department of Housing and Urban Development], and notwithstanding...

IN WITNESS WHEREOF, Alpine Development Company has caused this instrument
to be executed this 27th day of October, 1993.

ALPINE DEVELOPMENT COMPANY

By: Clifton W. Baker
Its: President

STATE OF TEXAS)
COUNTY OF DALLAS)



This instrument was acknowledged before me on the 27th day of October
1993, by Clifton W. Baker, President of Alpine Development Company, on
behalf of said corporation, in the capacity therein stated.

Karen A. Martin
Notary Public in and for
the State of Texas

APPROVED this 15th day of Nov., 1993.

ATTEST:

[Signature]
Mayor, Town of Flower Mound

[Signature]
Town Secretary

APPROVED AS TO FORM AND LEGALITY:

[Signature]
Town Attorney

APPROVED:

Larry Mumford
Department of Housing & Urban Development

STATE OF TEXAS }
COUNTY OF DALLAS }

COPY

THIRD AMENDMENT TO THE DECLARATION OF COVENANTS,
CONDITIONS AND RESTRICTIONS FOR CHAUCER ESTATES,
IN THE TOWN OF FLOWER MOUND,
DENTON COUNTY, TEXAS

THE DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS, as originally executed on December 4, 1992 and filed in the Real Property Records of Denton County in Volume 3423, Page 017 by Alpine Development Company is hereby amended to read as follows:

ARTICLE I (c) Common Properties Add...and F.E. (fence easement). [The Amenity Package identified as all improvements consisting of two (2) lighted tennis courts with wind screening, swimming pool with decking, swimming pool equipment, pool furniture, if any, fencing, lighting, signage, landscaping, sidewalks, ramps and parking, together with a building facility which houses restrooms, storage, swimming pool equipment and serving area, all of which is located on Lot 8A, Block 3 of the Amended Plat, Phase I of Chaucer Estates, Town of Flower Mound, Denton County, Texas.]

ARTICLE IV 4.01 Members' Easements of Enjoyment. Add...to the Common Properties. [Members residing on Lot 2, Block 6, Lot 3, Block 7, Lot 7, Block 7 and Lot 8, Block 7 as of January 18, 1994, may waive their right to use of the facilities located on Lot 8A, Block 3 as described in Article I., (c) above and retain the right of annual assessment of One Hundred Dollars (\$100.00) per year, to be adjusted only when necessary because of the cost of maintenance of facilities (other than the Amenity Package) as described in Article I., (c) of this document. Said members may, at any time, elect to participate in the use of the Amenity Package facilities located on Lot 8A, Block 3, by paying the difference in the actual annual assessment paid to the date of election and the total annual assessment due as set forth in Section 5.03 of this Article, amended January 18, 1994. Subsequent homeowner's will be assessed the rate as set forth under Section 5.03 at the date of closing.]

ARTICLE V 5.03 (a) Delete ...annual assessment shall be [One Hundred Dollars (\$100.00)] per..., Add...annual assessment shall be [Three Hundred Fifty Dollars (\$350.00)] per...

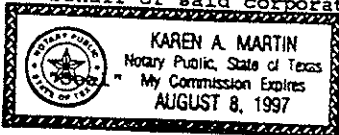
IN WITNESS WHEREOF, Alpine Development Company has caused this instrument to be executed this 21st day of Jan, 1994.

ALPINE DEVELOPMENT COMPANY

By: Clifton W. Baker
Its: President

STATE OF TEXAS }
COUNTY OF DALLAS }

This instrument was acknowledged before me on the 21st day of January, 1994, by Clifton W. Baker, President of Alpine Development Company, on behalf of said corporation, in the capacity therein stated.



Karen A. Martin
Notary Public in and for
the State of Texas

APPROVED this 18th day of February, 1994.

