

identified in such Recorded instrument. Neither the Association, nor any Owner other than the Declarant or its assignee hereunder, may use the CTT Easement Area in any manner which interferes with operation of the CTT Equipment. Declarant hereby reserves for itself and its assigns the right to use, sell, lease or assign all or any portion of the CTT Easement Area, for the construction, installation, use, maintenance, repair, replacement, improvement, removal and operation of the CTT Equipment. In addition, Declarant hereby reserves for itself and its assigns a non-exclusive, perpetual and irrevocable easement over the Property for access to and from the CTT Easement Area and to construct, install, use, maintain, repair, replace, improve, remove, and operate, or allow others to do the same, any utility lines servicing the CTT Equipment. Declarant also reserves for itself and its assigns the right to select and contract with any third-party for the construction, installation, use, maintenance, repair, replacement, improvement, removal and operation of the CTT Equipment and to provide any telecommunication, cellular, video or digital service associated therewith. Declarant shall have and hereby reserves for itself and its assigns the sole and exclusive right to collect and retain any and all income and/or proceeds received from or in connection with use or services provided by the CTT Equipment and the rights described in this Section. The rights reserved to Declarant under this Section shall benefit only Declarant and its assigns, and no other Owner or successor-in-title to any portion of the Property shall have any rights to income derived from or in connection with the rights and easements granted in this Section, except as expressly approved in writing by Declarant. EACH OWNER AND RESIDENT HEREBY RELEASES AND HOLDS HARMLESS THE DECLARANT AND ITS ASSIGNS FROM ANY COST, LOSS, DAMAGE, EXPENSE, LIABILITY, CLAIM OR CAUSE OF ACTION INCURRED OR THAT MAY ARISE BY REASON OF ANY ACTS, ACTIONS OR ACTIVITIES PERMITTED BY DECLARANT ITS ASSIGNS UNDER THIS SECTION (INCLUDING ANY COST, EXPENSE, LIABILITY, CLAIM OR CAUSE OF ACTION ARISING OUT OF NEGLIGENCE IN CONNECTION THEREWITH), EXCEPT FOR SUCH COST, LOSS, DAMAGE, EXPENSE, LIABILITY, CLAIM OR CAUSE OF ACTION ARISING BY REASON OF GROSS NEGLIGENCE OR WILLFUL MISCONDUCT. "GROSS NEGLIGENCE" DOES NOT INCLUDE SIMPLE NEGLIGENCE, CONTRIBUTORY NEGLIGENCE OR SIMILAR NEGLIGENCE SHORT OF ACTUAL GROSS NEGLIGENCE. The provisions of this Section shall not be amended without the written and acknowledged consent of Declarant or the assignee of all or any portion of Declarant's rights hereunder.

9.9 Easement to Inspect and Right to Correct. For a period of ten (10) years after the expiration of the Development Period, Declarant reserves for itself and for the Declarant's architect, engineer, other design professionals, builder and general contractor the right, but not the duty, to inspect, monitor, test, redesign, correct, and relocate any structure, Improvement, or condition that may exist on any portion of the Property, including the Lots, and a perpetual non-exclusive easement of access throughout the Property to the extent reasonably necessary to exercise this right. The party exercising such rights will promptly repair, at its sole expense, any damage resulting from the exercise of this right. By way of illustration but not limitation, relocation of mechanical or electrical facilities may be warranted by a change of circumstance,

imprecise siting of the original facilities, or the desire or necessity to comply more fully with Applicable Law. This *Section 9.9* may not be construed to create a duty for Declarant, the Association, or any architect, engineer, other design professionals, builder or general contractor, and may not be amended without Declarant's advanced written consent. In support of this reservation, each Owner, by accepting an interest in or title to a Lot, hereby grants to Declarant an easement of access and entry over, across, under, and through the Property, including without limitation, all Common Areas and the Owner's Lot and all Improvements thereon for the purposes contained in this *Section 9.9*.

ARTICLE 10 DEVELOPMENT RIGHTS

10.1 Development by Declarant. It is contemplated that the Property will be developed pursuant to a plan, which may, from time to time, be amended or modified. Declarant reserves the right, but will not be obligated, to pursue the development, construction and marketing of the Property, the right to direct the size, shape, and composition of the Property, the right to create and/or designate Lots and Common Areas and to subdivide all or any portion of the Property pursuant to the terms of this *Section 10.1*, subject to any limitations imposed on portions of the Property by any applicable Plat. These rights may be exercised with respect to any portions of the Property and the Common Area. As each area is developed or dedicated, Declarant may designate the use, classification and such additional covenants, conditions and restrictions as Declarant may deem appropriate for that area.

10.2 Special Declarant Rights. Notwithstanding any provision of this Declaration to the contrary, at all times, Declarant will have the right and privilege: (i) to erect and maintain advertising signs (illuminated or non-illuminated), sales flags, other sales devices and banners for the purpose of aiding the sale of Lots in the Property; (ii) to maintain Improvements upon Lots as sales, model, management, business and construction offices; and (iii) to maintain and locate construction trailers and construction tools and equipment within the Property and the Common Area. The construction, placement or maintenance of Improvements by Declarant will not be considered a nuisance, and Declarant hereby reserves the right and privilege for itself to conduct the activities enumerated in this *Section 10.2* until twenty-four (24) months after expiration or termination of the Development Period.

10.3 Addition of Land. Declarant may, at any time and from time to time, add additional lands to the Property. Upon the Recording of a notice of addition of land, such land will be considered part of the Property for purposes of this Declaration, and such added lands will be considered part of the Property subject to this Declaration and the terms, covenants, conditions, restrictions and obligations set forth in this Declaration, and the rights, privileges, duties and liabilities of the persons subject to this Declaration will be the same with respect to such added land as with respect to the lands originally covered by this Declaration. To add lands to the Property, Declarant will be required only to Record a notice of addition of land containing the following provisions:

(i) A reference to this Declaration, which reference will state the document number or volume and initial page number wherein this Declaration is Recorded;

(ii) A statement that such land will be considered Property for purposes of this Declaration, and that all of the terms, covenants, conditions, restrictions and obligations of this Declaration will apply to the added land; and

(iii) A legal description of the added land.

10.4 Withdrawal of Land. Declarant may, at any time and from time to time, reduce or withdraw from the Property, and remove and exclude from the burden of this Declaration and the jurisdiction of the Association any portion of the Property. Upon any such withdrawal and removal this Declaration and the covenants conditions, restrictions and obligations set forth herein will no longer apply to the portion of the Property withdrawn. To withdraw lands from the Property hereunder, Declarant will be required only to Record a notice of withdrawal of land containing the following provisions:

(i) A reference to this Declaration, which reference will state the document number or volume and initial page number wherein this Declaration is recorded;

(ii) A statement that the provisions of this Declaration will no longer apply to the withdrawn land; and

(iii) A legal description of the withdrawn land.

10.5 Notice of Plat Recordation. Declarant may, at any time and from time to time, file a notice of plat recordation (a "**Notice of Plat Recordation**"). A Notice of Plat Recordation is Recorded for the purpose of more clearly identifying specific Lots subject to the terms and provisions of this Declaration after portions of the Property is made subject to a Plat. Unless otherwise provide in the Notice of Plat Recordation, portions of the Property included in the Plat identified in the Notice of Plat Recordation, but not shown as a residential Lot on such Plat, shall be automatically withdrawn from the terms and provisions of this Declaration (without the necessity of complying with the withdrawal provisions set forth in *Section 10.4*). Declarant shall have no obligation to Record a Notice of Plat Recordation and failure to Record a Notice of Plat Recordation shall in no event remove any portion of the Property from the terms and provisions of this Declaration.

10.6 Assignment of Declarant's Rights. Notwithstanding any provision in this Declaration to the contrary, Declarant may, by written instrument, assign, in whole or in part, any of its privileges, exemptions, rights and duties under this Declaration to any person or entity and may permit the participation, in whole, in part, exclusively, or non-exclusively, by any other person or entity in any of its privileges, exemptions, rights and duties hereunder.

ARTICLE 11 GENERAL PROVISIONS

11.1 Term. The terms, covenants, conditions, restrictions, easements, charges, and liens set out in this Declaration will run with and bind the Property, and will inure to the benefit of and be enforceable by the Association, and every Owner, including Declarant, and their respective legal representatives, heirs, successors, and assigns, for a term beginning on the date this Declaration is Recorded, and continuing through and including January 1, 2070, after which time this Declaration will be automatically extended for successive periods of ten (10) years unless a change (the word "change" meaning a termination, or change of term or renewal term) is approved in a resolution adopted by Members entitled to cast at least sixty-seven percent (67%) of the total number of votes of the Association, voting in person or by proxy at a meeting duly called for such purpose, written notice of which will be given to all Members at least thirty (30) days in advance and will set forth the purpose of such meeting; provided, however, that such change will be effective only upon the Recording of a certified copy of such resolution. The foregoing sentence shall in no way be interpreted to mean sixty-seven percent (67%) of a quorum as established pursuant to the Bylaws. Notwithstanding any provision in this *Section 11.1* to the contrary, if any provision of this Declaration would be unlawful, void, or voidable by reason of any Applicable Law restricting the period of time that covenants on land may be enforced, such provision will expire twenty-one (21) years after the death of the last survivor of the now living, as of the date of the Recording of this document, descendants of Elizabeth II, Queen of England.

