

CONSOLIDATED
DECLARATION OF COVENANTS, CONDITIONS AND
RESTRICTIONS
FOR
STAFFORD ESTATES

STATE OF TEXAS

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KNOW ALL MEN BY THESE PRESENTS:

COUNTY OF DENTON

WHEREAS Stafford Estates Limited Partnership, a Texas limited partnership, (hereinafter the "Declarant") executed the following instruments (the "Original Declarations") and recorded the same as indicated below in the Real Property Records of Denton County, Texas:

(i) Declaration of Covenants, Conditions and Restrictions for Stafford Estates-Phase I dated September 26, 1994, and recorded under File No. 94-R0082931, as well as a First Amendment thereto dated August 23, 1999, and recorded under File No. 99-116128 (said Declaration, as amended, hereinafter referred to as the "Phase I Declaration");

(ii) Declaration of Covenants, Conditions and Restrictions for Stafford Estates-Phase II dated July 3, 1996, and recorded under File No. 96-R0056599, as well as a First Amendment thereto dated August 23, 1999, and recorded under File No. 99-116129 (said Declaration, as amended, hereinafter referred to as the "Phase II Declaration");

(iii) Declaration of Covenants, Conditions and Restrictions for Stafford Estates-Phases IIIA, IIIB & IIIC dated October 9, 1997, and recorded under File No. 97-R0083839, as well as a First Amendment thereto dated August 23, 1999, and recorded under File No. 99-116130 (said Declaration, as amended, hereinafter referred to as the "Phase III Declaration");

WHEREAS the Original Declarations pertain to three tracts of land (hereinafter collectively referred to as the "Property") containing approximately 32.07 acres, 27.98 acres and 30.22 acres of land, respectively, located in the Town of Flower Mound (the "Town"), Denton County, Texas, legal descriptions of which are set forth in Exhibit A attached hereto;

WHEREAS each of the Original Declarations provides that the record owners of legal title to sixty-six percent (66%) of the lots of the tract subject thereto may amend the covenants, conditions, agreements and restrictions set forth in such Original Declaration; provided however, that for the ten (10) years following the recording of such Original Declaration, no such amendment shall be valid or effective without the joinder of the Declarant, and provided further that no provisions that pertain to the use, operation, maintenance and/or supervision of any facilities, structures, improvements, systems, areas or grounds that are the responsibility of the Association may be amended without the prior written approval of the Town;

WHEREAS the record owners of legal title to at least sixty-six percent (66%) of the lots subject to each of the Original Declarations have agreed to consolidate the Original

Declarations into a single document covering all of the Property and to make certain amendments to the covenants, conditions and restrictions contained therein as hereinafter set forth;

WHEREAS the aforementioned ten-year periods have expired with respect to the Phase I Declaration and the Phase II Declaration, and the Declarant has agreed to join in the amendment of the Phase III Declaration for the limited purposes set forth herein, and the Town has given its written consent to the amendment of the Original Declarations as provided herein, which consent is attached hereto,

NOW, THEREFORE, by the execution and recordation of this Consolidated Declaration of Covenants, Conditions and Restrictions for Stafford Estates, the record owners of lots subject to each of the Original Declarations hereby declare that the Original Declarations are hereby amended and restated as set forth herein, and all interests in the Property shall be held, sold and conveyed subject to the following easements, restrictions, covenants and conditions, which are for the purpose of enhancing and protecting the value, attractiveness and desirability of the Property and which shall run with the land and be binding on all parties having or acquiring any right, title or interest in the Property or any part thereof, and which shall inure to the benefit of each owner thereof.

ARTICLE ONE

DEFINITIONS

The following terms used in this Consolidated Declaration of Covenants, Conditions and Restrictions for Stafford Estates shall have the following respective meanings:

Section 1.1 “Association” shall mean and refer to Stafford Estates Homeowners' Association, Inc., a Texas non-profit corporation, that was formed by the consolidation of the Stafford Estates – Phase I Homeowners' Association, Inc., the Stafford Estates – Phase II Homeowners' Association, Inc., and the Stafford Estates – Phases IIIA, IIIB & IIIC Homeowners' Association, Inc., as evidenced by a Certificate of Consolidation issued by the Secretary of State of Texas on August 23, 1999, that was established for the purposes set forth herein, and its successors and assigns.

Section 1.2 “Board of Directors” or “Board” shall mean and refer to the Board of Directors of the Association.

Section 1.3 “Bylaws” shall mean and refer to the Bylaws of the Association.

Section 1.4 “Committee” shall mean and refer to the Architectural Control Committee to be designated and appointed by the Board as set forth in this Declaration.

Section 1.5 “Common Areas” shall mean and refer to the areas and portions of the Property that are dedicated to and/or maintained by the Association as set forth on the Plat and in this Declaration.

Section 1.6 “County” shall mean and refer to Denton County, Texas.