ATTEST: [Signature]
Town Secretary

[Signature]
Mayor, Town of Flower Mound

APPROVED AS TO FORM AND LEGALITY:
[Signature]
Town Attorney

APPROVED:
[Signature]
Department of Housing & Urban Development

STATE OF TEXAS)
COUNTY OF DALLAS)

COPY

SECOND AMENDMENT TO THE DECLARATION OF COVENANTS,
CONDITIONS AND RESTRICTIONS FOR CHAUCER ESTATES,
IN THE TOWN OF FLOWER MOUND,
DENTON COUNTY, TEXAS

THE DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS, as originally executed on December 4, 1992 and filed in the Real Property Records of Denton County in Volume 3423, Page 017 by Alpine Development Company is hereby amended to read as follows:

Add: Declarant hereby affirms that, the Association of Chaucer Estates Homeowners Association was established, and incorporated with the Secretary of State, State of Texas, on December 18, 1992 and that the By-Laws of the Association were approved and adopted on February 26, 1993.

ARTICLE X 10.01 Duration Delete ...[for a term ending January 1, 2028,] add ...[for an initial term of 25 years,] after which time...

ARTICLE V 5.02 Purpose of Assessment Delete ...for the purposes of [any one or more of the following], (i) promoting the health,...

ARTICLE V 5.09 Rights of the Town of Flower Mound Delete ...dissolution [upon giving written notice...failure being remedied]. Add [The Town of Flower Mound retains the right to remove any improperly maintained features.] Upon... Delete ...an assessment [upon each lot on a pro-rata basis] for the cost... Add ...an assessment [to the Association] for the cost...

ARTICLE VI 6.05 Reserve Fund Add ...the Association. [These funds will be used to insure the continuous and perpetual use, operation, maintenance and supervision of the features for which the Association is responsible.]

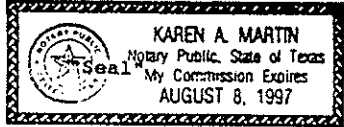
IN WITNESS WHEREOF, Alpine Development Company has caused this instrument to be executed this 18th day of November, 1993.

ALPINE DEVELOPMENT COMPANY

By: [Signature]
Its: President

STATE OF TEXAS)
COUNTY OF DALLAS)

This instrument was acknowledged before me on the 18th day of November, 1993, by Clifton W. Baker, President of Alpine Development Company, on behalf of said corporation, in the capacity therein stated.



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

APPROVED this 18th day of February, 1994.

ATTEST:
[Signature]
Town Secretary

[Signature]
Mayor, Town of Flower Mound

APPROVED AS TO FORM AND LEGALITY:
[Signature]
Town Attorney

APPROVED:
[Signature]
Department of Housing & Urban Development

FIFTH AMENDMENT TO THE DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS FOR CHAUCER ESTATES, IN THE TOWN OF FLOWER MOUND, DENTON COUNTY, TEXAS

THE DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS, as originally executed on December 4, 1992, and filed in the Real Property Records of Denton County in Volume 3423, Page 017 by Alpine Development Company, is hereby amended to read as follows:

ARTICLE II 2.02 Additions to Existing Property. (a) Delete...[Declarant] may add or annex... Add...[The Association] may add or annex...Restated Declaration. [Notwithstanding the foregoing, the Association may not annex additional property to this Declaration without first obtaining written consent from a duly authorized representative of the Town.] (d) Delete...approval of the Town of Flower Mound, [Declarant] shall have the right... Add...approval of the Town of Flower Mound, [Association] shall have the right...

ARTICLE III 3.03 Quorum, Notice and Voting Requirements. Delete...[not less than thirty (30) days nor more than sixty (60) days in advance]... Add...[not less than fourteen (14) days nor more than thirty (30) days in advance]...

ARTICLE V 5.03 Basis and Amount of Annual Maintenance Assessments. ...shall be Three Hundred Fifty Dollars (\$350.00) per Lot per year[,] Add [with 10.3% of this amount being placed in reserve to ensure the continuous and perpetual use, operation, maintenance, and/or supervision of all facilities, structures, improvements, systems, areas or grounds that are the Association's responsibility, which reserve fund is hereby established for said purpose, and 9.128% of this amount being placed in reserve for discretionary use by vote of the homeowners].

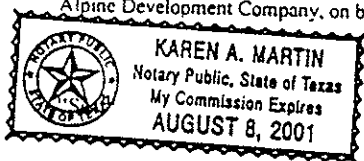
IN WITNESS WHEREOF, Alpine Development Company has caused this instrument to be executed this 10th day of March, 1998.