11.2 Eminent Domain. In the event it becomes necessary for any public authority to acquire all or any part of the Common Area for any public purpose during the period this Declaration is in effect, the Board is hereby authorized to negotiate with such public authority for such acquisition and to execute instruments necessary for that purpose. Should acquisitions by eminent domain become necessary, only the Board need be made a party, and in any event the proceeds received will be held by the Association for the benefit of the Owners. In the event any proceeds attributable to acquisition of Common Area are paid to Owners, such payments will be allocated on the basis of Assessment Units and paid jointly to the Owners and the holders of Mortgages or deeds of trust on the respective Lot.

11.3 Amendment. This Declaration may be amended or terminated by the Recording of an instrument executed and acknowledged by: (i) Declarant acting alone; or (ii) by the president and secretary of the Association setting forth the amendment and certifying that such amendment has been approved by Declarant (until expiration or termination of the Development Period) and Members entitled to cast at least sixty-seven percent (67%) of the total number of votes entitled to be cast by members of the Association. The foregoing sentence shall in no way be interpreted to mean sixty-seven percent (67%) of a quorum as established pursuant to the Bylaws. No amendment will be effective without the written consent of Declarant, its successors or assigns, during the Development Period.

11.4 Enforcement. Except as otherwise provided herein, any Owner of a Lot, at such Owner's own expense, Declarant and the Association will have the right to enforce, by a proceeding at law or in equity, all restrictions, conditions, covenants, reservations, liens, charges and other terms now or hereafter imposed by the Restrictions. The Association and/or the Declarant may initiate, defend or intervene in any action brought to enforce any Restrictions. Such right of enforcement will include both damages for and injunctive relief against the breach of any provision hereof. Every act or omission whereby any Restrictions are violated, in whole or in part, is hereby declared to be a nuisance and may be enjoined or abated by any Owner of a Lot (at such Owner's own expense), Declarant or the Association. Any violation of any Applicable Law pertaining to the ownership, occupancy, or use of any portion of the Property is hereby declared to be a violation of this Declaration and subject to all of the enforcement procedures set forth herein. Failure to enforce any right, provision, covenant, or condition set forth in the Restrictions will not constitute a waiver of the right to enforce such right, provision, covenants or condition in the future. Failure of the Declarant or the Association to enforce the terms and provisions of the Restrictions shall in no event give rise to any claim or liability against the Declarant, the Association, or any of their partners, directors, officers, or agents. **EACH OWNER, BY ACCEPTING TITLE TO ALL OR ANY PORTION OF THE PROPERTY, HEREBY RELEASES AND SHALL HOLD HARMLESS EACH OF THE DECLARANT, THE ASSOCIATION, AND THEIR PARTNERS, DIRECTORS, OFFICERS, OR AGENTS FROM AND AGAINST ANY DAMAGES, CLAIMS OR LIABILITY ASSOCIATED WITH THE FAILURE OF THE DECLARANT OR THE ASSOCIATION TO ENFORCE THE RESTRICTIONS.**

11.5 No Warranty of Enforceability. Declarant makes no warranty or representation as to the present or future validity or enforceability of the Restrictions. Any Owner acquiring a Lot in reliance on one or more of the Restrictions shall assume all risks of the validity and enforceability thereof and, by acquiring the Lot, agrees to hold Declarant harmless therefrom.

11.6 Higher Authority. The terms and provisions of this Declaration are subordinate to Applicable Law. Generally, the terms and provisions of this Declaration are enforceable to the extent they do not violate or conflict with Applicable Law.

11.7 Severability. If any provision of this Declaration is held to be invalid by any court of competent jurisdiction, such invalidity will not affect the validity of any other provision of this Declaration, or, to the extent permitted by Applicable Law, the validity of such provision as applied to any other person or entity.

11.8 Conflicts. If there is any conflict between the provisions of this Declaration, the Certificate, the Bylaws, or any Rules and Regulations adopted pursuant to the terms of such documents, the provisions of this Declaration, the Certificate, the Bylaws, and the Rules and Regulations, in such order, will govern.

11.9 Gender. Whenever the context so requires, all words herein in the male gender will be deemed to include the female or neuter gender, all singular words will include the plural, and all plural words will include the singular.

11.10 Acceptance by Owners. Each Owner of a Lot or other real property interest in the Property, by the acceptance of a deed of conveyance, or each subsequent purchaser, accepts the same subject to all terms, restrictions, conditions, covenants, reservations, easements, liens and charges, and the jurisdiction rights and powers created or reserved by this Declaration or to whom this Declaration is subject, and all rights, benefits and privileges of every character hereby granted, created, reserved or declared. Furthermore, each Owner agrees that no assignee or successor to Declarant hereunder will have any liability for any act or omission of Declarant which occurred prior to the effective date of any such succession or assignment. All impositions and obligations hereby imposed will constitute covenants running with the land within the Property, and will bind any person having at any time any interest or estate in the Property, and will inure to the benefit of each Owner in like manner as though the provisions of this Declaration were recited and stipulated at length in each and every deed of conveyance.

11.11 Damage and Destruction. The Association shall undertake the following actions subsequent to damage or destruction to all or any part of the Common Area covered by insurance:

11.11.1 Claims. Promptly after damage or destruction by fire or other casualty to all or any part of the Common Area covered by insurance, the Board, or its duly authorized agent, will proceed with the filing and adjustment of all claims arising under such insurance and obtain reliable and detailed estimates of the cost of repair of the damage. Repair, as used in this *Section 11.11.1*, means repairing or restoring the Common Area to substantially the same condition as existed prior to the fire or other casualty.

11.11.2 Repair Obligations. Any damage to or destruction of the Common Area will be repaired unless a Majority of the Board decides within sixty (60) days after the casualty not to repair. If for any reason either the amount of the insurance proceeds to be paid as a result of such damage or destruction, or reliable and detailed estimates of the cost of repair, or both, are not made available to the Association within said period, then the period will be extended until such information will be made available.

11.11.3 Restoration. In the event that it should be determined by the Board that the damage or destruction of the Common Area will not be repaired and no alternative Improvements are authorized, then the affected portion of the Common Area will be restored to its natural state and maintained as an undeveloped portion of the Common Area by the Association in a neat and attractive condition.

11.11.4 Special Assessment. If insurance proceeds are paid to restore or repair any damaged or destroyed Common Area, and such proceeds are not sufficient to defray the

cost of such repair or restoration, the Board will levy a Special Assessment, as provided in *Article 6*, against all Owners. Additional Assessments may be made in like manner at any time during or following the completion of any repair.

11.11.5 Proceeds Payable to Owners. In the event that any proceeds of insurance policies are paid to Owners as a result of any damage or destruction to any Common Area, such payments will be allocated based on Assessment Units and paid jointly to the Owners and the holders of Mortgages or deeds of trust on their Lots.

11.12 No Partition. Except as may be permitted in this Declaration or amendments thereto, no physical partition of the Common Area or any part thereof will be permitted, nor will any person acquiring any interest in the Property or any part thereof seek any such judicial partition unless the portion of the Property or Common Area in question has been removed from the provisions of this Declaration pursuant to *Section 10.4* above. This *Section 11.12* will not be construed to prohibit the Board from acquiring and disposing of tangible personal property or from acquiring title to real property that may or may not be subject to this Declaration.

11.13 View Impairment. Neither Declarant nor the Association guarantee or represent that any view over and across the Lots, or any open space or Common Area within the Property will be preserved without impairment. Neither the Declarant, the ACC, nor the Association shall have any obligation to relocate, prune, thin trees or perform other landscaping. The Association (with respect to any Common Area) will have the right to add trees and other landscaping from time to time, subject to Applicable Law. There shall be no express or implied easements for view purposes or for the passage of light and air.

11.14 Safety and Security. Each Owner and Resident of a Lot, and their respective guests and invitees, shall be responsible for their own personal safety and the security of their property within the Property and the Common Area. The Association may, but shall not be obligated to, maintain or support certain activities within the Property and the Common Area designed to promote or enhance the level of safety or security which each person provides for himself or herself and his or her property. However, neither the Association nor Declarant shall in any way be considered insurers or guarantors of safety or security within the Property or the Common Area, nor shall either be held liable for any loss or damage by reason of failure to provide adequate security or ineffectiveness of security measures undertaken.

No representation or warranty is made that any systems or measures, including security monitoring systems or any mechanism or system for limiting access to the Property or the Common Area, cannot be compromised or circumvented; or that any such system or security measures undertaken will in all cases prevent loss or provide the detection or protection for which the system is designed or intended. Each Owner acknowledges, understands, and shall be responsible for informing any Residents of such Owner's Lot that the Association, its Board and committees, and the Declarant are not insurers or guarantors of security or safety and that

each person within the Property assumes all risks of personal injury and loss or damage to the property, including any residences or Improvements constructed upon any Lot and the contents thereof, resulting from acts of third parties.

11.15 Notices. Any notice permitted or required to be given to any person by this Declaration will be in writing and may be delivered either personally or by mail, or as otherwise required by Applicable Law. If delivery is made by mail, it will be deemed to have been delivered on the third (3rd) day (other than a Sunday or legal holiday) after a copy of the same has been deposited in the United States mail, postage prepaid, addressed to the person at the address given by such person to the Association for the purpose of service of notices. Such address may be changed from time to time by notice in writing given by such person to the Association.