Section 1.7 “Declaration” shall mean and refer to this Consolidated Declaration of

Covenants, Conditions and Restrictions for Stafford Estates and any amendments, annexations and supplements to this Declaration that are made in accordance with the terms hereof.

Section 1.8 “Dwelling” or “Residence” shall mean and refer to any residential structure that is situated upon any Lot, including the parking garage utilized in connection therewith.

Section 1.9 “Lienholder” or “Mortgagee” shall mean or refer to the holder of a first mortgage lien on any Lot.

Section 1.10 “Lot” shall mean and refer to any portion of the Property that is shown on the Plat as a single-family residential homesite.

Section 1.11 “Maintenance Fund” shall mean or refer to the fund that is to be created and maintained by the Association to hold and disburse assessments as set forth in this Declaration.

Section 1.12 “Member” shall mean and refer to every person and entity who holds a membership in the Association. Each Owner shall be a Member in the Association.

Section 1.13 “Owner” shall mean and refer to the record owner, whether one or more persons or entities (including contract sellers), of the fee simple title to any Lot on which there is or will be built a single-family residence, but not including those having an interest merely as security for the performance of an obligation. The term “Owner” shall include any Lienholder or Mortgagee who acquires fee simple title to any Lot which is part of the Property through deed in lieu of foreclosure or through judicial or non-judicial foreclosure.

Section 1.14 “Plat I” shall mean and refer to the Record Plat of Stafford Estates - Phase I that has been approved by the Town and recorded in the Plat Records of the County.

Section 1.15 “Plat II” shall mean and refer to the Record Plat of Stafford Estates - Phase II that has been approved by the Town and recorded in the Plat Records of the County.

Section 1.16 “Plat III” shall mean and refer to the Record Plat of Stafford Estates - Phases IIIA, IIIB & IIIC that has been approved by the Town and recorded in the Plat Records of the County.

Section 1.17 “Plat” shall mean and refer to Plat I, Plat II or Plat III, whichever of said Plats pertains to the Lot to which the provisions of this Declaration are being applied.

Section 1.18 “Property” shall mean and refer to those certain three tracts of land containing approximately 32.07 acres, 27.98 acres and 30.22 acres comprising, collectively, Stafford Estates, the legal descriptions of which are set forth in Exhibit A attached hereto.

Section 1.19 “Town” shall mean and refer to the Town of Flower Mound, Denton County, Texas.

ARTICLE TWO

CONSTRUCTION OF IMPROVEMENTS AND USE OF LOTS

Section 2.1 Residential Use. All Lots shall be used for single-family residential

purposes only. No building shall be erected, altered, placed or permitted to remain on any Lot other than one (1) detached single-family residence per Lot, which residence may not exceed two (2) stories in height, and a private garage as provided below.

Section 2.2 Single-Family Use. Each Residence may be occupied by only one (1) family consisting of persons related by blood, adoption or marriage or no more than two (2) unrelated persons living and cooking together as a single housekeeping unit, together with any household servants.

Section 2.3 Garage Required. Each Residence shall have a garage suitable for parking not less than two (2) standard size automobiles, which garage shall conform in design and materials with the main structure. The garage shall not be constructed to face the street on which the Lot fronts without the prior written consent of the Committee.

Section 2.4 Restrictions on Resubdivision. None of the Lots shall be subdivided into smaller Lots.

Section 2.5 Driveways. All driveways shall be surfaced with concrete or similar substance that is approved by the Committee.

Section 2.6 Uses Specifically Prohibited.

(A) No temporary dwelling, shop, trailer or mobile home of any kind or any improvement of a temporary character (except children's playhouses, dog houses, greenhouses, gazebos and buildings for storage of lawn maintenance equipment, which may be placed on a Lot only in places which are not visible from any street on which the Lot fronts) shall be permitted on any Lot. No building material of any kind or character shall be placed or stored upon the Property until the Owner thereof is ready to commence construction of improvements. and then such material shall be placed within the property lines of the Lot upon which the improvements are to be erected.

(B) No boat, marine craft, hovercraft, aircraft, recreational vehicle, pick-up 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 on 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.

(C) 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.

(D) No vehicle of any size which transports inflammatory or explosive cargo may be kept on the Property at any time.

(E) No vehicles or similar equipment shall be parked or stored in an area visible from any street except passenger automobiles, passenger vans, motorcycles, pick-up trucks and pick-up trucks with attached bed campers that are in operating condition and have current license plates and inspection stickers and are in daily use as motor vehicles on the streets and highways of the State of Texas. No inoperative cars or vehicles of any type or nature may be kept or situated on the Property.

(F) No structure of a temporary character, such as a trailer, basement, tent shack,

barn or other out-building shall be used on the Property at any time as a dwelling house.