ALPINE DEVELOPMENT COMPANY

By: [Signature] Its: President

STATE OF TEXAS COUNTY OF DALLAS

This instrument was acknowledged before me on the 10th day of March, 1998, by Clifton W. Baker, President of Alpine Development Company, on behalf of said corporation, in the capacity therein stated.



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

APPROVED this 20th day of April, 1998

ATTEST:

[Signature] Town Secretary

[Signature] Mayor, Town of Flower Mound

APPROVED AS TO FORM AND LEGALITY:

[Signature] Town Attorney

APPROVED:

[Signature] Department of Housing & Urban Development

STATE OF TEXAS }
COUNTY OF DALLAS }

FOURTH AMENDMENT TO THE DECLARATION OF COVENANTS,
CONDITIONS AND RESTRICTIONS FOR CHAUCER ESTATES,
IN THE TOWN OF FLOWER MOUND,
DENTON COUNTY, TEXAS

093661

THE DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS, as originally executed on December 4, 1992 and filed in the Real Property Records of Denton County in Volume 3423, Page 017 by Alpine Development Company is hereby amended to read as follows:

ARTICLE VIII 8.08 Fences. Delete...any street than the [minimum building setback line]...Add [front building line]...Add...further from the street. [However, wood fencing, approved by the Architectural Control Committee will be allowed to extend from the outer perimeter of a dwelling to the side or rear property lines.] (v) Add...have [a selection of] an even flat top, [rounded top, or "dog-eared" top]; and...

ARTICLE VIII 8.12 Vehicles. Add...[No boat, marine craft, hovercraft, aircraft, recreational vehicle, pickup camper, travel trailer, motor home, camper body, or similar vehicle or equipment may be parked for storage in the driveway or front yard of any dwelling, or parked on any public street within the Property, nor shall any such vehicle or equipment be parked for storage in the side or rear yard of any residence, unless completely concealed from public view. No such vehicle or equipment shall be used as a residence or office, temporarily or permanently. This restriction shall not apply to any vehicle, machinery, or equipment temporarily parked and in use for the construction, maintenance, or repair of a residence in the immediate vicinity.] Trucks with tonnage...

ARTICLE VIII 8.17 (i) Delete...the [parkway] shall have...Add...the [front yard] shall have...

To the extent these Covenants are in conflict with the Code of Ordinances of the Town of Flower Mound, the Town of Flower Mound Code of Ordinances shall prevail.

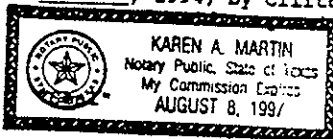
IN WITNESS WHEREOF, Alpine Development Company has caused this instrument to be executed this 22 day of December, 1994.

ALPINE DEVELOPMENT COMPANY

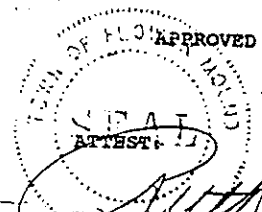
By: Clifton W. Baker
Its: President

STATE OF TEXAS }
COUNTY OF DALLAS }

This instrument was acknowledged before me on the 7th day of December, 1994, by Clifton W. Baker, President of Alpine Development Company, on behalf, in the capacity therein stated.



Karen A. Martin
Notary Public in and for
the State of Texas



APPROVED this 19th day of December, 1994.

[Signature]
Mayor, Town of Flower Mound

[Signature]
Town Secretary

APPROVED AS TO FORM AND LEGALITY:
[Signature]
Town Attorney

APPROVED:
[Signature]
Department of Housing & Urban Development

AFTER FILING RETURN TO:
Association of Chaucer Estates
14785 Preston Road
Suite 485
Dallas, TX 75240

**AFTER RECORDING,
PLEASE RETURN TO:**

**Kathleen C. Aljoe
Town of Flower Mound
2121 Cross Timbers Road
Flower Mound, Texas 75028**

**SIXTH AMENDMENT TO THE DECLARATION OF
COVENANTS, CONDITIONS AND RESTRICTIONS
FOR CHAUCER ESTATES, IN THE TOWN OF
FLOWER MOUND, DENTON COUNTY, TEXAS**