11.16 Mining and Drilling. Except for the Third Party Oil, Gas and Mineral Interests defined below, no other portion of the Property may be used for the purpose of mining, quarrying, drilling, boring, or exploring for or removing oil, gas, or other hydrocarbons, minerals of any kind, rocks, stones, sand, gravel, aggregate, or earth. This provision will not be construed to prevent the excavation of rocks, stones, sand, gravel, aggregate, or earth or the storage of such material for use as fill provided that such activities are conducted in conjunction with the construction of Improvements and/or the development of the Property by the Declarant. Furthermore, this provision will not be interpreted to prevent the drilling of water wells approved in advance by the Board which are required to provide water to all or any portion of the Property. All water wells must also be approved in advance by the Board and any applicable regulatory authority. This Section 11.16 shall not apply to minerals, resources and groundwater, or some portion thereof or some interest therein, that may have been conveyed or reserved by third parties prior to Declarant's ownership of the Property (the "Third Party Oil, Gas and Mineral Interests"). No representation or warranty, express or implied, is made as to the ownership of the minerals, resources and groundwater or any portion thereof or any interest therein.

ARTICLE 12 DISPUTE RESOLUTION

This Article 12 is intended to encourage the resolution of disputes involving the Property. A dispute regarding the Lots, Common Area, and/or Improvements can create significant financial exposure for the Association and its Members, interfere with the resale and refinancing of Lots, and increase strife and tension among the Owners, the Board and the Association's management. Since disputes may have a direct effect on each Owner's use and enjoyment of their Lot and the Common Area, this Article 12 requires Owner transparency and participation in certain circumstances. Transparency means that the Owners are informed in advance about a dispute, the proposed arrangement between the Association and a law firm or attorney who will represent the Association in the dispute, and that each Owner will have an

opportunity to participate in the decision-making process prior to initiating the dispute resolution process.

12.1 Introduction and Definitions. The Association, the Owners, Declarant, Homebuilders, and all persons subject to this Declaration, and each person not otherwise subject to this Declaration who agrees to submit to this *Article 12* by written instrument delivered to the Claimant, which may include, but is not limited to, a Homebuilder, a general contractor, sub-contractor, design professional, or other person who participated in the design or construction of Lots, Common Area or any Improvement within, serving or forming a part of the Property (individually, a “**Party**” and collectively, the “**Parties**”) agree to encourage the amicable resolution of disputes involving the Property and the Common Area to avoid the emotional and financial costs of litigation and arbitration if at all possible. Accordingly, each Party hereby covenants and agrees that this Article applies to all Claims as hereafter defined. Notwithstanding anything contained in this *Article 12*, any Claim brought by an Owner related to a residence that is subject to a warranty agreement provided by the Declarant or Homebuilder will not be subject to this *Article 12* and will be governed by the warranty agreement, unless the Parties agree to have the dispute governed by this *Article 12*. This *Article 12* may only be amended with the prior written approval of the Declarant, the Association (acting through a Majority of the Board), and Owners holding 100% of the votes in the Association. As used in this Article only, the following words, when capitalized, have the following specified meanings:

12.1.1 “**Claim**” means:

(i) Claims relating to the rights and/or duties of Declarant, the Association, or the ACC, under the Restrictions.

(ii) Claims relating to the acts or omissions of the Declarant, the Association or a Board member or officer of the Association during Declarant’s control and administration of the Association, and any claim asserted against the ACC.

(iii) Claims relating to the design or construction of the Common Area or any Improvements located within or on Common Area.

12.1.2 “**Claimant**” means any Party having a Claim against any other Party.

12.1.3 “**Respondent**” means any Party against which a Claim has been asserted by a Claimant.

12.2 Mandatory Procedures. Claimant may not initiate any proceeding before any judge, jury, arbitrator or any judicial or administrative tribunal seeking redress or resolution of its Claim until Claimant has complied with the procedures of this Article. As provided in *Section 12.8* below, a Claim must be resolved by binding arbitration.

12.3 Claim Affecting Common Areas. In accordance with *Section 4.15* of this Declaration, the Association does not have the power or right to institute, defend, intervene in, settle, or compromise litigation, arbitration or other proceedings: (i) in the name of or on behalf of any Lot Owner (whether one or more); or (ii) pertaining to a Claim, as defined in *Section 12.1* above, relating to the design or construction of Improvements on a Lot (whether one or more). Additionally, no Lot Owner shall have the power or right to institute, defend, intervene in, settle or compromise litigation, arbitration or other proceedings relating to the design or construction of the Common Area. Each Lot Owner, by accepting an interest in or to title to a Lot, hereby grants to the Association the exclusive right to institute, defend, intervene in, settle or compromise litigation, arbitration or other proceedings relating to the design or construction of the Common Area. In the event the Association asserts a Claim related to the Common Area, as a precondition to providing the Notice defined in *Section 12.5*, initiating the mandatory dispute resolution procedures set forth in this *Article 12*, or taking any other action to prosecute a Claim related to the Common Area, the Association must:

12.3.1 Obtain Owner Approval of Engagement.

The requirements related to Owner approval set forth in this Section 12.3.1 are intended to ensure that the Association and the Owners approve and are fully informed of the financial arrangements between the Association and a law firm or attorney engaged by the Association to prosecute a Claim relating to the design or construction of the Common Area. The engagement agreement between the Association and the law firm or attorney may include requirements that the Association pay costs, fees, and expenses to the law firm or attorney which will be paid through Assessments levied against Owners. The financial agreement between the Association and the law firm or attorney may also include obligations related to payment, and the conditions and circumstances when the payment obligations arise, if the relationship between the Association and the law firm or attorney is terminated or if the Association agrees to settle the Claim. In addition, the financial arrangement between the Association and the law firm or attorney may include additional costs, expenses, and interest charges. This financial obligation can be significant. The Board may not engage a law firm or attorney to prosecute a Claim relating to the design or construction of the Common Area or execute a written agreement between the Association and a law firm or attorney for the purpose of prosecuting a Claim relating to the design or construction of Common Area unless the law firm or attorney and the financial arrangements between the Association and the law firm or attorney are approved by the Owners in accordance with this Section 12.3.1.

Unless otherwise approved by Members holding eighty percent (80%) of the votes in the Association, the Association, acting through its Board, shall in no event have the authority to engage a law firm or attorney to prosecute a Claim relating to the design or construction of the Common Area if the agreement between the Association and law firm or attorney includes any provision or requirement that would obligate the Association to pay any costs, expenses, fees, or other charges to the law firm or attorney, including but not limited to, costs, expenses, fees, or other charges payable by the Association: (i) if the Association terminates the engagement

with the law firm or attorney or engages another firm or third-party to assist with the Claim; (ii) if the Association agrees to settle the Claim for a cash payment or in exchange for repairs or remediation performed by the Respondent or any other third-party; (iii) if the Association agrees to pay interest on any costs or expenses incurred by the law firm or attorney; and/or (iv) for consultants, expert witnesses, and/or general contractors hired by the law firm or attorney. For avoidance of doubt, it is intended that Members holding eighty percent (80%) of the votes in the Association must approve the law firm and attorney who will prosecute the Claim and the written agreement between the Association and the law firm and/or attorney.

The approval of the Members required under this *Section 12.3.1* must be obtained at a meeting of Members called in accordance with the Bylaws. The notice of Member meeting will be provided pursuant to the Bylaws but the notice must also include: (a) the name of the law firm and attorney; (b) a copy of the proposed written agreement between the Association and the law firm and/or attorney; (c) a narrative summary of the types of costs, expenses, fees, or other charges that may be required to be paid by the Association; (d) the conditions upon which such types of costs, expenses, fees, or other charges are required to be paid by the Association; (e) an estimate of the costs, expenses, fees, or other charges that may be required to be paid by the Association if the conditions for payment occur, which estimate shall be expressed as a range for each type of cost, expense, fee, or other charge; and (f) a description of the process the law firm and/or attorney will use to evaluate the Claim and whether destructive testing will be required (i.e., the removal of all or portions of the Common Area or Improvements on the Property). If destructive testing will be required or is likely to occur, the notice shall include a description of the destructive testing, likely locations of the destructive testing, whether the Owner's use of their Lots or the Common Area will be affected by such testing, and if the destructive testing occurs the means or method the Association will use to repair the Common Area or Improvements affected by such testing and the estimated costs thereof. The notice required by this paragraph must be prepared and signed by a person other than the law firm or attorney who is a party to the proposed agreement being approved by the Members. In the event Members holding eighty percent (80%) of the votes in the Association approve the law firm and/or attorney who will prosecute the Claim and the written agreement between the Association and the law firm and/or attorney, the Board shall have the authority to engage the law firm and/or attorney and enter into the written agreement approved by the Members.

12.3.2 Provide Notice of the Inspection. As provided in *Section 12.3.3* below, a Common Area Report is required which is a written inspection report issued by the Inspection Company. Before conducting an inspection that is required to be memorialized by the Common Area Report, the Association must have provided at least ten (10) days prior written notice of the date on which the inspection will occur to each Respondent which notice shall identify the Inspection Company preparing the Common Area Report, the specific Common Areas to be inspected, and the date and time the inspection will occur. Each Respondent may attend the inspection, personally or through an agent.