(G) No oil or gas drilling, oil or gas development operation, oil or gas refining, quarrying or mining operations of any kind shall be permitted in or on the Property, nor shall oil or gas wells, tanks, tunnels, mineral excavations or shafts be permitted upon or in any part of the Property. No derrick or other structure designed for using in quarrying or boring for oil, natural gas or other minerals shall be erected, maintained or permitted on the Property.

(H) No animals, livestock or poultry of any kind shall be raised, bred or kept on the Property except that dogs, cats or other household pets may be kept for the purpose of providing companionship for the private family. Animals are not to be raised, bred or kept for commercial purposes or for food. It is the purpose of these provisions to restrict the use of the Property so that no person shall quarter on the premises cows, horses, bees, hogs, sheep, goats, guinea fowls, ducks, chickens, turkeys, skunks, reptiles or any other animals that may interfere with the quietude, health or safety of the community. No more than four (4) pets will be permitted on each Lot. Pets must be restrained or confined in the back of each Lot inside a fenced area or within the house. It is the pet owner's responsibility to keep the Lot clean and free of pet debris. All animals must be properly tagged for identification.

(I) No Lot or other area on the Property shall be used as a dumping ground for rubbish or as a site for the accumulation of unsightly materials of any kind, including without limitation, broken or rusty equipment, disassembled or inoperative cars or other vehicles and discarded appliances and furniture. Trash, garbage or other waste shall not be kept on the Property except in sanitary containers. All other equipment for the storage or other disposal of such material shall be kept in clean and sanitary condition. Materials incident to construction of improvements may be stored on Lots during construction so long as construction progresses without undue delay.

(J) No individual water supply system shall be permitted on the Property.

(K) No individual sewage disposal system or septic tank shall be permitted on the Property without the expressed written consent of the Committee.

(L) No garage, garage house or other out-building shall be occupied by any Owner, tenant or other person prior to the erection of a Residence.

(M) No air-conditioning apparatus shall be installed on the ground in front of a Residence. No air-conditioning apparatus shall be attached to any front wall or window of a Residence. No evaporative cooler shall be installed on the front wall or window of a Residence.

(N) Except with the written permission of the Committee or as set forth herein, no antennae, dishes or other equipment for receiving or sending sound or video messages shall be permitted in or on the Property except antennae for AM or FM radio reception and UHF and VHF television reception and satellite dishes for television reception. All antennae and satellite dishes shall be located inside the attic of the main residential structure except that one (1) antenna or satellite dish may be permitted to be attached to the roof of the main residential structure and to extend above said roof a maximum of five (5) feet and one (1) satellite dish may be placed in the backyard so long as it is completely screened from view from any street, alley, park or other public area.

(O) No Lot or improvement shall be used for business, professional, commercial or manufacturing purposes of any kind. No activity, whether for profit or not, shall be conducted which is not related to single-family residential purposes. No noxious or offensive activity shall be undertaken on the Property, nor shall anything be done which is or may become an annoyance or nuisance to the neighborhood. Nothing in this subparagraph shall prohibit an

Owner's use of a Residence for quiet, inoffensive activities such as tutoring or giving art lessons so long as such activities are in compliance with all applicable governmental and zoning requirements and do not materially increase the number of cars parked on the street or interfere with adjoining Owners' use and enjoyment of their residences and yards.

(P) No fence, wall, hedge or shrub planting which obstructs sight lines at elevations between three (3) and six (6) feet above the roadway shall be placed or permitted to remain on any corner Lot with in the triangular area formed by the street right-of-way lines and a line connecting them at points twenty-five (25) feet from the intersection of the street right-of-way lines, or, in the case of a rounded property corner, from the intersection of the street right-of-way lines as extended. No tree shall be permitted to remain within such distance of such intersections unless the foliage line is maintained at sufficient height to prevent obstruction of sight lines.

(Q) Except for children's playhouses, dog houses, greenhouses, gazebos and buildings for storage of lawn maintenance equipment, no building previously constructed elsewhere shall be moved onto any Lot, it being the intention and purpose of these provisions that only new construction shall be placed and erected thereon.

(R) Within easements on each Lot, no structures, planting or materials shall be placed or permitted to remain which may damage or interfere with the installation and maintenance of utilities, which may change the direction of flow within drainage channels or which may obstruct or retard the flow of water through drainage channels.

(S) The general grading, slope and drainage plan of a Lot may not be altered without the approval of the Town and all other appropriate agencies having authority to grant such approval.

(T) Except with the written permission of the Committee, no sign of any kind shall be displayed to the public view on any Lot except (i) one (1) professionally made sign of not more than one (1) square foot, (ii) one (1) sign of not more than fifteen (15) square feet advertising the property for rent or sale, (iii) professionally made signs of not more than four (4) square feet indicating a child's affiliation with a team, class, club or other group sponsored by his or her school, and (iv) no more than two (2) signs, of not more than fifteen (15) square feet each, promoting one or more political candidates, a political party, or a ballot issue or proposal, provided that any such sign shall not be erected more than sixty (60) days prior to the ballot to which it relates and shall be removed within fifteen (15) days thereafter. No sign shall be offensive in appearance or contain foul or offensive language. The Association and its agents shall have the right to remove any sign, billboard or other advertising structure that does not comply with the above, and in so doing, shall not be subject to any liability for trespass or any other liability in connection with such removal.