STATE OF TEXAS §
 §
COUNTY OF DENTON §

KNOW ALL MEN BY THESE PRESENTS

INTRODUCTORY PROVISIONS

A. The Declaration of Covenants, Conditions and Restrictions for Chaucer Estates, in the Town of Flower Mound, Denton County, Texas, was executed on the 4th day of December, 1992, by Clifton W. Baker, President of Alpine Development Company, and recorded under Volume 3423, Page 0178, et seq. of the Real Property Records of Denton County, Texas (hereinafter referred to as the "**Declaration**"); and

B. The Declaration was subsequently amended by that certain instrument entitled First Amendment to the Declaration of Covenants, Conditions and Restrictions for Chaucer Estates, in the Town of Flower Mound, Denton County, Texas, executed on the 27th day of October, 1993, by Clifton W. Baker, President of Alpine Development Company, and recorded on January 19, 1994

under Denton County Clerk's Index Number 94-R0005109 of the Real Property Records of Denton County, Texas (hereinafter referred to as the "**First Amendment**"); and

C. The Declaration was subsequently amended by that certain instrument entitled Second Amendment to the Declaration of Covenants, Conditions and Restrictions for Chaucer Estates, in the Town of Flower Mound, Denton County, Texas, executed on the 18th day of November, 1993, by Clifton W. Baker, President of Alpine Development Company, and recorded on March 18, 1994 under Denton County Clerk's Index Number 94-R0022071 of the Real Property Records of Denton County, Texas (hereinafter referred to as the "**Second Amendment**"); and

D. The Declaration was subsequently amended by that certain instrument entitled Third Amendment to the Declaration of Covenants, Conditions and Restrictions for Chaucer Estates, in the Town of Flower Mound, Denton County, Texas, executed on the 21st day of January, 1994, by Clifton W. Baker, President of Alpine Development Company, and recorded on March 18, 1994 under Denton County Clerk's Index Number 94-R0022070 of the Real Property Records of Denton County, Texas (hereinafter referred to as the "**Third Amendment**"); and

E. The Declaration was supplemented to add Chaucer Estates Phase 2 to the scheme of the Declaration by that certain instrument entitled Supplemental Declaration of Covenants, Conditions and Restrictions for Chaucer Estates, executed on May 16, 1994, by Clifton W. Baker, President of Alpine Development Corporation, and recorded on June 30, 1994 under Denton County Clerk's Number 94-R0051963 of the Real Property Records of Denton County, Texas hereinafter referred to as the "**Supplemental Declaration**"); and

F. The Declaration was subsequently amended by that certain instrument entitled Fourth Amendment to the Declaration of Covenants, Conditions and Restrictions for Chaucer Estates, in

the Town of Flower Mound, Denton County, Texas, executed on the 7th day of December, 1994, by Clifton W. Baker, President of Alpine Development Company, and recorded on December 22, 1994 under Denton County Clerk's Index Number 94-R0093661 of the Real Property Records of Denton County, Texas (hereinafter referred to as the "**Fourth Amendment**"); and

G. The Declaration was subsequently amended by that certain instrument entitled Fifth Amendment to the Declaration of Covenants, Conditions and Restrictions for Chaucer Estates, in the Town of Flower Mound, Denton County, Texas, executed on the 10th day of March, 1998, by Clifton W. Baker, President of Alpine Development Company, and recorded on April 21, 1998 under Volume 4075, Page 00481, *et seq.* of the Real Property Records of Denton County, Texas (hereinafter referred to as the "**Fifth Amendment**"); and

H. The Declaration, First Amendment, Second Amendment, Third Amendment, Supplemental Declaration, Fourth Amendment and Fifth Amendment shall hereinafter sometimes be referred to, collectively, as the "**Chaucer Estates Declaration**"; and

I. The Chaucer Estates Declaration affects real property in Denton County, Texas which is more particularly described on Exhibit A attached hereto. Exhibit A is the "Property" as defined in Article I, Section (i) of the Declaration; and

J. Article X, Section 10.02 of the Chaucer Estates Declaration provides that the Chaucer Estates Declaration may be amended by Alpine Development Corporation ("Declarant"), with the written approval of the Town of Flower Mound and the Department of Housing & Urban Development, and the consent of at least seventy-five percent (75%) of the outstanding votes of the Members of the Association of Chaucer Estates (the "Association"); and

J. The amendments to the Chaucer Estates Declaration, as set forth hereinafter with specificity, were adopted by Declarant with the written approval of the Town of Flower Mound and the Department of Housing & Urban Development, and seventy-five percent (75%) of the outstanding votes of the Members of the Association.