12.3.3 Obtain a Common Area Report.

The requirements related to the Common Area Report set forth in this Section 12.3.3 are intended to provide assurance to the Claimant, Respondent, and the Owners that the substance and conclusions of the Common Area Report and recommendations are not affected by influences that may compromise the professional judgement of the party preparing the Common Area Report, and to avoid circumstances which would create the appearance that the professional judgment of the party preparing the Common Area Report is compromised.

Obtain a written independent third-party report for the Common Area (the “**Common Area Report**”) from a professional engineer licensed by the Texas Board of Professional Engineers with an office located in Collin County, Texas (the “**Inspection Company**”). The Common Area Report must include: (i) a description with photographs of the Common Area subject to the Claim; (ii) a description of the present physical condition of the Common Area subject to the Claim; (iii) a detailed description of any modifications, maintenance, or repairs to the Common Area performed by the Association or a third-party, including any Respondent; and (iv) specific and detailed recommendations regarding remediation and/or repair of the Common Area subject to the Claim. For the purpose of subsection (iv) of the previous sentence, the specific and detailed recommendations must also include the specific process, procedure, materials, and/or improvements necessary and required to remediate and/or repair the deficient or defective condition identified in the Common Area Report and the estimated costs necessary to effect such remediation and/or repairs. The estimate of costs required by the previous sentence shall be obtained from third-party contractors with an office located in Collin County, Texas, and each such contractor providing the estimate must hold all necessary or required licenses from the Texas Department of Licensing and Regulation or otherwise required by Applicable Law for the work to which the cost estimate relates.

The Common Area Report must be obtained by the Association. The Common Area Report will not satisfy the requirements of this Section and is not an “independent” report if: (a) the Inspection Company has an arrangement or other agreement to provide consulting and/or engineering services with the law firm or attorney that presently represents the Association or proposes to represent the Association; (b) the costs and expenses for preparation of the Common Area Report are not required to be paid directly by the Association to the Inspection Company at the time the Common Area Report is finalized and delivered to the Association; or (c) the law firm or attorney that presently represents the Association or proposes to represent the Association has agreed to reimburse (whether unconditional or conditional and based on the satisfaction of requirements set forth in the Association’s agreement with the law firm or attorney) the Association for the costs and expenses for preparation of the Common Area Report. For avoidance of doubt, an “independent” report means that the Association has independently contracted with the Inspection Company on an arms-length basis based on customary terms for the preparation of engineering reports and that the Association will directly pay for the report at the time the Common Area Report is finalized and delivered to the Association.

12.3.4 Provide a Copy of Common Area Report to all Respondents and Owners.

Upon completion of the Common Area Report, and in any event no later than three (3) days after the Association has been provided a copy of the Common Area Report, the Association will provide a full and complete copy of the Common Area Report to each Respondent and to each Owner. The Association shall maintain a written record of each Respondent and Owner who was provided a copy of the Common Area Report which will include the date the report was provided. The Common Area Report shall be delivered to each Respondent by hand-delivery and to each Owner by mail.

12.3.5 Provide a Right to Cure Defects and/or Deficiencies Noted on Common Area Report.

Commencing on the date the Common Area Report has been completed and continuing for a period of ninety (90) days thereafter, each Respondent shall have the right to: (i) inspect any condition identified in the Common Area Report; (ii) contact the Inspection Company for additional information necessary and required to clarify any information in the Common Area Report; and (iii) correct any condition identified in the Common Area Report. As provided in *Section 9.9* of the Declaration, the Declarant has an easement throughout the Property for itself, and its successors, assigns, architects, engineers, other design professionals, each Homebuilder, other builders, and general contractors that may be utilized during such ninety (90) day period and any additional period needed thereafter to correct a condition identified in the Common Area Report.

12.3.6 Hold Owner Meeting and Obtain Approval.

In addition to obtaining approval from Members for the terms of the attorney or law firm engagement agreement, the Association must obtain approval from Members holding eighty percent (80%) of the votes in the Association to provide the Notice described in *Section 12.5*, initiate the mandatory dispute resolution procedures set forth in this *Article 12*, or take any other action to prosecute a Claim, which approval from Members must be obtained at a meeting of Members called in accordance with the Bylaws. The notice of meeting required hereunder will be provided pursuant to the Bylaws but the notice must also include: (i) the nature of the Claim, the relief sought, the anticipated duration of prosecuting the Claim, and the likelihood of success; (ii) a copy of the Common Area Report; (iii) a copy of any engagement letter between the Association and the law firm and/or attorney selected by the Association to assert or provide assistance with the Claim; (iv) a description of the attorney fees, consultant fees, expert witness fees, and court costs, whether incurred by the Association directly or for which the Association may be liable as a result of prosecuting the Claim; (v) a summary of the steps previously taken by the Association to resolve the Claim; (vi) a statement that initiating the lawsuit or arbitration proceeding to resolve the Claim may affect the market value, marketability, or refinancing of a Lot while the Claim is prosecuted; and (vii) a description of the manner in which the Association proposes to fund the cost of prosecuting the Claim. The notice required by this paragraph must be prepared and signed by a person who is not (a) the attorney who represents or will represent the Association in the Claim; (b) a member of the law firm of the attorney who represents or will represent the Association in the Claim; or (c) employed by or otherwise affiliated with the law firm of the attorney who represents or will represent the Association in

the Claim. In the event Members approve providing the Notice described in *Section 12.5*, or taking any other action to prosecute a Claim, the Members holding a Majority of the votes in the Association, at a special meeting called in accordance with the Bylaws, may elect to discontinue prosecution or pursuit of the Claim.

12.3.7 Provide Officer Certification. Within ten (10) days after a vote of Members called pursuant to this *Article 12*, the secretary or another officer of the Association will provide to Declarant and any Respondent (if different than Declarant): (i) a true and correct copy of the meeting notice provided to Members, for the meeting at which such vote was taken; (ii) copies of the ballots cast at such meeting (whether in person, electronic, or by proxy); (iii) a certification, executed by the issuing officer of the Association that: (a) the information set forth in (i) and (ii) hereinabove is true and correct; (b) the meeting notice provided to Members was provided in accordance with this *Article 12*; and (c) the vote was held in accordance with the Bylaws and this *Article 12*.

12.4 Claim by Lot Owners. Pursuant to *Section 12.3* above, an Owner does not have the power or right to institute, defend, intervene in, settle or compromise litigation, arbitration or other proceedings relating to the design or construction of the Common Area. In the event that a court of competent jurisdiction or arbitrator determines that an Owner does have the power or right to institute, defend, intervene in, settle or compromise litigation, arbitration or other proceedings relating to the design or construction of the Common Area, such Owner shall be required, since a Claim affecting the Common Area could affect all Owners, as a precondition to providing the Notice defined in *Section 12.5*, initiating the mandatory dispute resolution procedures set forth in this *Article 12*, or taking any other action to prosecute a Claim, to comply with the requirements imposed by the Association in accordance with *Section 12.3.2* (Provide Notice of Inspection), *Section 12.3.3* (Obtain a Common Area Report), *Section 12.3.4* (Provide a Copy of Common Area Report to all Respondents and Owners), *Section 12.3.5* (Provide Right to Cure Defects and/or Deficiencies Noted on Common Area Report), *Section 12.3.6* (Owner Meeting and Approval), *Section 12.3.7* (Officer Certification), and *Section 12.5* (Notice). Additionally, class action proceedings are prohibited, and no Owner shall be entitled to prosecute, participate, initiate, or join any litigation, arbitration or other proceedings as a class member or class representative in any such proceedings under this Declaration.

12.5 Notice. Claimant must notify Respondent in writing of the Claim (the "Notice"), stating plainly and concisely: (i) the nature of the Claim, including date, time, location, persons involved, and Respondent's role in the Claim; (ii) the basis of the Claim (i.e., the provision of the Restrictions or other authority out of which the Claim arises); (iii) what Claimant wants Respondent to do or not do to resolve the Claim; and (iv) that the Notice is given pursuant to this Section. For Claims governed by Chapter 27 of the Texas Property Code, the time period for negotiation in *Section 12.6* below, is equivalent to the sixty (60) day period under Section 27.004 of the Texas Property Code. If a Claim is subject to Chapter 27 of the Texas Property Code, the Claimant and Respondent are advised, in addition to compliance with

Section 12.6, to comply with the terms and provisions of Section 27.004 of the Texas Property Code during such sixty (60) day period. *Section 12.6* does not modify or extend the time period set forth in Section 27.004 of the Texas Property Code. Failure to comply with the time periods or actions specified in Section 27.004 of the Texas Property Code could affect a Claim if the Claim is subject to Chapter 27 of the Texas Property Code. The one hundred and twenty (120) day period for mediation set forth in *Section 12.7* below, is intended to provide the Claimant and Respondent with sufficient time to resolve the Claim in the event resolution is not accomplished during negotiation. If the Claim is not resolved during negotiation, mediation pursuant to *Section 12.7* is required without regard to the monetary amount of the Claim.