(U) The drying of clothes in full public view is prohibited. The Owners and occupants of any Lots at the intersections of streets or adjacent to parks, playgrounds or other facilities where the rear yard is visible to full public view shall construct a drying yard or other suitable enclosure to screen from public view the equipment which is incident to normal residences, such as clothes drying equipment, yard equipment and storage piles.

(V) Except within fireplaces in the Residence and within Town approved outdoor fireplaces, including fire pits and fire rings, and except for outdoor cooking, no burning of anything shall be permitted anywhere on the Property.

Section 2.7 Minimum Floor Area. The total air-conditioned living area of the main residential structure, as measured to the outside of exterior walls but exclusive of open

porches, garages, patios and detached accessory buildings, shall be not less than one thousand seven hundred (1,700) square feet or the minimum habitable floor area as specified by the Town, whichever is the greater.

Section 2.8 Building Materials. The total exterior wall area (excluding windows, doors and gables) of each building constructed or placed on a Lot shall be not less than Eighty-Five Percent (85%) (or such higher percentages as may be required by the Town) masonry or other material that is approved by the Committee. Windows, doors, openings, gables or other areas above the height of the top of standard height first-floor windows are excluded from the calculation of the total exterior wall area. Roofing shall be of a substance acceptable to the Town, the FHA, the VA and the Committee.

Section 2.9 Sideline and Front Line Setback Restrictions. No Dwelling shall be located on any Lot nearer to the front Lot line than twenty-five (25) feet or nearer to the side Lot line than the minimum setback lines shown on the Plat or required by the Town.

Section 2.10 Waiver of Front Setback Requirement. With the written approval of the Committee, an) building may be located further back from the front property line of a Lot than provided above, where, in the opinion of the Committee, the proposed location of the building will add to the appearance and value of the Lot and will not substantially detract from the appearance of the adjoining Lots.

Section 2.11 Fences and Walls. Any fence or wall must be constructed of masonry, brick, wood or other material approved by the Committee. No fence or walls shall be permitted to extend nearer to any street than the front of any residence. However, all side yard fencing on corner Lots shall run parallel to the curb and may be placed up to the side building line as shown on the Plat and shall not extend beyond a point of six (6) feet behind the front of the Residence on that side. Fences and walls are the property of the Owner of the Lot on which the same are erected and as such shall be maintained and repaired by such Owner. Except for the fences maintained by the Association along McKamy Creek Road and Simmons Road, no portion of any fence shall exceed six (6) foot in height. Any fence or portion thereof that faces a public street shall be so constructed so that all structural members and posts will be on the side of the fence away from the street so that they are not visible from any public right-of-way. In accordance with the Plat and the requirements of the Town, parallel privacy fences of wood or other construction shall not be allowed between said perimeter fencing and parallel foundation building lines on Lots adjacent and contiguous to the right-of-way of McKamy Creek Road and the right-of-way of Simmons Road. Notwithstanding the foregoing provisions, the following restrictions will also apply:

(A) With respect to Lots 7 through 12 in Block A, inclusive, and Lots 1 through 3 in Block B, inclusive, of Plat I, the following restrictions will apply: (i) there shall be no fences between the foundation building lines and the fences that are maintained by the Association adjacent and contiguous to the right-of-way of McKamy Creek Road; and (ii) all fences along the back Lot line or that would serve as the front fence line of the back yard must tie in with the center point of the stone columns that are maintained by the Association.

(B) With respect to Lot 12 in Block A and Lot 1 in Block B of Plat I, the following restrictions will apply: (i) there shall be no fences between the foundation building lines and the fences that are maintained by the Association adjacent and contiguous to the right-of-way of McKamy Creek Road, and (ii) all fences along the side Lot line must tie in with the center point of the stone columns that are maintained by the Association.

(C) With respect to Lots 1 through 6 in Block A, inclusive, of Plat II, the following

restrictions will apply: (i) there shall be no fences between the foundation building lines and the fence that is maintained by the Association adjacent and contiguous to the right-of-way of McKamy Creek Road; and (ii) all fences along the back Lot line or that would serve as the front fence line of the back yard must tie in with the center point of the stone columns that are maintained by the Association.

(D) With respect to Lot 1 in Block D, Lot 12 in Block F, Lot 1 in Block G and Lot 1 in Block L of Plat II, the following restrictions will apply: (i) there shall be no fences between the foundation building lines and the fences that are maintained by the Association adjacent and contiguous to the right-of-way of Simmons Road, and (ii) all fences along the side Lot line must tie in with the center point of the stone columns that are maintained by the Association.