NOW, THEREFORE, the Chaucer Estates Declaration is hereby amended as follows:

(a) Section (c) of Article I is hereby deleted and shall hereafter read, in its entirety, as follows:

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

The east parkway of Morriss Road from the south right-of-way line of Valley Ridge Parkway to the northwest corner of Lot 1/Block 6 of Chaucer Estates, Phase I, and the west parkway of Hemingway Lane for its entire length. "Parkway" being the area between the edge of the pavement and the right-of-way.

All easements described on the final plat of Chaucer Estates, Phase I as L.E. (Landscape Easement), W.M.E. (Wall Maintenance Easement) and F.E. (Fence Easement). The Amenity Package identified as all improvements consisting of two (2) lighted tennis courts with wind screening, swimming pool with decking, swimming pool equipment, pool furniture, if any, fencing, lighting, signage, landscaping, sidewalks, ramps and parking, together with a building facility which houses restrooms, storage, swimming pool equipment and serving area, all of which is located on Lot 8A, Block 3 of the Amended Plat, Phase I of Chaucer Estates, Town of Flower Mound, Denton County, Texas.

Although all or portions of the property described above are located on real property which has been dedicated to the town of Flower Mound, the Association shall maintain such areas and the landscaping and improvements appurtenant thereto for the purpose of creating and maintaining a quality of landscaping consistent with the quality deemed necessary to maintain a desirable neighborhood appearance and to protect property values.

(b) Section 4.01 of Article IV is hereby deleted and shall hereafter read, in its entirety, as follows:

4.01 Members' Easements of Enjoyment. Subject to the provisions of Section 4.03 of this Article, every Member and every tenant of every Member who resides on a Lot, and each individual who resides with either of them on such Lot, shall have a right and

easement of use, recreation and enjoyment in and to the Common Properties and such easement shall be appurtenant to and shall pass with the title of every Lot, provided, however, such easement shall not give such person the right to make alterations, additions or improvements to the Common Properties.

(c) Section 5.03(a) of Article V is hereby deleted and shall hereafter read, in its entirety, as follows:

(a) Until and unless otherwise determined by the Board as hereinafter provided, the maximum annual assessment shall be Three Hundred and Fifty Dollars (\$350.00) per Lot per year.

(d) Section 5.03(e) of Article V is hereby deleted in its entirety.

(e) Section 5.08(a) of Article V is hereby deleted and shall hereafter read, in its entirety, as follows:

(a) If any assessment or any part thereof is not paid on the date(s) when due, then the unpaid amount of such assessment shall become delinquent and shall, together with late charges and service charges (hereinafter defined in subparagraph (c)) and costs of collection thereof, including reasonable attorneys fees, thereupon become a continuing debt secured by a lien on the Lot of the non-paying Owner which shall bind such Lot in the hands of the Owner, his heirs, executors, devisees, personal representatives and assigns. The Association shall have the right to reject partial payments of an assessment and demand the full payment thereof. The personal obligation of the then-existing Owner to pay such assessment shall remain his personal obligation and shall not pass to his successors in title unless expressly assumed by them. Furthermore, the lien for unpaid assessments shall be unaffected by any sale or assignment of a Lot and shall continue in full force and effect. No Owner may waive or otherwise escape liability for the assessment provided herein by non-use of the Common Properties or by abandonment of his Lot.