If the Claimant is the Association, the Notice will also include: (a) if the Claim relates to the design or construction of the Common Area, a true and correct copy of the Common Area Report and any and all other reports, studies, analyses, and recommendations obtained by the Association related to the Common Area; (b) a copy of any engagement letter between the Association and the law firm and/or attorney selected by the Association to assert or provide assistance with the Claim; (c) if the Claim relates to the design or construction of the Common Area, reasonable and credible evidence confirming that Members holding eighty percent (80%) of the votes in the Association approved the law firm and attorney and the written agreement between the Association and the law firm and/or attorney in accordance with *Section 12.3.1*; (d) a true and correct copy of the special meeting notice provided to Members in accordance with *Section 12.3.6* above; and (e) reasonable and credible evidence confirming that Members holding eighty percent (80%) of the votes in the Association approved providing the Notice. If the Claimant is not the Association and pertains to the Common Areas, the Notice will also include a true and correct copy of the Common Area Report.

12.6 Negotiation. Claimant and Respondent will make every reasonable effort to meet in person to resolve the Claim by good faith negotiation. Within sixty (60) days after Respondent's receipt of the Notice, Respondent and Claimant will meet at a mutually acceptable place and time to discuss the Claim. If the Claim involves all or any portion of the Property, then at such meeting or at some other mutually-agreeable time, Respondent and Respondent's representatives will have full access to the Property that is subject to the Claim for the purposes of inspecting the Property.

12.7 Mediation. If the parties negotiate, but do not resolve the Claim through negotiation within one-hundred twenty (120) days from the date of the Notice (or within such other period as may be agreed on by the parties), Claimant will have thirty (30) additional days within which to submit the Claim to mediation under the auspices of a mediation center or individual mediator on which the parties mutually agree. The mediator must have at least five (5) years of experience serving as a mediator and must have technical knowledge or expertise appropriate to the subject matter of the Claim. If Claimant does not submit the Claim to mediation within the 30-day period, Respondent will submit the Claim to mediation in accordance with this *Section 12.7*. If the Parties do not settle the Claim within thirty (30) days

after submission to mediation, Respondent or Claimant may initiate arbitration proceedings in accordance with *Section 12.8*.

12.8 Binding Arbitration-Claims. All Claims must be settled by binding arbitration. Claimant or Respondent may, by summary proceedings (e.g., a plea in abatement or motion to stay further proceedings), bring an action in court to compel arbitration of any Claim not referred to arbitration as required by this *Section 12.8*.

12.8.1 Governing Rules. If a Claim has not been resolved after mediation in accordance with *Section 12.7*, the Claim will be resolved by binding arbitration in accordance with the terms of this *Section 12.8* and the American Arbitration Association (the “AAA”) Construction Industry Arbitration Rules and Mediation Procedures and, if applicable, the rules contained in the AAA Supplementary Procedures for Consumer Related Disputes, as each are supplemented or modified by the AAA (collectively, the Construction Industry Arbitration Rules and Mediation Procedures and AAA Supplementary Procedures for Consumer Related Disputes are referred to herein as the “AAA Rules”). In the event of any inconsistency between the AAA Rules and this *Section 12.8*, this *Section 12.8* will control. Judgment upon the award rendered by the arbitrator shall be binding and not subject to appeal, but may be reduced to judgment or enforced in any court having jurisdiction. Notwithstanding any provision to the contrary or any applicable rules for arbitration, any arbitration with respect to Claims arising hereunder shall be conducted by a panel of three (3) arbitrators, to be chosen as follows:

- (i) One arbitrator shall be selected by Respondent, in its sole and absolute discretion;
- (ii) One arbitrator shall be selected by the Claimant, in its sole and absolute discretion; and
- (iii) One arbitrator shall be selected by mutual agreement of the arbitrators having been selected by Respondent and the Claimant, in their sole and absolute discretion.

12.8.2 Exceptions to Arbitration; Preservation of Remedies. No provision of, nor the exercise of any rights under, this *Section 12.8* will limit the right of Claimant or Respondent, and Claimant and the Respondent will have the right during any Claim, to seek, use, and employ ancillary or preliminary remedies, judicial or otherwise, for the purposes of realizing upon, preserving, or protecting upon any property, real or personal, that is involved in a Claim, including, without limitation, rights and remedies relating to: (i) exercising self-help remedies (including set-off rights); or (ii) obtaining provisions or ancillary remedies such as injunctive relief, sequestration, attachment, garnishment, or the appointment of a receiver from a court having jurisdiction before, during, or after the pendency of any arbitration. The institution and maintenance of an action for judicial relief or pursuit of provisional or ancillary remedies or

exercise of self-help remedies shall not constitute a waiver of the right of any party to submit the Claim to arbitration nor render inapplicable the compulsory arbitration provisions hereof.

12.8.3 Statute of Limitations. All statutes of limitation that would otherwise be applicable shall apply to any arbitration proceeding under this *Section 12.8*.

12.8.4 Scope of Award; Modification or Vacation of Award. The arbitrator shall resolve all Claims in accordance with Applicable Law. The arbitrator may grant any remedy or relief that the arbitrator deems just and equitable and within the scope of this *Section 12.8* and subject to *Section 12.9* below; provided, however, attorney's fees and costs may not be awarded by the arbitrator to either Claimant or Respondent. In addition, for a Claim, or any portion of a Claim governed by Chapter 27 of the Texas Property Code, or any successor statute, in no event shall the arbitrator award damages which exceed the damages a Claimant would be entitled to under Chapter 27 of the Texas Property Code, except that the arbitrator may not award attorney's fees and/or costs to their Claimant or Respondent. In all arbitration proceedings, the arbitrator shall make specific, written findings of fact and conclusions of law. In all arbitration proceedings the parties shall have the right to seek vacation or modification of any award that is based in whole, or in part, on: (i) factual findings that have no legally or factually sufficient evidence, as those terms are defined in Texas law; (ii) conclusions of law that are erroneous; (iii) an error of Applicable Law; or (iv) a cause of action or remedy not expressly provided under Applicable Law. In no event may an arbitrator award speculative, special, exemplary, treble, or punitive damages for any Claim.

12.8.5 Other Matters. To the maximum extent practicable, an arbitration proceeding hereunder shall be concluded within one hundred and eighty (180) days of the filing of the Claim for arbitration. Arbitration proceedings hereunder shall be conducted in Collin County, Texas. Unless otherwise provided by this *Section 12.8*, the arbitrator shall be empowered to impose sanctions and to take such other actions as the arbitrator deems necessary to the same extent a judge could pursuant to the Federal Rules of Civil Procedure, the Texas Rules of Civil Procedure and Applicable Law. Claimant and Respondent agree to keep all Claims and arbitration proceedings strictly confidential, except for disclosures of information required in the ordinary course of business of the parties or by Applicable Law. In no event shall Claimant or Respondent discuss with the news media or grant any interviews with the news media regarding a Claim or issue any press release regarding any Claim without the written consent of the other parties to the Claim.

12.9 Allocation of Costs. Notwithstanding any provision in this Declaration to the contrary, each Party bears all of its own costs incurred prior to and during the proceedings described in the Notice, Negotiation, Mediation, and Arbitration sections above, including its attorney's fees. Respondent and Claimant will equally divide all expenses and fees charged by the mediator and arbitrator.

12.10 General Provisions. A release or discharge of Respondent from liability to Claimant on account of the Claim does not release Respondent from liability to persons who are not party to Claimant's Claim.

12.11 Period of Limitation.

12.11.1 For Actions by an Owner or Resident. The exclusive period of limitation for any of the Parties to bring any Claim, shall be the earliest of: (i) for Claims alleging construction defect or defective design, two (2) years and one (1) day from the date that the Owner or Resident discovered or reasonably should have discovered evidence of the Claim; (ii) for Claims other than those alleging construction defect or defective design, four (4) years and one (1) day from the date that the Owner or Resident discovered or reasonably should have discovered evidence of the Claim; or (iii) the applicable statute of limitations for such Claim. In the event that a court of competent jurisdiction determines that an Owner does have the power or right to institute, defend, intervene in, settle or compromise litigation, arbitration or other proceedings relating to the design or construction of the Common Area, the exclusive period of limitation for a Claim of construction defect or defective design of the Common Areas, shall be the earliest of: (a) two (2) years and one (1) day from the date that the Owner or the Association discovered or reasonably should have discovered evidence of the Claim; or (b) the applicable statute of limitations for such Claim. In no event shall this *Section 12.11.1* be interpreted to extend any period of limitations.

12.11.2 For Actions by the Association. The exclusive period of limitation for the Association to bring any Claim, including, but not limited to, a Claim of construction defect or defective design of the Common Areas, shall be the earliest of: (i) for Claims alleging construction defect or defective design, two (2) years and one (1) day from the date that the Association or its manager, board members, officers or agents discovered or reasonably should have discovered evidence of the Claim; (ii) for Claims other than those alleging construction defect or defective design of the Common Areas, four (4) years and one (1) day from the date that the Association or its manager, board members, officers or agents discovered or reasonably should have discovered evidence of the Claim; or (iii) the applicable statute of limitations for such Claim. In no event shall this *Section 12.11.2* be interpreted to extend any period of limitations.

12.12 Funding the Resolution of Claims. The Association must levy a Special Assessment to fund the estimated costs to resolve a Claim pursuant to this *Article 12*. The Association may not use its annual operating income or reserve funds to fund the costs to resolve a Claim unless the Association has previously established and funded a dispute resolution fund.

[SIGNATURE PAGE FOLLOWS]

EXECUTED to be effective on the date this instrument is Recorded.