(E) With respect to Lots 3 and 4 in Block G and Lots 3 and 4 in Block L of Plat II, no landscaping along the back of these Lots shall be allowed to extend above the fence along the back of these Lots that is maintained by the Association.

(F) With respect to Lots 7, 8, 11 and 12 in Block L of Plat III, no landscaping along the back of these Lots shall be allowed to extend above the fence along the back of these Lots that is maintained by the Association.

Section 2.12 Sidewalks. All sidewalks shall conform to the Town specifications and regulations.

Section 2.13 Mailboxes. Mailboxes shall be standardized and shall be constructed of a material and design approved by the Committee (unless gangboxes are required by the U.S. Postal Service).

ARTICLE THREE

ARCHITECTURAL CONTROL

Section 3.1 Appointment. The Board of Directors shall designate and appoint from among the Members at least three (3) individuals to serve on the Committee. The Committee shall use its best efforts to promote and ensure a high level of taste, design, quality, harmony and conformity throughout the Property consistent with this Declaration.

Section 3.2 Successors. If the death, resignation or removal by the Board of any member of the Committee results in the Committee being comprised of fewer than three (3) members, the Board shall appoint a successor member. No member of the Committee shall be entitled to compensation for or be liable for claims, causes of action or damages arising out of services performed pursuant to this Declaration.

Section 3.3 Authority. No significant alterations to landscaping shall be undertaken and no building, fence, wall or other structure shall be commenced, erected, placed, maintained or altered on any Lot, nor shall any exterior painting of, exterior addition to, or alteration of, such items be made until all plans and specifications and a plot plan have been submitted to and approved in writing by a majority of the members of the Committee as to the following:

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

(B) Conformity and harmony of the external design, color, type and appearance of exterior surfaces and landscaping in relation to the various parts of the proposed improvements and in relation to improvements on other Lots on the Property; and

(C) The other standards that are set forth within this Declaration (and any amendments hereto) or matters in which the Committee has been vested with the authority to render a final interpretation and decision.

The Committee is authorized and empowered to consider and review any and all aspects of construction and landscaping which may, in the reasonable opinion of the Committee, adversely affect the enjoyment by one or more Owners of their property or the general value of Lots on the Property. In considering the harmony of external design between existing structures and the proposed building being erected, placed or altered, the Committee shall consider only the general appearance of the proposed building as that can be determined from the front, rear and side elevations of the plans that are submitted to the Committee.

Section 3.4 Procedure for Approval. A master set of final plans and specifications shall be submitted in duplicate by certified mail or by actual delivery to the Committee at the address of any member of the Committee. The plans and specifications shall show the nature, kind, shape, height, materials and location of all landscaping and improvements. The documents shall specify any requested variance from the setback lines or any other requirement that is set forth in this Declaration. The Committee is authorized to request the submission of samples of proposed construction materials. At such time as the plans and specifications meet the approval of the Committee, one complete set of plans and specifications will be retained by the Committee and another complete set of plans shall be marked "Approved", signed by a majority of the Committee and returned to the Lot Owner or the Owner's designated representative. If disapproved by the Committee, one set of such plans shall be returned marked "Disapproved" and shall be accompanied by a reasonable written statement that sets forth the reasons for disapproval, which statement shall be signed by a majority of the Committee. Any modification of the approved set of plans and specifications must again be submitted to the Committee for its approval. The Committee's approval or disapproval, as required herein, shall be in writing. In no event shall the Committee give verbal approval of any plans. If the Committee fails to approve or disapprove such plans and specifications within thirty (30) days after the date of submission, written approval of the matters submitted shall not be required and compliance with this Article shall be deemed to have been completed. In case of a dispute about whether the Committee responded with in such time period, the person submitting the plans shall have the burden of establishing that the Committee received the plans. The Committee's receipt of the plans may be established by a signed certified mail receipt or a signed delivery receipt.

Section 3.5 Standards. The Committee shall have sole discretion with respect to taste, design and all standards that are specified herein. One objective of the Committee is to prevent unusual, radical, curious, odd, bizarre, peculiar or irregular structures from being built on the Property. The Committee shall also have the authority to prohibit the use of light-weight composition roof material, to require that the colors of roofing materials be earth tones and generally to require that any plans meet the standards of the existing improvements on neighboring Lots. The Committee may from time to time publish and promulgate bulletins regarding architectural standards, which shall be fair, reasonable and uniformly applied and shall carry forward the spirit and intention of this Declaration.

Section 3.6 Variations. Variations from the standards set forth in this Declaration shall be made in accordance with the general development standards as reflected in the plans,

construction materials, landscaping and other matters approved by the Committee.

Section 3.7 Liability of Committee. The members of the Committee shall have no liability for decisions made by the Committee so long as such decisions are made in good faith and are not arbitrary or capricious. Any errors in or omissions from the plans submitted to the Committee shall be the responsibility of the Owner of the Lot to which the improvements relate, and the Committee shall have no obligation to check for errors in or omissions from any such plans, or to check for such plans' compliance with the general provisions of this Declaration, Town codes, state statutes or the common law, whether the same relate to Lot lines, building lines, easements or any other issue.