(e) Section 8.03 of Article VIII is hereby deleted and shall hereafter read, in its entirety, as follows:

8.03 Building Materials. The exterior walls of each building constructed or placed on a Lot shall be at least seventy-five percent (75%) brick, brick veneer, stone or stone veneer, or masonry and the exterior portion of any fireplace chimney shall be one hundred percent (100%) brick, stone or masonry. However, the side and rear portions of the houses which back to, or side to, Morriss Road, Valley Ridge Parkway and Kirkpatrick Lane shall be one hundred percent (100%) bricked, except for windows, doors, openings, gables (or other areas above the height of the top of standard height first floor windows) which areas are excluded from the calculation of one hundred

percent (100%) brick. No bricks, stones or masonry used on the exterior of any building, outside walls, fence, walkway, or other improvement or structure on any Lot shall be painted.

(f) Section 10.02 of Article X is hereby deleted and shall hereafter read, in its entirety, as follows:

10.02 Amendments. Subject to the prior written approval of the Town of Flower Mound and the Department of Housing and Urban Development, and notwithstanding 10.01 of this Article, these Covenants and Restrictions may be amended and/or changed in part upon the express written consent of at least sixty percent (60%) of the outstanding votes of the Members of the Association, or by a resolution passed by a majority of the Board evidencing the consent of sixty percent (60%) of the Owners and authorizing the President of the Association to execute such amendments.

The Board of Directors, upon the express written consent of at least fifty-one percent (51%) of its Members present at a duly called regular or special meeting where a quorum is present, may alter or modify these Covenants and Restrictions for the express purpose of correcting typographical errors or omissions and to provide clarification or further detail without in any way abrogating the substantive terms and conditions hereof.

Section 10.09 is added to Article X of the Declaration and shall read, in its entirety, as follows:

10.09 Obligations of Owners as Lessors. Each Owner who shall rent or lease his or her Lot, with the improvements thereon, shall provide the Association with written notice of any resulting change in the Owner's mailing address within thirty (30) days from the commencement of the lease term. The Owner of property which has been rented or leased shall ensure the lessee or tenant's compliance with these Covenants and Restrictions. In the event the Association is required to undertake enforcement measures due to a violation of these Covenants and Restrictions existing on property which has been rented or leased, the Owner thereof shall be advised of the violation and any violation fines imposed pursuant to Section 10.04 hereof and any attorneys' fees incurred by the Association in obtaining compliance with these Covenants and Restrictions shall be charged to the Owner's account.

The terms and provisions of the Chaucer Estates Declaration, except as modified herein, are hereby declared to be in full force and effect with respect to the Property.

IN WITNESS WHEREOF, Declarant has caused the Sixth Amendment to the Declaration of Covenants, Conditions and Restrictions for Chaucer Estates, in the Town of Flower Mound, Denton County, Texas, to be effective as of October 21, 1998, the same having been approved by the of Town of Flower Mound, the Department of Housing & Urban Development, and seventy-five percent (75%) of the outstanding votes of the Members of the Association.

As President of Declarant, I have read the foregoing Sixth Amendment to the Declaration of Covenants, Conditions and Restrictions for Chaucer Estates, in the Town of Flower Mound, Denton County, Texas, and certify that it is true and correct, and hereby approve same for recording in the Real Property Records of Denton County, Texas.

SIGNED this 4th day of JANUARY, 1999.

ALPINE DEVELOPMENT COMPANY

By [Signature]
Its: President

APPROVED this _____ day of _____, 1999.

Mayor, Town of Flower Mound

ATTEST:

Town Secretary

APPROVED AS TO FORM AND LEGALITY:

Town Attorney

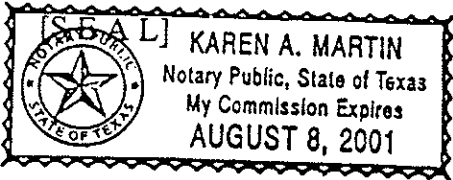
APPROVED:

[Signature]
Department of Housing & Urban Development

STATE OF TEXAS §
 §
COUNTY OF DALLAS §

BEFORE ME, the undersigned Notary Public, on this day personally appeared Clifton W. Baker, President of Alpine Development Company, known to me to be the person whose name is subscribed on the foregoing instrument and acknowledged to me that he executed the same for the purposes therein expressed and in the capacity therein stated.

GIVEN UNDER MY HAND AND AFFIRMED SEAL OF OFFICE on this 4th day of January, 1999.



[Signature]
Notary Public, State of Texas