DECLARANT:

LENNAR HOMES OF TEXAS LAND AND
CONSTRUCTION, LTD., a Texas limited partnership,

By: U.S. Home Corporation, a Delaware corporation, its
general partner

By: Jennifer Eller
Printed Name: Jennifer Eller
Title: Authorized Agent

STATE OF TEXAS §
COUNTY OF Dallas §

This instrument was acknowledged before me this 13th day of February, 2020
by Jennifer Eller, Authorized Agent of
U.S. Home Corporation, a Delaware corporation, general partner of LENNAR HOMES OF TEXAS
LAND AND CONSTRUCTION, LTD., a Texas limited partnership, on behalf of said entities.

(SEAL)



Stephanie Robertson
Notary Public Signature

Signature Page

THE PRESERVE AT HONEY CREEK
DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS

EXHIBIT A

PROPERTY DESCRIPTION

TRACT 1

BEING A 29.567 ACRE TRACT OF LAND SITUATED IN THE JOHN EMBERSON SURVEY, ABSTRACT NO. 294, THE MEREDITH HART SURVEY, ABSTRACT NO. 371, AND THE WILLIAM JOHNSON SURVEY, ABSTRACT NO. 493, IN THE CITY OF MCKINNEY, COLLIN COUNTY, TEXAS, AND BEING PART OF A 172.3 ACRE TRACT OF LAND, CONVEYED TO LENNAR HOMES OF TEXAS LAND AND CONSTRUCTION, LTD., AS RECORDED IN COUNTY CLERK'S FILE NO. 20180816001028890, OFFICIAL PUBLIC RECORDS, COLLIN COUNTY, TEXAS. SAID 29.567 ACRE TRACT, WITH BEARING BASIS BEING GRID NORTH, TEXAS STATE PLANE COORDINATES, NORTH CENTRAL ZONE NAD83,(NAD83 (2011) EPOCH 2010), DETERMINED BY GPS OBSERVATIONS, CALCULATED FROM COLLIN CORS ARP (PID-DF8982), AND DENTON CORS ARP (PID-DF8986), BEING MORE PARTICULARLY DESCRIBED BY METES AND BOUNDS AS FOLLOWS:

BEGINNING AT A PK NAIL FOUND FOR THE SOUTHEAST CORNER OF SAID 172.3 ACRE TRACT AND THE COMMON SOUTHWEST CORNER OF A 38.948 ACRE TRACT OF LAND, CONVEYED TO ROHOL LTD., AS RECORDED IN COUNTY CLERK'S FILE NO. 20081030001281150, OFFICIAL PUBLIC RECORDS, COLLIN COUNTY, TEXAS, AND BEING ON THE NORTH RIGHT-OF-WAY LINE OF FARM-TO-MARKET ROAD NO. 543, (AN 80' RIGHT-OF-WAY), AND BEING ON THE NORTH LINE OF A TRACT OF LAND RECORDED IN VOLUME 400, PAGE 428, DEED RECORDS, COLLIN COUNTY, TEXAS;

THENCE, NORTH 84 DEGREES 59 MINUTES 00 SECONDS WEST, ALONG THE SOUTH LINE OF SAID 172.3 ACRE TRACT, AND SAID COMMON NORTH RIGHT-OF-WAY LINE, A DISTANCE OF 230.92 FEET TO A 5/8 INCH IRON ROD WITH YELLOW PLASTIC CAP STAMPED "LJA SURVEYING" SET FOR CORNER;

THENCE, OVER AND ACROSS SAID 172.3 ACRE TRACT, THE FOLLOWING COURSES AND DISTANCES:

NORTH 05 DEGREES 01 MINUTES 00 SECONDS EAST, A DISTANCE OF 19.79 FEET TO A 5/8 INCH IRON ROD WITH YELLOW PLASTIC CAP STAMPED "LJA SURVEYING" SET FOR CORNER;

NORTH 46 DEGREES 57 MINUTES 47 SECONDS EAST, A DISTANCE OF 20.06 FEET TO A 5/8 INCH IRON ROD WITH YELLOW PLASTIC CAP STAMPED "LJA SURVEYING" SET FOR CORNER;

NORTH 01 DEGREES 03 MINUTES 40 SECONDS WEST, A DISTANCE OF 75.51 FEET TO A 5/8 INCH IRON ROD WITH YELLOW PLASTIC CAP STAMPED "LJA SURVEYING" SET FOR CORNER;

NORTH 04 DEGREES 38 MINUTES 58 SECONDS EAST, A DISTANCE OF 50.25 FEET TO A 5/8 INCH IRON ROD WITH YELLOW PLASTIC CAP STAMPED "LJA SURVEYING" SET FOR CORNER;

NORTH 01 DEGREES 03 MINUTES 40 SECONDS WEST, A DISTANCE OF 184.64 FEET TO A 5/8 INCH IRON ROD WITH YELLOW PLASTIC CAP STAMPED "LJA SURVEYING" SET FOR CORNER;

NORTH 88 DEGREES 03 MINUTES 40 SECONDS WEST, A DISTANCE OF 936.35 FEET TO A 5/8 INCH IRON ROD WITH YELLOW PLASTIC CAP STAMPED "LJA SURVEYING" SET FOR CORNER;

NORTH 08 DEGREES 34 MINUTES 31 SECONDS EAST, A DISTANCE OF 29.59 FEET TO A 5/8 INCH IRON ROD WITH YELLOW PLASTIC CAP STAMPED "LJA SURVEYING" SET FOR CORNER;

NORTH 01 DEGREES 31 MINUTES 16 SECONDS EAST, A DISTANCE OF 180.16 FEET TO A 5/8 INCH IRON ROD WITH YELLOW PLASTIC CAP STAMPED "LJA SURVEYING" SET FOR CORNER;

NORTH 46 DEGREES 02 MINUTES 38 SECONDS EAST, A DISTANCE OF 21.39 FEET TO A 5/8 INCH IRON ROD WITH YELLOW PLASTIC CAP STAMPED "LJA SURVEYING" SET FOR CORNER;

SOUTH 89 DEGREES 25 MINUTES 59 SECONDS EAST, A DISTANCE OF 20.00 FEET TO A 5/8 INCH IRON ROD WITH YELLOW PLASTIC CAP STAMPED "LJA SURVEYING" SET FOR CORNER;

NORTH 00 DEGREES 34 MINUTES 01 SECONDS EAST, A DISTANCE OF 60.00 FEET TO A 5/8 INCH IRON ROD WITH YELLOW PLASTIC CAP STAMPED "LJA SURVEYING" SET FOR CORNER;

NORTH 89 DEGREES 25 MINUTES 59 SECONDS WEST, A DISTANCE OF 29.53 FEET TO A 5/8 INCH IRON ROD WITH YELLOW PLASTIC CAP STAMPED "LJA SURVEYING" SET FOR CORNER;

NORTH 43 DEGREES 57 MINUTES 22 SECONDS WEST, A DISTANCE OF 21.30 FEET TO A 5/8 INCH IRON ROD WITH YELLOW PLASTIC CAP STAMPED "LJA SURVEYING" SET FOR CORNER AND THE BEGINNING OF A TANGENT CURVE TO THE RIGHT HAVING A CENTRAL ANGLE OF 14 DEGREES 15 MINUTES 13

SECONDS, A RADIUS OF 786.50 FEET AND A LONG CHORD THAT BEARS NORTH 07 DEGREES 44 MINUTES 44 SECONDS EAST, A DISTANCE OF 195.15 FEET;

ALONG SAID TANGENT CURVE TO THE RIGHT, AN ARC DISTANCE OF 195.66 FEET TO A 5/8 INCH IRON ROD WITH YELLOW PLASTIC CAP STAMPED "LJA SURVEYING" SET FOR CORNER AND THE BEGINNING OF A COMPOUND CURVE TO THE RIGHT HAVING A CENTRAL ANGLE OF 03 DEGREES 58 MINUTES 11 SECONDS, A RADIUS OF 990.00 FEET AND A LONG CHORD THAT BEARS NORTH 16 DEGREES 51 MINUTES 25 SECONDS EAST, A DISTANCE OF 68.58 FEET;

ALONG SAID COMPOUND CURVE TO THE RIGHT, AN ARC DISTANCE OF 68.59 FEET TO A 5/8 INCH IRON ROD WITH YELLOW PLASTIC CAP STAMPED "LJA SURVEYING" SET FOR CORNER;

NORTH 28 DEGREES 02 MINUTES 47 SECONDS EAST, A DISTANCE OF 99.89 FEET TO A 5/8 INCH IRON ROD WITH YELLOW PLASTIC CAP STAMPED "LJA SURVEYING" SET FOR CORNER AND THE BEGINNING OF A NON-TANGENT CURVE TO THE RIGHT HAVING A CENTRAL ANGLE OF 07 DEGREES 49 MINUTES 54 SECONDS, A RADIUS OF 979.00 FEET AND A LONG CHORD THAT BEARS NORTH 28 DEGREES 32 MINUTES 18 SECONDS EAST, A DISTANCE OF 133.71 FEET;

ALONG SAID NON-TANGENT CURVE TO THE LEFT, AN ARC DISTANCE OF 133.82 FEET TO A 5/8 INCH IRON ROD WITH YELLOW PLASTIC CAP STAMPED "LJA SURVEYING" SET FOR CORNER;