ARTICLE FOUR

MEMBERSHIP AND VOTING RIGHTS IN THE ASSOCIATION

Section 4.1 Membership. Every Owner of a Lot and any successive buyer(s) shall automatically and mandatorily become a Member of the Association. The Association may not be dissolved without the prior written consent of the Town. Membership shall be appurtenant to and shall not be separated from ownership of any Lot which is part of the Property. Every Member shall have the right at all reasonable times during business hours to inspect the books of the Association.

Section 4.2 Voting Rights. The Association shall have one (1) class of voting membership, which shall consist of all Owners, who shall be entitled to one (1) vote for each Lot owned. When more than one person owns an interest in any Lot, all such persons shall be members of the Association, but the vote for such Lot shall be exercised as the Owners of the particular Lot shall among themselves determine. In no event shall more than one (1) vote be cast with respect to any Lot that is owned by a Member.

Section 4.3 Board of Directors. The Members shall elect the Board of Directors. The Board of Directors shall, by majority rule, conduct the business of the Association, except when membership votes are required pursuant to this Declaration or pursuant to the Articles of Incorporation and/or Bylaws of the Association.

Section 4.4 Adoption of Bylaws. The Board of Directors may make whatever rules and Bylaws it deems desirable to govern the Association and its members; provided however, that any conflict between the Bylaws and the provisions of this Declaration shall be controlled by the provisions of this Declaration.

ARTICLE FIVE

ASSESSMENTS

Section 5.1 Creation of the Lien and Personal Obligation of Assessments. Each Owner, by acceptance of a deed to a Lot, whether or not it shall be so expressed in such deed, is deemed to covenant and agree to pay to the Association the following: (A) annual assessments or charges, and (B) special assessments, such assessments to be established and collected as hereinafter provided. The annual and special assessments, together with interest,

costs and reasonable attorney's fees, shall be a charge on the land and shall be a continuing lien upon the property against which each such assessment is made. Each such assessment, together with interest, costs and reasonable attorney's fees, shall also be the personal obligation of the person who was the Owner of such property at the time when the assessment came due. The personal obligation for delinquent assessments shall not pass to his successors in title unless expressly assumed by them.

Section 5.2 Annual Assessment. Each Lot is hereby subjected to an annual maintenance charge and assessment not to exceed Four Hundred Sixty Dollars (\$460.00) per twelve (12) month period for the purpose of creating the Maintenance Fund, which maintenance charge and assessment will be due and payable by the Owner or Owners of each Lot to the Association in advance on the first day of June of each year. The Association shall, upon demand and for a reasonable charge, furnish a certificate signed by an officer of the Association setting forth whether the assessments on a specified Lot have been paid.

Section 5.3 Purposes. The Association shall use the proceeds of the Maintenance Fund to pay for current cost and to create a reserve fund to pay for the future cost of the following:

(A) Ensuring and being responsible for the continuous and perpetual use, operation, maintenance and supervision of all facilities, structures, improvements, systems, areas and grounds that are the Association's responsibility. Including, but not limited to, drainage easements, landscaping systems, landscape elements and features, landscape irrigation systems, screening walls and fences, subdivision entryway features, the swimming pool and its associated equipment and facilities, and other physical facilities and grounds held in common and necessary or desirable for the welfare of the Owners or that are of common use or benefit to the Owners, including parkways, areas between screening walls or living screens and adjacent curbs or street pavement edges, areas adjacent to drainage ways or drainage structures, and subdivision entryways on the Property;

(B) Maintain and repair the fences in the three (3) foot fence easement areas along McKamy Creek Road and Simmons Road as shown on the Plat;

(C) Maintain and repair the various amenities and improvements, including the pedestrian way, on Lot 10A in Block G on Plat I;

(D) Maintain Lot 1-X in Block G and Lot 1-X in Block L on Plat II;

(E) Maintain Lot 34-X and Lot 35-X in Block L on Plat III; and

(F) Maintain the sight visibility easements and visibility clips as shown on the Plat.

Section 5.4 Special Assessments for Capital Improvements. In addition to the annual assessments authorized above, the Association may levy, in any calendar year, a special assessment applicable to that calendar year only for the purpose of defraying, in whole or in part, the cost of any construction, reconstruction, repair or replacement of a capital improvement upon the Common Areas, including, but not limited to, walkways, walls, fences, landscaping, irrigation systems, lighting systems and the swimming pool and its associated equipment and facilities; provided that any such assessment shall have the consent of two-thirds (2/3) of the votes of the Members who are voting in person or by proxy at a meeting duly called for this purpose not less than thirty (30) days nor more than sixty (60) days in advance of the meeting. At the first such meeting called, the presence of Members or of proxies entitled to cast Sixty Percent (60%) of all the votes of membership shall constitute a

quorum. If the required quorum is not present, another meeting may be called subject to the same notice requirement, and the required quorum at the subsequent meeting shall be one-half (1/2) of the required quorum at the preceding meeting. No such subsequent meeting shall be held more than sixty (60) days following the preceding meeting.

Section 5.5 Effect of Nonpayment of Assessments and Remedies of the Association. Any assessment that is not paid within thirty (30) days after the due date shall bear interest from the due date at the rate of Ten Percent (10%) per annum. The Association may bring an action at law against the Owner personally obligated to pay the same or foreclose the lien against the Lot. No Owner may waive or otherwise escape liability of the assessment provided for herein by non-use of Common Area or abandonment of the Owner's Lot.

Section 5.6 Subordinated Lien to Secure Payment. The lien of the assessments provided for herein shall be subordinate to the liens of any valid mortgage or deed of trust. Sale or transfer of any Lot shall not affect the assessment lien. However, the sale or transfer of any Lot pursuant to mortgage or deed of trust foreclosure (whether by exercise of power of sale or otherwise) or any proceeding in lieu thereof, shall extinguish the lien of such assessments as to payments which became due prior to such sale or transfer. No sale or transfer shall relieve such Lot from liability and liens for any assessments thereafter becoming due.

Section 5.7 Duration. The above maintenance charge and assessment will remain effective for the full term (and extended term, if applicable) of this Declaration.

Section 5.8 Performance by the Town. The Town or its lawful agents, has the right and the ability, after due notice to the Association, to remove any landscape systems, features or elements that cease to be maintained by the Association: to perform the responsibilities of the Association if the Association fails to do so in compliance with any provisions of the agreements, covenants or restrictions of the Association or of any applicable Town codes or regulations; to assess the Association for all costs incurred by the Town in performing said responsibilities if the Association fails to do so; and/or to avail itself of any other enforcement actions available to the Town pursuant to state law or Town codes or regulations. The Association indemnifies and holds the Town harmless from any and all costs, expenses, suits, demands, liabilities or damages, including attorneys' fees and costs of suit, incurred or resulting from the Town 's removal of any landscape systems, features or elements that cease to be maintained by the Association or from the Town 's performance of the aforementioned operation, maintenance or supervision responsibilities of the Association due to the Association's failure to perform said responsibilities.

ARTICLE SIX

PROPERTY RIGHTS IN COMMON AREAS

Section 6.1 Association's Rights. The Association and its assigns, contractors and employees shall have the right and easement to enter upon the Common Areas for the purpose of exercising the rights and performing the obligations of the Association that are set forth in this Declaration.

Section 6.2 Common Area Easements. Every Owner shall have a non-exclusive right and easement of enjoyment in and to the Common Areas. which right shall be appurtenant to

and shall pass with the title to every Lot, subject to the right of the Association to dedicate or transfer all or any part of the Common Areas to any public agency, authority or utility company for such purposes and subject to such conditions as may be agreed to by the Members and required by the Town; provided, however, that no such dedication or transfer shall be effective unless an instrument signed by two-thirds (2/3) of the Members and by the Town agreeing to such dedication or transfer has been recorded.

Section 6.3 Delegation of Rights. Any Owner may delegate, in accordance with the Bylaws of the Association, the Owner's right of enjoyment to the Common Areas and facilities to the members of the Owner's family or to persons residing on the Lot under a lease or contract to purchase from the Owner.

ARTICLE SEVEN

GENERAL PROVISIONS

Section 7.1 Easements. Easements for the installation and maintenance of utilities and drainage facilities are reserved as shown on the Plat. Easements are also reserved for the installation, operation, maintenance and ownership of utility service lines from the property lines to the residences. By acceptance of a deed to any Lot, the Owner thereof covenants and agrees to mow weeds and grass and to keep and maintain in a neat and clean condition any easement which may traverse a portion of the Lot.

Section 7.2 Plat. All dedications, limitations, restrictions, easements and reservations shown on the Plat are deemed to be incorporated herein and shall be construed as being adopted in each contract, deed or conveyance conveying Lots on the Property, whether specifically referred to therein or not.

Section 7.3 Lot Maintenance. The Owner and occupant of each Lot shall maintain grass front and sideyards, shall maintain the yards in a sanitary and attractive manner and shall edge the street curbs that run along the property line. Grass, weeds and vegetation on each Lot must be kept mowed at regular intervals so as to maintain the Lot in a neat and attractive manner. No vegetables shall be grown in any yard that faces a street. No Owner shall permit weeds or grass to grow to a height of greater than six inches (6") upon the Owner's property. Landscaping shall not obscure the street address marker affixed to the residence and shall not impede use of the sidewalks or access to the front entrance of the residence. Upon failure of any Owner to maintain any Lot, the Association may, at its option and after reasonable notice to the Owner, have such maintenance performed as often as necessary in its judgment, and the Owner of such Lot shall be obligated, when presented with an itemized statement, to reimburse the Association for the cost of such work. This provision, however, shall in no manner be construed to create a lien in favor of any party on any property for the cost of such work or the reimbursement for such work.