NORTH 78 DEGREES 59 MINUTES 26 SECONDS EAST, A DISTANCE OF 20.80 FEET TO A 5/8 INCH IRON ROD WITH YELLOW PLASTIC CAP STAMPED "LJA SURVEYING" SET FOR CORNER;

SOUTH 54 DEGREES 54 MINUTES 44 SECONDS EAST, A DISTANCE OF 20.00 FEET TO A 5/8 INCH IRON ROD WITH YELLOW PLASTIC CAP STAMPED "LJA SURVEYING" SET FOR CORNER;

NORTH 35 DEGREES 05 MINUTES 16 SECONDS EAST, A DISTANCE OF 60.00 FEET TO A 5/8 INCH IRON ROD WITH YELLOW PLASTIC CAP STAMPED "LJA SURVEYING" SET FOR CORNER;

NORTH 54 DEGREES 54 MINUTES 44 SECONDS WEST, A DISTANCE OF 31.01 FEET TO A 5/8 INCH IRON ROD WITH YELLOW PLASTIC CAP STAMPED "LJA SURVEYING" SET FOR CORNER;

NORTH 08 DEGREES 49 MINUTES 37 SECONDS WEST, A DISTANCE OF 20.81 FEET TO A 5/8 INCH IRON ROD WITH YELLOW PLASTIC CAP STAMPED "LJA SURVEYING" SET FOR CORNER AND THE BEGINNING OF A NON-TANGENT

CURVE TO THE RIGHT HAVING A CENTRAL ANGLE OF 32 DEGREES 05 MINUTES 11 SECONDS, A RADIUS OF 990.00 FEET AND A LONG CHORD THAT BEARS NORTH 53 DEGREES 44 MINUTES 09 SECONDS EAST, A DISTANCE OF 547.20 FEET;

ALONG SAID NON-TANGENT CURVE TO THE RIGHT, AN ARC DISTANCE OF 554.41 FEET TO A 5/8 INCH IRON ROD WITH YELLOW PLASTIC CAP STAMPED "LJA SURVEYING" SET FOR CORNER;

NORTH 78 DEGREES 12 MINUTES 12 SECONDS EAST, A DISTANCE OF 99.92 FEET TO A 5/8 INCH IRON ROD WITH YELLOW PLASTIC CAP STAMPED "LJA SURVEYING" SET FOR CORNER;

NORTH 72 DEGREES 33 MINUTES 02 SECONDS EAST, A DISTANCE OF 48.73 FEET TO A 5/8 INCH IRON ROD WITH YELLOW PLASTIC CAP STAMPED "LJA SURVEYING" SET FOR CORNER AND THE BEGINNING OF A TANGENT CURVE TO THE LEFT HAVING A CENTRAL ANGLE OF 04 DEGREES 38 MINUTES 28 SECONDS, A RADIUS OF 1121.00 FEET AND A LONG CHORD THAT BEARS NORTH 70 DEGREES 13 MINUTES 48 SECONDS EAST, A DISTANCE OF 90.78 FEET;

ALONG SAID TANGENT CURVE TO THE LEFT, AN ARC DISTANCE OF 90.81 FEET TO A 5/8 INCH IRON ROD WITH YELLOW PLASTIC CAP STAMPED "LJA SURVEYING" SET FOR CORNER;

SOUTH 68 DEGREES 25 MINUTES 57 SECONDS EAST, A DISTANCE OF 21.57 FEET TO A 5/8 INCH IRON ROD WITH YELLOW PLASTIC CAP STAMPED "LJA SURVEYING" SET FOR CORNER;

SOUTH 24 DEGREES 23 MINUTES 27 SECONDS EAST, A DISTANCE OF 6.51 FEET TO A 5/8 INCH IRON ROD WITH YELLOW PLASTIC CAP STAMPED "LJA SURVEYING" SET FOR CORNER AND THE BEGINNING OF A TANGENT CURVE TO THE RIGHT HAVING A CENTRAL ANGLE OF 02 DEGREES 24 MINUTES 55 SECONDS, A RADIUS OF 320.00 FEET AND A LONG CHORD THAT BEARS SOUTH 23 DEGREES 11 MINUTES 00 SECONDS EAST, A DISTANCE OF 13.49 FEET;

ALONG SAID TANGENT CURVE TO THE RIGHT, AN ARC DISTANCE OF 13.49 FEET TO A 5/8 INCH IRON ROD WITH YELLOW PLASTIC CAP STAMPED "LJA SURVEYING" SET FOR CORNER;

NORTH 68 DEGREES 01 MINUTES 28 SECONDS EAST, A DISTANCE OF 60.00 FEET TO A 5/8 INCH IRON ROD WITH YELLOW PLASTIC CAP STAMPED "LJA SURVEYING" SET FOR CORNER AND THE BEGINNING OF A NON-TANGENT CURVE TO THE LEFT HAVING A CENTRAL ANGLE OF 02 DEGREES 24 MINUTES 55 SECONDS, A RADIUS OF 380.00 FEET AND A LONG CHORD THAT BEARS NORTH 23 DEGREES 11 MINUTES 00 SECONDS WEST, A DISTANCE OF 16.02 FEET;

ALONG SAID NON-TANGENT CURVE TO THE LEFT, AN ARC DISTANCE OF 16.02 FEET TO A 5/8 INCH IRON ROD WITH YELLOW PLASTIC CAP STAMPED "LJA SURVEYING" SET FOR CORNER;

NORTH 24 DEGREES 23 MINUTES 27 SECONDS WEST, A DISTANCE OF 17.52 FEET TO A 5/8 INCH IRON ROD WITH YELLOW PLASTIC CAP STAMPED "LJA SURVEYING" SET FOR CORNER;

NORTH 19 DEGREES 38 MINUTES 28 SECONDS EAST, A DISTANCE OF 21.57 FEET TO A 5/8 INCH IRON ROD WITH YELLOW PLASTIC CAP STAMPED "LJA SURVEYING" SET FOR CORNER AND THE BEGINNING OF A NON-TANGENT CURVE TO THE LEFT HAVING A CENTRAL ANGLE OF 10 DEGREES 14 MINUTES 57 SECONDS, A RADIUS OF 1110.00 FEET AND A LONG CHORD THAT BEARS NORTH 58 DEGREES 09 MINUTES 41 SECONDS EAST, A DISTANCE OF 198.30 FEET;

ALONG SAID NON-TANGENT CURVE TO THE LEFT, AN ARC DISTANCE OF 198.56 FEET TO A 5/8 INCH IRON ROD WITH YELLOW PLASTIC CAP STAMPED "LJA SURVEYING" SET FOR CORNER ON THE EAST LINE OF SAID 172.3 ACRE TRACT, SAID POINT BEING A WESTERLY NORTHWEST CORNER OF A 30.048 ACRE TRACT OF LAND CONVEYED TO ADDISON G. WILSON, JR., AS RECORDED IN COUNTY CLERK'S FILE NO. 20091215001497350, OFFICIAL PUBLIC RECORDS, COLLIN COUNTY, TEXAS AND THE COMMON SOUTH CORNER OF A 1.40 ACRE TRACT OF LAND CONVEYED AS TRACT 1, TO THE CITY OF MCKINNEY, AS RECORDED IN COUNTY CLERK'S FILE NO. 201807260000931480, OFFICIAL PUBLIC RECORDS, COLLIN COUNTY, TEXAS;

THENCE, ALONG THE EAST LINE OF SAID 172.3 ACRE TRACT, THE FOLLOWING COURSES AND DISTANCES:

SOUTH 01 DEGREES 03 MINUTES 36 SECONDS EAST, ALONG THE WEST LINE OF SAID 30.048 ACRE TRACT, A DISTANCE OF 325.48 FEET TO A 1 INCH IRON ROD FOUND FOR THE SOUTHWEST CORNER OF SAID 30.048 ACRE TRACT AND THE COMMON NORTHWEST CORNER OF AFORESAID 38.948 ACRE TRACT;

SOUTH 01 DEGREES 03 MINUTES 40 SECONDS EAST, ALONG THE WEST LINE OF SAID 38.948 ACRE TRACT, A DISTANCE OF 1455.54 FEET TO THE **POINT OF BEGINNING** AND CONTAINING A CALCULATED AREA 29.567 ACRES OF LAND.