Section 7.4 Maintenance of Improvements. The Owner of each Lot shall maintain the exterior of all buildings, fences, walls and other improvements on the Owner's Lot in good condition and repair, shall replace worn and rotten parts, shall regularly repair all painted surfaces and shall not permit the roofs, rain gutters, downspouts, exterior walls, window, doors, walks, driveways, parking areas or other exterior portions of the improvements to deteriorate in an unattractive manner.

Section 7.5 Mortgages. It is expressly provided that the breach of any of the

foregoing conditions shall not defeat or render invalid the lien of any mortgage or deed of trust made in good faith and for value as to the same premises or any part thereof encumbered by such mortgage or deed of trust, but said conditions shall be binding thereto as to Lots acquired by foreclosure, trustee's sale or otherwise, as to any breach occurring after such acquisition of title.

Section 7.6 Term. The foregoing covenants and restrictions establishing and creating the Association shall run with and bind the Property and shall remain in full force and effect for a term of twenty-five (25) years after this Declaration is recorded and shall automatically renew for successive periods of ten (10) years.

Section 7.7 Severability. If any condition, covenant or restriction herein contained shall be invalid, which invalidity shall not be presumed until the same is determined by the final judgment or order of a court of competent jurisdiction, such invalidity shall in no way affect any other condition, covenant or restriction. each of which shall remain in full force and effect.

Section 7.8 Binding Effect. Each of the conditions, covenants, restrictions and agreements herein contained is made for the mutual benefit of, and is binding upon, each and every person acquiring any part of the Property, it being understood that such conditions, covenants, restrictions and agreements are not for the benefit of the Owner of any land except land that is a part of the Property. This Declaration, when executed, shall be filed of record in the official public records of real property of the County so that each and every Owner or purchaser of any portion of the Property is on notice of the conditions, covenants, restrictions and agreements herein contained.

Section 7.9 Enforcement. The Owner of any Lot on the Property and the Association shall have the easement and right to have each and all of the foregoing restrictions, conditions, covenants and agreements herein faithfully carried out and performed with reference to each and every Lot on the Property, together with the right to bring any suit or undertake any legal process that may be proper to enforce the performance thereof, it being the intention hereby to attach to each Lot on the Property, without reference to when it was sold, the right and easement to have such restrictions, conditions, covenants and agreements strictly complied with, such right to exist with the Owner of each Lot and to apply to all other Lots on the Property. Failure by any Owner or the Association to enforce any covenant, condition, agreement or restriction herein contained shall in no event be deemed a waiver of the right to do so thereafter.

Section 7.10 Other Authorities. If other authorities, such as the Town or County, impose more demanding, expensive, extensive or restrictive requirements than those that are set forth herein, the requirements of such authorities shall be complied with. Other authorities' imposition of lesser requirements than those set forth herein shall not supersede or diminish the requirements that are set forth herein.

Section 7.11 Addresses. Any notices or correspondence to an Owner of a Lot shall be addressed to the street address of the Lot. Any notices or correspondence to the Committee shall be addressed to any member of the Committee.

Section 7.12 Amendment. At any time, the Owners of the legal title to Sixty-Six Percent (66%) of the Lots on the Property (as shown by the County official public records of real property) may amend the covenants, conditions, agreements and restrictions that are set forth herein by recording an instrument containing such amendment(s). Notwithstanding the foregoing provisions, no portion of the Association's agreements, covenants or restrictions that

pertain to the use, operation, maintenance and/or supervision of any facilities. Structures, improvements, systems, areas or grounds that are the responsibility of the Association may be amended without the prior written consent of the Town.

Section 7.13 Declarant's Joinder. Declarant hereby executes this Consolidated Declaration of Covenants, Conditions and Restrictions solely for the purpose of consenting to the amendments contained herein as provided in the Original Declarations. The Association, on behalf of itself and its Members, and all parties executing and/or consenting to this instrument, hereby release Declarant, and agree to indemnify and hold harmless Declarant, from any claims, losses, or liabilities arising from or related to Declarant's execution hereof, or in any way relating to the Association, this instrument, or any Property encumbered by this instrument.

EXECUTED this _____ day of _____, 2007.

STAFFORD ESTATES HOMEOWNERS' ASSOCIATION, INC.

By:
Emron M. Pratt, Jr., President

STAFFORD ESTATES LIMITED PARTNERSHIP
DECLARANT

BY: STAFFORD ESTATES
DEVELOPMENT CORPORATION

GENERAL PARTNER

BY:
JAMES A. SIEPIELA PRESIDENT

ADDRESS:

5001 LBJ Freeway, Suite 830

Dallas, Texas 75244