TRACT 2

BEING A 27.709 ACRE TRACT OF LAND SITUATED IN THE WILLIAM JOHNSON SURVEY, ABSTRACT NO. 493, IN THE CITY OF MCKINNEY, COLLIN COUNTY, TEXAS, AND BEING PART OF A 172.3 ACRE TRACT OF LAND, CONVEYED TO LENNAR HOMES OF TEXAS LAND AND CONSTRUCTION, LTD., AS RECORDED IN COUNTY CLERK'S FILE NO. 20180816001028890, OFFICIAL PUBLIC RECORDS, COLLIN COUNTY, TEXAS. SAID 27.709 ACRE TRACT, WITH BEARING BASIS BEING GRID NORTH, TEXAS STATE PLANE COORDINATES, NORTH CENTRAL ZONE NAD83, (NAD83 (2011) EPOCH 2010), DETERMINED BY GPS OBSERVATIONS, CALCULATED FROM COLLIN CORS ARP (PID-DF8982), AND DENTON CORS ARP (PID-DF8986), BEING MORE PARTICULARLY DESCRIBED BY METES AND BOUNDS AS FOLLOWS:

BEGINNING AT 1/2 INCH IRON ROD WITH CAP STAMPED "RPLS 5992" FOUND FOR THE SOUTHWEST CORNER OF SAID 172.3 ACRE TRACT AND THE COMMON SOUTHEAST CORNER OF A 99.68 ACRE TRACT OF LAND CONVEYED TO MARY BETH RUSSELL AND MALINDA A. WARDEN, AS RECORDED IN COUNTY CLERK'S FILE NO. 20050428000558900, OFFICIAL PUBIC RECORDS, COLLIN COUNTY, TEXAS, SAID POINT BEING ON THE NORTH RIGHT-OF-WAY LINE OF FARM-TO-MARKET ROAD 543, (AN 80' RIGHT-OF-WAY) AND BEING THE NORTHWEST CORNER OF A TRACT OF LAND RECORDED IN VOLUME 400, PAGE 428, DEED RECORDS, COLLIN COUNTY, TEXAS AND THE COMMON NORTHEAST CORNER OF A TRACT OF LAND RECORDED IN VOLUME 400, PAGE 438, DEED RECORDS, COLLIN COUNTY, TEXAS;

THENCE, NORTH 00 DEGREES 34 MINUTES 01 SECONDS EAST, ALONG THE WEST LINE OF SAID 172.3 ACRE TRACT AND THE COMMON EAST LINE OF SAID 99.68 ACRE TRACT, A DISTANCE OF 1292.09 FEET TO A 5/8 INCH IRON ROD WITH YELLOW PLASTIC CAP STAMPED "LJA SURVEYING" SET FOR CORNER;

THENCE, OVER AND ACROSS SAID 172.3 ACRE TRACT, THE FOLLOWING COURSES AND DISTANCES:

SOUTH 89 DEGREES 25 MINUTES 59 SECONDS EAST, A DISTANCE OF 825.55 FEET TO A 5/8 INCH IRON ROD WITH YELLOW PLASTIC CAP STAMPED "LJA SURVEYING" SET FOR CORNER AND THE BEGINNING OF A TANGENT CURVE TO THE RIGHT HAVING A CENTRAL ANGLE OF 34 DEGREES 31 MINUTES 16 SECONDS, A RADIUS OF 380.00 FEET AND A LONG CHORD THAT BEARS SOUTH 72 DEGREES 10 MINUTES 21 SECONDS EAST, A DISTANCE OF 225.50 FEET;

ALONG SAID TANGENT CURVE TO THE RIGHT, AN ARC DISTANCE OF 228.95 FEET TO A 5/8 INCH IRON ROD WITH YELLOW PLASTIC CAP STAMPED "LJA SURVEYING" SET FOR CORNER;

SOUTH 54 DEGREES 54 MINUTES 44 SECONDS EAST, A DISTANCE OF 52.32 FEET TO A 5/8 INCH IRON ROD WITH YELLOW PLASTIC CAP STAMPED "LJA SURVEYING" SET FOR CORNER;

SOUTH 35 DEGREES 05 MINUTES 16 SECONDS WEST, A DISTANCE OF 60.00 FEET TO A 5/8 INCH IRON ROD WITH YELLOW PLASTIC CAP STAMPED "LJA SURVEYING" SET FOR CORNER;

SOUTH 54 DEGREES 54 MINUTES 44 SECONDS EAST, A DISTANCE OF 21.00 FEET TO A 5/8 INCH IRON ROD WITH YELLOW PLASTIC CAP STAMPED "LJA SURVEYING" SET FOR CORNER;

SOUTH 10 DEGREES 52 MINUTES 49 SECONDS EAST, A DISTANCE OF 21.57 FEET TO A 5/8 INCH IRON ROD WITH YELLOW PLASTIC CAP STAMPED "LJA SURVEYING" SET FOR CORNER AND THE BEGINNING OF A NON-TANGENT CURVE TO THE LEFT HAVING A CENTRAL ANGLE OF 16 DEGREES 44 MINUTES 57 SECONDS, A RADIUS OF 1110.00 FEET AND A LONG CHORD THAT BEARS SOUTH 24 DEGREES 23 MINUTES 25 SECONDS WEST, A DISTANCE OF 323.33 FEET;

ALONG SAID NON-TANGENT CURVE TO THE LEFT, AN ARC DISTANCE OF 324.49 FEET TO A 5/8 INCH IRON ROD WITH YELLOW PLASTIC CAP STAMPED "LJA SURVEYING" SET FOR CORNER;

SOUTH 21 DEGREES 57 MINUTES 44 SECONDS WEST, A DISTANCE OF 90.11 FEET TO A 5/8 INCH IRON ROD WITH YELLOW PLASTIC CAP STAMPED "LJA SURVEYING" SET FOR CORNER AND THE BEGINNING OF A NON-TANGENT CURVE TO THE LEFT HAVING A CENTRAL ANGLE OF 10 DEGREES 48 MINUTES 57 SECONDS, A RADIUS OF 861.50 FEET AND A LONG CHORD THAT BEARS SOUTH 08 DEGREES 35 MINUTES 40 SECONDS WEST, A DISTANCE OF 162.39 FEET;

ALONG SAID NON-TANGENT CURVE TO THE LEFT, AN ARC DISTANCE OF 162.63 FEET TO A 5/8 INCH IRON ROD WITH YELLOW PLASTIC CAP STAMPED "LJA SURVEYING" SET FOR CORNER;

SOUTH 46 DEGREES 37 MINUTES 38 SECONDS WEST, A DISTANCE OF 21.60 FEET TO A 5/8 INCH IRON ROD WITH YELLOW PLASTIC CAP STAMPED "LJA SURVEYING" SET FOR CORNER;

NORTH 89 DEGREES 25 MINUTES 59 SECONDS WEST, A DISTANCE OF 10.00 FEET TO A 5/8 INCH IRON ROD WITH YELLOW PLASTIC CAP STAMPED "LJA SURVEYING" SET FOR CORNER;

SOUTH 00 DEGREES 34 MINUTES 01 SECONDS WEST, A DISTANCE OF 60.00 FEET TO A 5/8 INCH IRON ROD WITH YELLOW PLASTIC CAP STAMPED "LJA SURVEYING" SET FOR CORNER;

SOUTH 89 DEGREES 25 MINUTES 59 SECONDS EAST, A DISTANCE OF 19.94 FEET TO A 5/8 INCH IRON ROD WITH YELLOW PLASTIC CAP STAMPED "LJA SURVEYING" SET FOR CORNER;

SOUTH 43 DEGREES 57 MINUTES 22 SECONDS EAST, A DISTANCE OF 21.04 FEET TO A 5/8 INCH IRON ROD WITH YELLOW PLASTIC CAP STAMPED "LJA SURVEYING" SET FOR CORNER;

SOUTH 01 DEGREES 31 MINUTES 16 SECONDS WEST, A DISTANCE OF 213.56 FEET TO A 5/8 INCH IRON ROD WITH YELLOW PLASTIC CAP STAMPED "LJA SURVEYING" SET FOR CORNER;

SOUTH 08 DEGREES 34 MINUTES 31 SECONDS WEST, A DISTANCE OF 89.57 FEET TO A 5/8 INCH IRON ROD WITH YELLOW PLASTIC CAP STAMPED "LJA SURVEYING" SET FOR CORNER;

SOUTH 01 DEGREES 31 MINUTES 16 SECONDS WEST, A DISTANCE OF 94.08 FEET TO A 5/8 INCH IRON ROD WITH YELLOW PLASTIC CAP STAMPED "LJA SURVEYING" SET FOR CORNER AND THE BEGINNING OF A TANGENT CURVE TO THE RIGHT HAVING A CENTRAL ANGLE OF 93 DEGREES 27 MINUTES 59 SECONDS, A RADIUS OF 66.50 FEET AND A LONG CHORD THAT BEARS SOUTH 48 DEGREES 15 MINUTES 15 SECONDS WEST, A DISTANCE OF 96.85 FEET;

ALONG SAID TANGENT CURVE TO THE RIGHT, AN ARC DISTANCE OF 108.48 FEET TO A 5/8 INCH IRON ROD WITH YELLOW PLASTIC CAP STAMPED "LJA SURVEYING" SET FOR CORNER;

SOUTH 01 DEGREES 07 MINUTES 00 SECONDS WEST, A DISTANCE OF 28.82 FEET TO A 5/8 INCH IRON ROD WITH YELLOW PLASTIC CAP STAMPED "LJA SURVEYING" SET FOR CORNER ON THE SOUTH LINE OF SAID 172.3 ACRE TRACT AND THE COMMON NORTH RIGHT-OF-WAY LINE OF AFORESAID FARM-TO-MARKET ROAD NO. 543;

THENCE, NORTH 88 DEGREES 53 MINUTES 00 SECONDS WEST, ALONG SAID COMMON LINE, A DISTANCE OF 805.13 FEET TO THE **POINT OF BEGINNING** AND CONTAINING A CALCULATED AREA OF 27.709 ACRES OF LAND.



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EXHIBIT "A" – PROPERTY DESCRIPTION Page 8
THE PRESERVE AT HONEY CREEK

DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS