

**DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS FOR
OAKMONT WEST COUNTRY CLUB ESTATES**

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

THIS DECLARATION OF COVENANTS CONDITIONS AND RESTRICTIONS OF OAKMONT WEST COUNTRY CLUB ESTATES (this "Declaration") is made and entered into by PULTE HOMES OF TEXAS, L.P., a Texas limited partnership ("Declarant").

WITNESSETH:

WHEREAS, Declarant owns certain tracts of property which are more fully described on Exhibit "A" attached hereto and incorporated herein by this reference (the "Original Declaration Property");

WHEREAS, Declarant has constructed certain Amenities (as defined hereinbelow) on a portion of the Original Declaration Property, for the use and enjoyment of all owners of lots that are contained in the Original Declaration Property or are part of the Annex Lots, regardless of whether or not such owners are "Owners" (as such term is hereinafter defined) and are, therefore, obligated to pay Assessments (as such term is hereinafter defined) pursuant to this Declaration; and,

WHEREAS, for the purpose of promoting the development of the Declaration Property (as hereinafter defined) in a first-class manner and maintaining, managing and operating the Amenities, Declarant desire to place certain restrictions on the Declaration Property as more fully set forth herein.

NOW, THEREFORE, Declarant hereby covenants and declares that (a) the Declaration Property shall be held, sold, transferred and conveyed subject to the easements, covenants, conditions and restrictions set forth in this Declaration, and (b) these covenants, restrictions and easements (i) shall run with the Lots (as defined hereinbelow) situated within the Declaration Property, (ii) shall be binding on all parties having or acquiring any right, title or interest in the Declaration Property or any part thereof, and (iii) shall inure to the benefit of each Owner of all or any part of the Declaration Property.

**ARTICLE I
DEFINITIONS**

Capitalized terms used in this Declaration and not defined elsewhere herein shall have the meanings assigned to them in this Article I.

Section 1.1 "Amenities" shall mean swimming pool, landscaping, cabana and all other Improvements located within the Amenities Property, which Amenities are for the use of any and all owners of lots that are part of the Original Declaration Property or the Annex Lots, regardless of whether all such owner(s) execute a Ratification (as such term is hereinafter defined), become Owners (as such term is hereinafter defined) and are obligated to pay Assessments (as such term is hereinafter defined).

Section 1.2 "Amenities Property" shall mean the portion of the Lot on which the Amenities are constructed and which are owned by the Association.

Section 1.3 "Articles" shall mean and refer to the Articles of Incorporation of the Association as the same may from the time to time be duly amended.

Section 1.4 "Assessments" shall mean Annual Assessments and Special Assessments as defined below:

(a) "Annual Assessments" shall mean and refer to the amounts assessed to and to paid by each Member to the Association for that Member's portion of the Common Expenses.

(b) "Special Assessments" shall mean (i) the charge(s) against a particular Owner and such Owner's Lot, directly attributable to the Owner, equal to the cost incurred by the Association for corrective action performed and attorneys' fees and other charges required to be paid by such Owner pursuant to the provisions of this Declaration, and (ii) the charge(s) against each Owner and such Owner's Lot equal to such Lot's portion of the cost to the Association for the increased operating or maintenance expense or costs or for any installation, construction or reconstruction of any Common Areas or any Amenities or other Improvement located or to be located thereon, which the Association may from time to time authorize.

Section 1.5 "Association" shall mean and refer to OAKMONT WEST HOME OWNERS ASSOCIATION, INC., a Texas non-profit corporation, and its successors and assigns.

Section 1.6 "Board" shall mean and refer to the Board of Directors of the Association.

Section 1.7 "Bylaws" shall mean and refer to the Bylaws of the Association as the same may from time to time be fully amended.

Section 1.8 "City" shall collectively mean the City of Denton, Texas and the Town of Corinth, Texas.

Section 1.9 "Committee" shall mean and refer to the architectural control committee for the Declaration Property provided for in Section 7.1 herein.

Section 1.10 "Common Areas" shall mean and refer to the property (i) described in Exhibit "C" (ii) the improvements located therein, including without limitation, Amenities (if applicable) and the landscaping, lighting, sprinkler systems, walls, fences, subdivision monuments, signs and other features.

Section 1.11 "Common Expenses" shall mean and refer to any and all expenses incurred or to be incurred by the Association in connection with the Association's ownership, construction, maintenance, preservation and operation of the Common Areas and Amenities, including the Association's administrative costs incurred in connection therewith, and any other expenses incurred by the Association in the furtherance of its purposes described herein or as prescribed by the Articles and Bylaws.

Section 1.12 "Developer" shall mean Pulte Homes of Texas, L.P., a Texas limited partnership, and its successors and assigns.

Section 1.13 "Declarant" shall mean Pulte Homes of Texas, L.P., and its successors and assigns.

Section 1.14 "Declaration Property" shall mean and refer to these certain Lots and other tracts of real property situated in the Original Declaration Property, as well as any Annex Lot(s), if any, that are later brought into the scheme of this Declaration pursuant to a Ratification.

Section 1.15 "Final Plat" shall mean and refer to the final plat(s) of the Declaration Property that are approved by the City and filed by Declarant in the real property and/or land records of Denton County, Texas.

Section 1.16 "Improvements" shall mean and include all buildings, roofed structures, parking areas, loading areas, fences, walls, landscaping, hedges, mailboxes, mass plantings, poles, driveways, ponds, lakes, fountains, tennis courts, signs, exterior illumination, changes in any exterior color or shape, and any new exterior construction or exterior improvement contained within the Declaration Property. The term "Improvements" shall not include garden shrub or tree replacements or any other replacement or repair of any magnitude which ordinarily would be expensed in accounting practice and which does not change exterior colors or exterior appearances. The term "Improvements" does include both original improvements and all later alterations, changes and improvements.

Section 1.17 "Lot" shall mean and refer to each lot platted on the Declaration Property as reflected in the Final Plat.

Section 1.18 "Lot Approval Date" shall mean with respect to a particular Lot, the date, whichever is later, that (i) this Declaration is filed of record, or (ii) the Lot has received final plat approval, is fully developed and approved by all applicable governmental authorities and is available for issuance of building permits.

Section 1.19 "Master Declaration" shall mean and refer to that certain Master Declaration of Covenants, Conditions and Restrictions For Oakmont Country Club Estates dated October 2, 1995, and filed for record under Clerk's File Number 95-R0063857 of the land records of Denton County, Texas.

Section 1.20 "Master Declaration Property" shall mean and refer to that certain tract of "Property" that is situated in Denton County, Texas, more particularly described in the Master Declaration, and encumbered by the Master Declaration.

Section 1.21 "Master Committee" shall mean and refer to the Architectural Control Committee provided for in Article II of the Master Declaration.

Section 1.22 "Master Declarant" shall mean and refer to the Master Declarant, its successors and assigns, under and as defined in the Master Declaration.

Section 1.23 "Member" shall mean and refer to each person and entity who is a Member of the Association as provided for in Section 3.2 hereof.

Section 1.24 "Original Declaration Property" shall mean and refer to those certain Lots and other tracts of real property situated in Denton County, Texas and more particularly described in Exhibit "A" attached hereto and made a part hereof.

Section 1.25 "Owner(s)" shall mean and refer to the owner(s) of record title, whether one or more persons or entities (including builders and contract sellers), of the fee simple title to Lots situated within the Declaration Property, including any owners of Annex Lots which are brought under the scheme of this Declaration pursuant to a Ratification (as such term is hereinafter defined), and the respective successors and assigns of the foregoing owners. The term "Owner(s)" does not include any persons or entities having an interest in any such Lot merely as security for the performance of an obligation.

Section 1.26 "Residence" shall mean and refer to any detached single-family residence constructed upon a Lot.

ARTICLE II

DECLARATION, DECLARANT, DEVELOPER, ASSOCIATION AND MASTER DECLARATION

Section 2.1 Declaration. (a) Declarant hereby declares that all of the land in the Declaration Property shall be held, sold and conveyed subject to the easements, covenants, conditions and restrictions contained in this Declaration as provided herein, which easements, covenants, conditions and restrictions (i) are for the purpose of establishing a general scheme for the development of, and construction of residences on, the land in the Declaration Property, (ii) are for the purpose of enhancing and protecting the value, attractiveness, appeal and desirability of all land within the Declaration Property, (iii) shall run with all land within the Declaration Property and shall be binding on all parties having or acquiring any right, title or interest in the land or any part thereof, and (iv) shall inure to the benefit of each owner of any portion of the land within the Declaration Property. The easements, covenants, conditions and restrictions contained in this Declaration are made for the mutual and reciprocal benefit of each and every owner of any portion of the land within the Declaration Property and are intended to create (1) mutual and equitable servitudes upon each portion of such land (including each of the Lots, tracts and Common Area, if any) in favor of each and all other portions and tracts of land within the Declaration Property, (2) reciprocal rights between the respective owners of any portion of such land, and (3) privity of contract and estate between the grantees of each portion of such land, their heirs, legal representatives, successors and assigns.

(b) This Declaration may be amended in any respect and in whole or in part at any time by recording an instrument containing such amendment(s) in the deed records of Denton County, Texas. Such amendments may be made by the Developer without a vote of the Owners as long as Developer owns any Lots in the Declaration Property, and may be made by the Owners if such amendments have been approved by the Owners representing at least seventy-five percent (75%) of (i) all votes of each class of voting membership, or (ii) the votes of the Owners at a meeting at which a majority is present (if the Association is no longer in existence as of the date of such vote), whichever applies; provided, however, until the earlier of (1) the construction of Residences on all Lots within the Declaration Property, or (2) ten (10) years following the recording of this Declaration, no such amendment shall be valid or effective without the joinder of Developer and the Committee (if formed) unless either such party waives its right to consent to such amendment; provided, further, if the Association is formed and FHA or VA approval is obtained for the Lots to permit HUD insured mortgages for home purchases, then as long as the Association has Class B Members, any amendment which affects or alters any provisions hereof directly governed or regulated by the FHA or VA shall also be subject to the approval of the FHA, VA and Department of Housing and Urban Development ("HUD"), unless such amendments merely correct errors in this Declaration or are required to comply with any requirements imposed by HUD, FHA or VA.

Section 2.2 Declarant and Developer. (a) The initial Declarant of this Declaration is Pulte Homes of Texas, L.P. After this Declaration is created and filed of record, the Declarant shall have no further rights, duties or obligations hereunder, to the extent based upon its capacity as Declarant, and all of its rights shall immediately pass to and vest in the Developer hereunder.

(b) The Developer of the Declaration Property shall be Pulte Homes of Texas, L.P. Such Developer shall have the right, but not the obligation, in the event of the transfer of all or any portion of the Declaration Property to another person or entity, to convey all or a portion of the rights and obligations of Developer to such transferee, whereupon such transferee shall become "Developer" for all purposes hereunder with respect to (but only with respect to) the portion of the Declaration Property so conveyed to such transferee. Developer shall not in any way or manner be held liable or responsible for any damages occasioned by violations of restrictions set forth in this Declaration by any person or entity other than itself. If Developer conveys a portion (but not all) of the rights and obligations of Developer hereunder to one (1) or more transferees, then (i) the rights of Developer hereunder shall be exercised by the Developer based on the affirmative or consensus majority vote of the transferees (including the Developer) possessing such rights, which vote shall be allocated to such transferees and weighted based on the number of Lots (or number of proposed lots) owned by such transferees, except to the extent such rights are otherwise restricted or specified in the conveyance document, and (ii) the obligations of Developer hereunder shall be performed by or enforced against Developer or any transferee of Developer's obligations. If the Developer conveys all of its land within the Declaration Property to owner(s) who do not succeed to the rights and obligations of the Developer hereunder, then the Owners shall obtain the rights of the Developer herein upon the conveyance by Developer of its last portion of the Declaration Property and there shall be no Developer herein.

Section 2.3 Association. (a) On or before the date hereof, Developer shall form the Association as a Texas non-profit corporation.

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

Section 2.4 Annexation. Additional land that is comprised of one or more of the Lots described in Exhibit "B" attached hereto (the "Annex Lots") may be included in the land covered hereby and become subject to this Declaration upon the filing of record of a Ratification of Declaration of Covenants, Conditions and Restrictions (the "Ratification") in the form of Exhibit "D" attached hereto which shall extend the scheme of the covenants, conditions and restrictions of this Declaration to such additional real property; however, that any such Ratification, must be executed and delivered by the Owner of the subject Annex Lot and the Developer or the Association. The owner of any subject Annex Lot that is made subject to this Declaration pursuant to such amendment shall become an Owner upon the recordation of such amendment.

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

Section 2.5 Assessments, Subordination of Liens and Covenants. Any Assessments made pursuant to this Declaration shall be in addition to, and not in lieu of, assessments made pursuant to the Master Declaration. Any lien for assessments and all other rights and obligations created under this Declaration are and shall be subject and subordinate to the lien for assessments under the Master Declaration and the other rights of the Master Declarant, the Master Association (including its officers and board of directors) and the Master Committee (all as provided for in Master Declaration).

ARTICLE III ASSOCIATION

Section 3.1 The Association. The Developer shall form the Association as a Texas non-profit corporation for the purposes of assuring compliance with the terms of this Declaration. The Association, acting through its Board, shall have the power to enforce the covenants, conditions and restrictions and all other terms contained in this Declaration, subject to the provisions of the Articles and Bylaws, and shall have all the powers set forth in the Articles and Bylaws. Declarant, Developer, the Association and Board shall never be under any obligation to enforce the covenants, conditions, restrictions and other terms of this Declaration, and any failure to so enforce shall never give rise to any liability whatsoever on the part of the Declarant, Developer, their successors and assigns, the Association, or the Board.

Section 3.2 Membership. Every Owner shall be a Member of the Association. The membership of each such Owner shall be appurtenant to and may not be separated from Owner's ownership of its respective Lot. Any person or entity holding an interest in any portion of the Declaration Property merely as security for the performance of any obligation shall not be a Member of the Association. Developer shall be a Member of the Association, without regard to whether Developer owns one or more specific Lots, until the rights and authority granted to Developer hereunder vest in the Association pursuant to Section 9.13 hereof.

Section 3.3 Voting Rights. (a) The Association shall have two (2) classes of voting membership:

(i) Class A. Class A Members shall be all owners (other than Class B Members) of, and shall be entitled to one (1) vote for, each Lot. When more than one (1) person holds an interest in any Lot,

all such persons shall be Members, but the vote for such Lot shall be exercised as they among themselves determine, and in no event shall more than one (1) vote be cast with respect to any Lot.

(ii) Class B. Class B Members(s) shall be the Developer(s), and such Class B Member(s) shall be entitled to ten (10) votes for each Lot owned by it. The Class B membership shall cease and be converted to Class A membership at the earlier to occur of (A) the date when the total votes outstanding in the Class A membership equal the total votes outstanding in the Class B membership, and (B) ten (10) years following the recordation of this Declaration.

(b) In the event the Association is no longer in existence as of a particular date, then, on all matters submitted to or which must be approved by the Owners, (i) Developer shall be entitled to ten (10) votes for each Lot (or proposed Lot) owned by the Developer, and (ii) the other Owners of each Lot shall be entitled to one (1) vote for each such Lot. In this regard, any reference in this Declaration to approval or action by the Owners shall require the affirmative vote of the Developer and such Owners, taking into account the weighted voting set forth above.

Section 3.4 Joint Owner Disputes. The vote for each Lot must be cast as a unit, and fractional votes shall not be allowed. In the event that any joint Owners are unable to agree among themselves as to how their vote or votes shall be cast, such joint Owners shall lose their right to vote on the matter in question. If any Owner or Owners cast a vote representing a certain Lot, it will thereafter be conclusively presumed for all purposes that he or they were acting with the authority and consent of all other Owners of the same Lot.

Section 3.5 Board. (a) The Members of the Association shall elect the Board of the Association subject to the provisions of subparagraph (b) hereof, and the Board shall, by majority rule, conduct all of the business of the Association, except when membership votes are required pursuant to this Declaration or pursuant to the Articles or Bylaws of the Association. Notwithstanding the above provision, during the three (3) year period immediately following the date hereof, the Developer or Committee (if formed) must approve any decisions made by the Board. From and after January 1, 2003, the Board shall appoint the Committee, subject to the provisions of Section 3.5(b) below.

(b) Notwithstanding anything contained in the preceding subparagraph (a) or elsewhere in this Declaration to the contrary, as long as the Developer owns any Lot(s) in the Declaration Property, the Developer shall be entitled to appoint all of the members of the Board.

Section 3.6 Bylaws. The Association (if created) may make whatever rules and Bylaws it deems desirable to govern the Association and its Members; provided, however, that in the event of any conflict between such Bylaws and the provisions hereof, the provisions of this Declaration shall control.

Section 3.7 Inspection Rights. Each Owner shall have the right to inspect and examine the books, records and accounts of the Association at reasonable times upon reasonable written notice, provided that such inspection and examination shall be at such Owner's sole cost and expense.

ARTICLE IV ASSESSMENTS

Section 4.1 Creation of Lien and Personal Obligation of Assessments. No mandatory Assessments shall be due prior to the Lot Approval Date. From and after the Lot Approval Date, each Owner (other than the Developer), by its acceptance of the deed to its respective Lot, is irrevocably deemed to covenant and agree to pay to an account or fund established by Developer or the Association, as applicable, Annual Assessments and Special Assessments. Such Assessments to be established and collected as hereinafter provided. The Annual Assessments and Special Assessments, together with interest, costs of collection and reasonable attorneys' fees, shall be a charge on each Owner's Lot (other than Developer's Lots) and, if unpaid as described in Section 4.5 hereof, shall constitute a continuing lien upon the Lot against which each such unpaid Assessment is made. Each such Assessment, together with interest, costs of collection and reasonable attorney's fees, shall be the personal obligation of the Owner of such Lot (other than Developer) at the time when the Assessment came due. The personal obligation for delinquent

Assessments shall not pass to such Owner's successors in title unless expressly assumed by them; provided, however, that the lien for such Assessments shall continue and may be enforced against the subject Lot.

Section 4.2 Annual Assessment. (a) Subject to Section 4.10 herein, from and after the Lot Approval Date, each Owner's Lot (other than Developer's Lots) shall hereby be subjected to an Annual Assessment for the purpose of creating a fund to be designated and known as the "maintenance fund". Each Owner (other than the Developer) shall pay the Annual Assessment to an account or fund established by Developer or the Association, as applicable, on an annual basis in advance or in such intervals and methods as may be established by Developer or the Board from time to time. The Annual Assessment per Lot for the year in which the Lot Approval Date occurs shall be established by the (i) Developer, or (ii) the Owners representing at least seventy-five percent (75%) of the Lots (taking into account the weighted voting described herein) if the Developer no longer owns any property in the Declaration Property and the Association is no longer in existence as of such date. Without limiting the foregoing, the Annual Assessments shall be sufficient to fund the purposes, uses and benefits described in Section 4.4 hereof.

(b) The Assessment for a particular Lot for the calendar year in which the Lot Approval Date occurs shall be prorated. The rate at which each Lot will be assessed for subsequent years will be determined annually at least thirty (30) days in advance of each Annual Assessment by the party creating the Assessment as set forth above; provided, however, that, without a vote of the membership as described in the next sentence, the Annual Assessment, if created by the Association, may not be increased by the Association in any year by an amount in excess of one hundred twenty-five percent (125%) of the previous year's Annual Assessment. The Annual Assessment may be increased by the Association to an amount in excess of one hundred twenty-five percent (125%) of the Annual Assessment for the previous year by the assent of two-thirds (2/3rds) of the votes of each class of Members who are voting in person or by proxy, at a meeting duly called for such purpose at which a quorum is present. The notice and quorum requirements for such meeting are the same as those set forth in Section 4.5 herein for Special Assessments for capital improvements. The Assessments for each Lot shall be uniform except for the Developer's Lots. Developer or the Association shall, upon demand and upon payment of a reasonable fee, furnish a certificate signed by an officer of Developer or the Association setting forth whether the Assessments on a specified Lot have been paid.

Section 4.3 Developer Assessments. (a) Until Developer sells its last Lot in the Declaration Property, in lieu of Assessments, the Developer hereby agrees to pay the amount (the "Developer Assessments") equal to any shortfall or deficit realized by the Association between the actual operating costs directly attributable to the Amenities and the Assessments charged to all Owners (other than Developer).

(b) To secure such obligation, the Association shall have lien rights, as provided in Section 4.7 hereof, against Lots owned by the Developer.

Section 4.4 Purposes. Developer or the Association, whichever applies, shall use the proceeds of the maintenance fund for the use and benefit of the Declaration Property. Such uses and benefits may include, by way of example and not limitation, any and all of the following:

- (a) maintaining, operating, managing, repairing, replacing or improving the Common Areas;
- (b) mowing the grass, maintaining the gravel and maintaining signs in or adjoining any rights-of-way or easements in the event that the City and Denton County authorities fail to maintain such areas;
- (c) paying legal charges and expenses incurred in connection with the enforcement of all charges, Assessments, covenants, restrictions and conditions affecting the land to which the maintenance fund applies;
- (d) paying reasonable and necessary expenses in connection with the collection and administration of the Assessments, and the maintenance, operation and management of the Association; and
- (e) paying insurance premiums for liability and fidelity coverage for Developer, Committee and/or their officers and directors, employing policemen and watchmen, caring for vacant Lots and doing any other things

which are necessary or desirable in the opinion of Developer or the Board, whichever applies, to keep the Lots neat, secure and in good order, or which are considered of general benefit to the Owners or occupants of the Declaration Property, it being understood that the judgment of Developer or the Board, whichever applies, in the expenditure of said funds, shall be final and conclusive so long as such judgment is exercised in good faith.

Section 4.5 Special Assessments for Capital Improvements. (a) Subject to Section 4.10 herein, in addition to the Annual Assessments authorized above, the Developer (if the Association has not been formed or is no longer in existence as of such date) or the Association (if the Association is in existence as of such date) may levy, in any calendar year after the Lot Approval Date, a Special Assessment, applicable to that year only, for the purpose of defraying, in whole or in part, the cost of any indemnification set forth in the Articles or Bylaws for the Association and any construction, reconstruction, repair, maintenance, operation or replacement of, or a capital improvement on or to, the Amenities or Common Areas (if any) in that same or immediately subsequent calendar year, including (without limitation) walls, fences, lighting, subdivision monuments, signs and sprinkler systems.

(b) Any Special Assessment made by the Association pursuant to this Section 4.5 must have the assent of two-thirds (2/3rds) of each class of Members who are voting in person or by proxy at a meeting duly called for this purpose not less than ten (10) days nor more than fifty (50) days in advance of such meeting. At the first such meeting called by the Association, the presence of Members (in person or by proxy) entitled to cast fifty percent (50%) of all the votes of each class of membership shall constitute a quorum. If the required quorum is not present, another meeting may be called subject to the same notice requirement, provided that the required quorum at the subsequent meeting shall be one-half (½) of the minimum required quorum at the preceding meeting. No rescheduled meeting shall be held more than fifty (50) days following the preceding scheduled meeting.

Section 4.6 Effect of Nonpayment of Assessments; Remedies of Developer or the Association. Any Assessment not paid within thirty (30) days after the due date shall bear interest from the due date until paid in full at the rate of ten percent (10%) per annum, but in no event in excess of the maximum rate allowed by applicable Texas and United States of America law. Developer (if the Association is no longer in existence as of such date) or the Association (if the Association is in existence as of such date) may bring an action at law against the Owner personally obligated to pay the same, may foreclose the lien against the Lot and/or may pursue any other legal or equitable remedy available to it. No Owner may waive or otherwise avoid liability for the Assessments provided for herein by nonuse of the Amenities or any Common Area or by abandonment of its Lot.

Section 4.7 Subordinated Lien to Secure Payment. To secure payment of delinquent Assessments, a lien is hereby retained in favor of Developer or the Association, as the case may be, against each Lot. Such lien shall only be subordinate to the liens of any valid first lien mortgage or deed of trust secured by such Lot. Sale or transfer of any Lot shall not impair the enforceability or priority of the Assessment lien against such Lot.

Section 4.8 Duration. The Assessments will remain effective for the full term (and extended term, if applicable) of the Declaration.

Section 4.9 Declarant and Developer Not Liable for Association Deficits. Notwithstanding anything contained in this Declaration to the contrary, (i) neither Declarant nor Developer shall be liable for any liabilities, obligations, damages, causes, causes of action, claims, debts, suits or other matters incurred by or on behalf of the Association or Owners or for any deficits or shortfalls incurred or realized by or on behalf of the Association or Owners in connection with this Declaration or the Declaration Property except as provided in Section 4.3 hereof, and, (ii) Declarant's and Developer's sole liability and obligation hereunder shall be limited to the obligations set forth in Section 4.3 hereof.

Section 4.10 Limitation on Obligation to Pay Assessments. Each Owner who has owned its respective Lot after June 1, 2002 shall be obligated to pay Annual and Special Assessments made after the date hereof. Each Owner who owned its Lot prior to June 1, 2002 shall not be obligated to pay Annual or Special Assessments until the fifth (5th) anniversary of the date hereof; provided, however, that any subsequent transferee(s) of such Owner's Lot(s) shall be obligated to pay Assessments commencing on the date of such transfer of the subject Lot(s).

ARTICLE V
LIMITATION OF LIABILITY AND RESERVE FUNDS

Section 5.1 Liability Limitations. Neither any Member, nor the Board (nor any of them), nor the officers of the Association shall be personally liable for debts contracted for or otherwise incurred by the Association or for a tort of another Member, whether or not such other Member was acting on behalf of the Association or otherwise. Neither Declarant, Developer, the Association, the Board, officers, agents or employees shall be liable for any incidental or consequential damages for failure to inspect any premises, improvements or portions thereof or for failure to repair or maintain the same. Neither the Declarant, Developer, the Association nor any other person or firm shall be liable for any personal injury or the incidental or consequential damage occasioned by any act or omission in the repair or maintenance of any premises, improvements or portions thereof, including, without limitation, damages occasioned by the negligence of the Declarant, Developer, the Association or such other person or firm liable to make such repairs.

Section 5.2 Reserve Funds. The Board in its discretion may establish reserve funds which shall be maintained and accounted for separately from other funds maintained for annual operating expense and may establish separate irrevocable trust accounts in order to better demonstrate that the amounts deposited therein are capital contributions and not net income to the Association. The aggregate deposits in such reserve funds shall not exceed at any time two-thirds (2/3rds) of the then current aggregate Annual Assessment by the Association for all Lots.

ARTICLE VI
COMMON AREAS

Section 6.1 Property Rights. Only Owners shall have rights of use and/or enjoyment of the Common Areas (including the improvements situated thereon, if any); provided, however that with respect to the Amenities, in addition to all Owners, each Annex Lot owner shall be entitled to use and enjoyment of the Amenities, regardless of whether such Annex Lot owner has become an Owner pursuant to the terms of Section 2.4 herein and is liable for payment of Assessments. Use and enjoyment of the Common Areas shall be subject to the following provisions:

- (a) The Association shall have the right to establish and enforce rules and regulations from time to time governing and restricting the use of Common Areas.
- (b) The Association shall have the right to suspend the voting rights and right to the use of Common Areas of any Owner for any period during which any Assessment against the Owner's Lot remains unpaid and for a reasonable period in response to any infraction of the Association's rules and regulations.
- (c) The Association shall have the right to take such steps as are reasonably necessary to protect the Common Area from foreclosure or forfeiture.

Section 6.2 Delegation of Use. Any Owner may delegate to the Owner's tenants, invitees and guests and to succeeding Owners and their tenants, invitees and guests, in accordance with the Bylaws, his right of enjoyment to the Common Areas.

Section 6.3 Title to and Maintenance of Common Areas. (a) Subject to any requirements made by HUD to earlier convey the Common Areas, Developer may retain legal title to the Common Areas until such time as, in the sole discretion of Developer, the Association is able to maintain the same, at which time the Developer will convey to the Association title to the Common Areas. Until legal title to the Common Areas has been conveyed to the Association by Developer, Developer shall be entitled to exercise all rights and privileges relating to such Common Areas granted to the Association in this Declaration.

- (b) In the event that any maintenance, replacement or repair is caused by or through the willful or negligent act of a specific Owner or a specific Owner's family, guests or invitees, then the cost of such maintenance, replacement or repair shall become a Special Assessment to which that Owner's Lot is subject.

ARTICLE VII
ARCHITECTURAL CONTROL COMMITTEE

Section 7.1 Appointment. During the period of time that the Developer owns any interest in any Lot, the Developer may form, but shall not be obligated to form, an architectural control committee (the "Committee") pursuant to this Declaration. Thereafter, if the Developer has not previously formed the Committee, then the Committee shall be formed by either (a) the Board Members of the Association, or (b) the Owners representing a majority of the Lots. If the Committee is formed by the Developer, then (i) Developer shall initially designate and appoint the members, which shall consist of three (3) persons, each appointee to be generally familiar with the residential and community development design matters within other additions with which Developer has been associated and knowledgeable about those concerns articulated in this Declaration, and (ii) within ninety (90) days after the date that all of the Lots have been sold by the Developer, the Board (if the Association has been formed and is in existence as of such date) or the Owners (if the Association has not been created or is no longer in existence as of such date) shall (A) confirm and approve the membership of the Committee, or (B) appoint one (1) or more successor members of its/their own choosing to the Committee, with such succession to be effective thirty (30) days after such appointment of such successor(s). The Committee shall consist of three (3) members.

Section 7.2 Term; Successors; Compensation; Liability. (a) Each member of the Committee shall serve on the Committee until such member resigns or is removed by the party who appointed such member to serve on such Committee. Without limiting the foregoing, the appointing party may remove its appointed member of the Committee at any time for any reason.

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

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

Section 7.3 Authority. (a) After the initial platting of the Declaration Property, the same shall not be replatted or resubdivided, no landscaping shall be undertaken on and no building, fence, wall or other structure shall be commenced, erected, placed, maintained or altered on any Lot, nor shall any exterior painting of, exterior addition to, or alteration of, such items be made by any party (other than Developer), until all plans have been approved by Developer and, if a Committee has been formed and is in existence as of such date, then until all plans therefore have been submitted to and approved in writing by a majority of the members of the Committee, as to:

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

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

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

(iv) the other standards set forth within this Declaration or matters with respect to which Developer or the Committee (if formed), whichever applies, have been vested with the authority to render a final interpretation and decision.

Without limiting the foregoing, Developer or the Committee (if formed), whichever applies, have been authorized and empowered to consider and review any and all aspects of platting, construction and landscaping which may, in

Clean Supplemental Declarations of Covenantsoakmont

Last Revised: 4/29/02 2:37 PM

the reasonable opinion of such party, affect the living enjoyment of one or more Owners or the general value of Lots within the Declaration Property. In considering the harmony of external design between existing structures and a proposed building being erected, placed or altered, the Developer or the Committee (if formed), whichever applies, shall consider only the general appearance of the proposed building as that can be determined from front, rear and side elevations on submitted plans.

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

Section 7.4 Procedure for Approval. (a) Each of the following documents (and all modifications thereof) must be submitted to the Developer or the Committee (if formed), whichever applies, and such party's approval must be obtained, prior to the document's submission to the City or implementation:

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

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

Section 7.5 Standards. Developer or the Committee (if formed), whichever applies, shall use its best efforts to promote and ensure a high level of taste, design, quality, harmony and conformity throughout the Declaration Property consistent with the standards set forth in this Declaration, provided that such party shall have sole discretion with respect to taste, design and all standards specified herein. One objective of such party is to conform generally with community standards and prevent unusual, radical, curious, odd, bizarre, peculiar or irregular structures from being built or maintained within the Declaration Property. Such party shall also have the authority, among other things, to require a minimum pitch or slope on the main structure of the residence (subject to such party's ability to permit slight variances for garage and porch roof pitch or slope), to require that the exterior surfaces of the chimney chases be covered with brick, masonry or wood, to prohibit the use of lightweight composition roof material, to require that the colors of roofing materials be earth tones, to require the use of certain types of divided light windows (such as bronzed, white or black), to prohibit or regulate the use of solar or heating panels, to regulate the construction and maintenance of awnings and generally to require that any plans meet the standards of the

existing improvements on neighboring Lots. Such party 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 7.6 Termination. The Committee shall cease to exist on the date on which, with the prior written approval of Developer (if the Committee was created and sanctioned by the Developer and the Developer has not relinquished control or its right to give such approval) or the Board (if the Association has been formed and is still in existence as of such date) or the Owners representing a majority of the votes of the Owners (if the Association has not been created or is no longer in existence as of such date and the Developer has relinquished control or its right to give such approval), all the members of the Committee file a document declaring the termination of the Committee. If there is no Committee in authority, then no approval by the Committee shall be required under this Declaration, and variations from the standards set forth in this Declaration shall then be made in accordance with the general development standards as reflected in the approved plans, construction materials, landscaping and other matters (i) by Developer, and (ii) by the Association, if Developer fails to take action relating thereto or after the Developer has relinquished control hereunder.

Section 7.7 Liability of Developer and the Committee. (a) Developer and the members of the Committee shall have no liability for decisions made by them so long as such decisions are made in good faith and are not discriminatory, arbitrary or capricious. Any errors in or omissions from the documents submitted to the Developer or Committee (if formed) shall be the responsibility of the entity or person submitting the documents, and Developer or Committee (if formed) shall have no obligation to check for errors in or omissions from any such documents, or to check for such documents' compliance with the general provisions of this Declaration, City codes and regulations, FHA or VA regulations, state statutes or the common law, whether the same relate to lot lines, building lines, easements or any other issue.

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

ARTICLE VIII

Prohibited Uses and Activities

Section 8.1 No Further Subdivision. No Lot may be further subdivided without the written consent of the Declarant or the Committee; provided, however, this restriction shall not be applicable to a tract comprising the Community Center Property in the event that such tract ceases to be owned by the Association. Lots may be combined for the purpose of constructing a single residence on more than one Lot only upon written approval of the Declarant or the Committee. Without regard to any such permitted subdivision or combination, the Lots involved shall continue to be treated as single individual Lots hereunder for all other purposes, including voting in the Association and assessing and collecting Assessments.

Section 8.2 Parking and Vehicle Restrictions. All Vehicles shall be parked, stored or placed so as not to be visible from any Street or from ground level view from an adjoining Lot, except for temporary parking in the driveway constructed on a Lot. On-Street parking shall be limited to temporary parking of guests or invitees of Owners during parties, delivery of services, and similar limited (no more than twelve (12) hours) time periods. Trucks with tonnage in excess of one ton and Vehicles with signage or advertising displays shall not be permitted to park overnight on the Streets, driveways, or other areas within the Property. No inoperative or unlicensed Vehicles may be parked or stored, other than in an enclosed garage, within the Property. All work on Vehicles (other than routine maintenance) shall be performed only in an enclosed garage. The foregoing provisions shall not restrict the parking of trucks and other Vehicles as necessary in connection with construction of Residences or other permitted Structures on Lots.

Section 8.3 Specific Use Restrictions. 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 on the Property which is not related to single-family residential purposes. No noxious or offensive activity (as determined by the Committee) shall be undertaken on the Property, and nothing shall be done which is or may become an annoyance or nuisance to the neighborhood. Nothing in this subparagraph shall prohibit a Builder's temporary use of a Residence as a sales office until such Builder's last Residence on the Property is sold. Nothing in this subparagraph shall prohibit an Owner's use of a Residence for quiet, inoffensive activities such as tutoring or giving art or music lessons so long as such activities do not materially increase the number of cars parked on the street or interfere with adjoining homeowners' use and enjoyment of their Residences and yards.

Section 8.4 Pet and Animal Restrictions. Only regular household pets such as cats and dogs shall be permitted on the Property and then only for personal use and not for any business use such as breeding, kennel operations and the like. No other animals shall be permitted to be maintained upon the Property, including the following: cows, horses, bees, hogs, sheep, goats, poultry, or skunks. No more than four (4) domesticated household pets are permitted in any Residence. All pets shall be kept within the fenced-in area of an Owner's Lot and shall not be permitted to run free through the Property.

Section 8.5 Outdoor Burning Restrictions. Outdoor burning of trash, leaves, and other items is prohibited. This restriction shall not be construed as prohibiting outdoor cooking on barbecue grills in connection with use of a Residence.

Section 8.6 Trash/Garbage Disposal. Trash, garbage and other waste shall at all times be kept in clean, well maintained, sanitary containers for regular scheduled pickup for removal of such items. Trash, garbage or other waste shall not be dumped on the ground of any Lot or in any Common Area.

Section 8.7 Occupancy. Each Lot shall be improved with a single-family detached Residence. No Person shall occupy any garage or other outbuilding as a dwelling unit at any time. No Structure of a temporary character, such as a trailer, basement, tent, shack, barn or other outbuilding, shall be used on any of the Property at any time as a dwelling house; provided, however, that any Builder may maintain and occupy model houses, sales offices and construction trailers during construction periods.

Section 8.8 Projections from Structures. Window air conditioning units attached to a Residence and other similar projections visible from a street are prohibited. Any projection through the roof of any outbuilding on the Property shall require the prior written approval of the applicable Declarant or the applicable Committee.

Section 8.9 Private Water/Sewer Systems. Each Residence shall be connected to the City water and sanitary sewer system, and no private water well or water, sanitary or storm sewer system is permitted within the Property unless constructed or caused to be constructed by the Declarant on the Declarant's the Property. If a Declarant uses private drainage easements in areas that necessitate or contain a private sub-surface storm sewer drainage system, then such sewer lines are to be kept freely running and unobstructed at all times. If the lines become obstructed, all parties that benefit from their function shall be required to equally and promptly share in the cost of repair or replacement of the lines.

Section 8.10 Changes in Grade. Except for such changes as are reasonably necessary to facilitate construction of a Residence on a Lot, no Owner shall change the grade of any Lot except in compliance with all applicable laws and the requirements of the grading plan. After the Declarant has developed the Lots on its portion of the Property, the general grading and slope of a Lot may not be altered, and no dams, berms, channels or swales may be constructed or excavated without the prior written approval of the Declarant (or the Committee), the City (if applicable) and other appropriate agencies having authority to grant such approval. Notwithstanding anything to the contrary contained herein, the drainage plan of a Lot shall not be altered in a manner, which is inconsistent with the Lot Grading Plan, unless such alteration is first approved by the City in writing.

Section 8.11 Visible Activities - Outdoors. Outdoor drying of clothes is prohibited. When not in use, lawn

mowers, rakes, carts, and other yard equipment shall be stored away from view of adjoining Lots and Streets.

Section 8.12 Structures and Storage. No temporary dwelling, shop, trailer, mobile home or above-ground swimming pools of any kind or any improvement of a temporary character (except children's wading pools and playhouses, treehouses, 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 unless otherwise approved in writing by the Committee) shall be permitted on any Lot, except that a Builder or contractor may have temporary improvements (such as a sales office, parking lot and/or a construction trailer) on a Lot during construction of the Residence on that Lot. No building material of any kind or character shall be placed or stored upon a Lot until the Owner thereof is ready to commence construction of improvements, and then such material shall be placed only within the property lines of the Lot upon which the improvements are to be erected during construction so long as construction progresses without undue delay. Unless approved in writing by the Committee, storage buildings must match or complement the materials and color of the Residence on the Lot. Storage buildings may contain (a) a maximum of 100 square feet if placed on a Lot containing more than 7200 square feet or (b) a maximum of 64 square feet if placed on a Lot containing less than 7200 square feet. Unless otherwise approved in writing by the applicable Committee, the roof peak of such building is limited to a maximum height of seven feet (7'0"), as measured from the ground and may not be gambrel (barn) style unless otherwise approved in writing by the applicable Committee.

Section 8.13 Recreational Vehicles. No boat, trailer, marine craft, hovercraft, aircraft, recreational vehicle, travel trailer, motor home, camper body or similar vehicle or equipment may be stored, parked or kept on any driveway, in the front yard or in the street in front of a Lot for more than 48 hours nor more frequently than two times per month, nor shall any such vehicle or equipment be parked for storage in the side or rear yard of any Residence. 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.

Section 8.14 Transportation of Hazardous Materials. No vehicle of any size which transports inflammatory or explosive cargo may be kept on the Property at any time.

Section 8.15 Drilling or Mining. No oil drilling, oil development operation, oil refining, quarrying or mining operations of any kind shall be permitted on the surface of the Property. No oil wells, tanks, tunnels, mineral excavations or shafts shall be permitted upon or in any part of the surface of the Property. No derrick or other structure designed for use in quarrying or boring for oil, natural gas or other minerals shall be erected, maintained or permitted on the surface of the Property.

Section 8.16 Prefabricated Structures. Except for children's playhouses, treehouses, dog houses, greenhouses, gazebos and buildings for storage of lawn maintenance equipment placed at locations on a Lot that are not visible from any street, no building previously constructed elsewhere shall be moved onto any Lot, it being the intention that only new construction be placed and erected thereon, except that a Builder or contractor may have temporary improvements (such as a sales office or construction trailer) on a Lot during construction of the Residence on that Lot.

ARTICLE IX

CONSTRUCTION PROVISIONS

Section 9.1 Plan Approval Required. No Residence or Structure shall be constructed within the Property until the plans have been approved in writing by the Committee or the Declarant as provided in this document.

Section 9.2 Establishment of the Committees.

(a) Initial Appointment. The Committee shall consist of three (3) members. The initial Committee shall be appointed by the Declarant.

(b) Term and Subsequent Appointments. The members of the Committee shall serve until they resign or are removed by the party appointing them to the Committee (which the appointing party may do at any time). Subsequent appointments to the Committee shall be made by the Declarant until such time as the appointing Declarant either relinquishes such power by written notice to the Board, or no longer owns any Lot; thereafter appointments to and removals from an Committee shall be made by the Board. The Committees and the Declarant, may engage the services of a third party to review plans and specifications pursuant to this Article.

(c) Compensation; Fee for Review. No member of an Committee shall be entitled to compensation for its services.

Section 9.3 Approval Process.

(a) Submission of Plans. With the exception for the Declarant, any party wishing to construct a Residence or any Structure on the Property shall submit two (2) copies of complete plans and specifications to the applicable Committee for its approval prior to commencing construction. Such plans and specifications shall include engineering information, landscaping description, and construction plans showing the location and elevations of the proposed Residence or Structure and the materials to be used in constructing the same, all in sufficient detail to enable the Committee to evaluate the proposed Structure or Residence. The Committee may request additional information, including samples of proposed materials to aid it in its decision process. After receipt of a complete set of plans and specifications, the Committee shall promptly review the same and notify the Person submitting whether it approves the plans or whether it requires changes thereto. Alternately, the Committee may disapprove a set of plans by so noting thereon and returning it to the Person submitting, Committee accompanied by a statement of the reasons for disapproval. No construction shall be commenced on any portion of the Property unless and until the plans for the Residence or Structure in question have been approved in writing by the applicable Committee or the Declarant.

(b) Time for Review/Approval. The Committee shall approve or disapprove all plans properly submitted to it for construction within thirty (30) days after the date it receives a complete set of plans and specifications therefor; if a Committee fails to specifically approve or disapprove of any plans within such thirty (30) day period, then the Committee shall be deemed to have approved the plans submitted.

(c) Review Standards. The Committee, in reviewing and approving plans for construction of Structures or Residences, shall use commercially reasonable efforts to promote and ensure a high level of taste, design quality, aesthetic harmony, and conformity throughout the Property, consistent with the standards established by this Declaration and the Design Guidelines.

(d) Design Guidelines/Building Standards. A Declarant or a Committee may, but is not required to, from time to time, establish specific guidelines and building standards to assist Persons in determining the type of Structures and Residences which may be constructed on the Property. Pursuant to Section 8.1, the Declarants may annex additional property to become a part of the Property, and a Declarant may develop its portion of the Property in various Phases. A Declarant may establish differing restrictions, guidelines and building standards for each such Phase of the Property, which may impose more restrictive or less onerous building standards with respect to a particular Phase. The Committee or the Declarant may amend or modify such guidelines or standards from time to time in its sole discretion. Such guidelines or standards shall supplement this Declaration and be general guides to permitted construction within the Declarant's Property, but shall not diminish the authority of the Committee and the Declarant to approve plans as otherwise herein provided.

(e) Failure to Obtain Approval. The construction, repair, replacement, installation, or placement of any Structure or improvement of any type on a Lot without the prior written approval from the Committee shall constitute grounds for the imposition by the Committee or the Association of an automatic fine against the Owner of said Lot not to exceed Five Hundred and No/100 Dollars (\$500.00). A fine levied under this Section shall be charged to the Owner's assessment account, payable upon demand and secured by the lien created in Article 6.

(f) Limitation of Liability. Neither the Declarant, its officers, directors, partners, agents, employees, representatives, parent or subsidiaries, nor the Association, the Board, or the Committee, including any of its

respective members, shall be liable to any Person for any official act of an Committee in connection with submitted plans and specifications. Notwithstanding any approval by the Declarant or the Committee, neither a Declarant nor an Committee shall be responsible or liable to any Person with respect to any loss, liability, claim or expense which may arise by reason of such approval or the construction of a Residence or Structure related thereto. Neither a Declarant, the Association, the Board nor an Committee shall be responsible in any way for any defects in any plans or specifications submitted, reviewed or approved in accordance with the provisions of this Declaration, nor for any structural or other defects in any work done according to such plans or specifications. No approval of any plans by either an Committee or a Declarant shall be construed to mean that the plans comply with any applicable law, building code, or governmental regulation, it being the responsibility of the Person submitting any plans to assure compliance with all applicable laws. Conversely, the issuance of a building permit or any approval from any governmental authority shall not, under any circumstance, constitute any evidence that construction of a Residence or a Structure complies with the terms and conditions contained in this Declaration or the Design Guidelines. No Declarant or members of an Committee shall have liability for decisions made by them regarding the approval or disapproval of plans, so long as the decisions are made in good faith and are not discriminatory, arbitrary, or capricious.

Section 9.4 Specific Construction Provisions.

(a) Setbacks. All Residences and other Structures shall be constructed in conformity with the setback requirements of the City and the building lines reflected on the Plat.

(b) Structure Size and Type. The minimum square footage of enclosed air-conditioned area of each Residence shall be the greater of (i) 1300 square feet or (ii) the minimum square footage required by the City for each Residence. Each Residence shall be of new construction on a Lot and no mobile homes or manufactured housing shall be permitted on the Property except as authorized by the Declarant on a temporary basis in connection with construction or sales activities on the Declarant's Property.

(c) Garage Requirements. Each Residence shall have at least a two car attached garage constructed as a part thereof.

(d) Drive/Walkway Requirements. All driveways and sidewalks shall conform to applicable City and other governmental specifications and regulations.

(e) Ancillary Structure Provisions. All ancillary Structures (as described below) shall conform to the requirements of this Section:

(1) Antennae/Satellite Dishes. The erection, construction, placement or installation of any television, radio, or other electronic tower, serial, antenna, satellite dish or device of any type for the reception or transmission of radio or television broadcasts or for any means of communication upon a Lot or upon any improvement thereon is prohibited except as provided for herein. This prohibition shall not apply to those antennae specifically covered by 47 C.F.R. Part 1, Subpart S, Section 1.4000 (or any successor provision) promulgated pursuant to the Telecommunications Act of 1996, as amended from time to time. The Committees or the Declarant shall be empowered to adopt rules governing the types of antennae that are permissible hereunder and establishing reasonable, non-discriminatory restrictions relating to safety, location and maintenance of antennae. All television antennas and other antennas and aerials shall be located inside the attic of the residence constructed on the Lot. Amateur radio towers and antennas (whether for reception or transmission) are specifically prohibited. No exterior television, radio or other antenna of any type shall be placed, allowed or maintained upon any Lot, Residence, or Structure without prior written approval and authorization of the applicable Committee.

(2) Fences and Walls. All fences and walls (excluding retaining walls described in (7) below) shall be at least six feet (6'0") in height and shall have a maximum height of eight feet (8'0"), and shall be located in an area and constructed of materials in accordance with the provisions therefore contained in the Design Guidelines, if applicable. No fence or wall may be constructed, repaired, rebuilt, or relocated if it impedes or obstructs drainage. Prior written approval from the Committee is required for any construction,

placement or repair of fences or walls on any Lot.

(3) Outbuildings. Outbuildings must be approved by the Committee and shall not extend above seven feet (7'0") in height, as measured from the ground, unless otherwise approved by the applicable Committee, and shall be located in an area approved in writing by the applicable Committee. Any outbuilding shall be screened from all sides such that the outbuilding does not extend above the height of any fence.

(4) Trash Containers. All trash containers shall be screened from view from Streets.

(5) Hedges. Hedges shall be maintained at a height that is in conformity with the height of fences and walls. No hedge shall be maintained in a manner that obstructs any sidewalk or the visibility of intersections of Streets and/or alleys.

(6) Servant's Quarters. Intentionally omitted.

(7) Retaining Walls. Retaining walls other than those constructed by a Declarant on its portion of the Property require prior written approval by the Committee to ensure conformity with the requirements contained in the Design Guidelines with respect to location, construction, and materials. Except for those built by the Declarant or its affiliates on the Declarant's Property, any retaining walls which generally face an alley or are either between Residences or along or adjacent to the side or rear property lines of Lots shall be constructed of C.C.A. treated lumber or stone materials unless the applicable Committee has otherwise provided prior written approval. Except for those built by Declarant or its affiliates, any retaining walls which generally face a Street or are along or adjacent to the front property lines of Lots shall be constructed of stone materials unless the applicable Committee has otherwise provided prior written approval.

(8) Mailboxes. Mailboxes shall be of a design and constructed of materials approved by the Committee or Declarant.

(9) Recreational Facilities. A tennis court, swimming pool, and/or recreational facilities may be constructed within any Lot provided the plans are approved by the Committee prior to commencement of construction to ensure compliance with the requirements contained in the Design Guidelines with respect to location and screening. Above ground pools are prohibited.

(10) Signage. Except for a Declarant's signs or Builders' signs approved by a Declarant for such Declarant's Property, no signage may be maintained on any Lot or in the Common Area other than signs which do not exceed five (5) sq. ft., of tasteful design which advertise a Lot or Residence for sale or rent. Political signage is allowed so long as it strictly complies with the conditions set forth in the Design Guidelines as to number, location, when such signs are allowed prior to the election and the time period after the election upon which the signs shall be removed. Spirit signs (announcing the involvement of students in athletics or school programs) shall only be allowed if provided for and in strict compliance with the Design Guidelines. Such advertising and spirit signs shall be subject to approval of the Committee. All signs must be professionally produced and manufactured. Each Owner hereby grants permission to the Committee (or its duly authorized agents) to enter upon a Lot or any part of the Property and remove any sign, billboard or advertising structure that does not comply with the above requirements and, in doing so, the Committee (or its duly authorized agents) shall not be subject to any liability to any Person whatsoever for trespass, conversion, or any claim for damages in connection with such removal. The Committee's cost to remove any sign shall be added to the Owner's assessment account, be payable upon demand and secured by the lien created in Article 6.

(f) Construction Materials. All construction materials shall conform to the following provisions:

(g) Exterior Materials. All exterior construction materials shall be subject to approval by the

Committee in accordance with the provisions thereof in the Design Guidelines, if applicable, as to aesthetic appearance and shall conform to any and all City ordinances. Unless otherwise approved by the Committee, the front of a Residence shall be of 100% masonry construction and each Residence shall be of 50% masonry construction overall. Masonry shall include stucco, brick or stone.

(h) Roof Materials. Minimum twenty (20) year warranty shingle or equivalent is required. Color of shingles to be weatherwood or similar color. All roofing materials must be fireproof and conform to City requirements, and are subject to approval of the Committee.

Section 9.6 Height Restrictions. All Structures shall conform to the height restrictions of the City.

Section 9.7 Roof Restrictions. All roofs shall have a minimum pitch of 5:12.

Section 9.8 Construction Period and Process. Construction of any Residence shall be pursued with all due diligence and, in any event, shall be completed within nine (9) months after commencement. Construction of any other Structure shall be completed within the time periods specified in the plan approval process. All areas under construction shall be maintained in a clean, safe condition, and debris, trash, and rubble shall be stored in appropriate containers and promptly removed from the Property.

(a) Landscaping. The Owner of a Lot, at the time of the construction of the Residence thereon, shall establish fully sodded grass on all yards visible from any street. The above landscaping shall be installed by a Builder at the time of and in conjunction with the construction of a Residence on a Lot. Unless otherwise approved in writing by the Committee, no more than 50% of the area of any yard that faces a street may be covered by shrubs or flowers and no vegetables may be grown in any yard that faces a street. Each owner shall maintain its yards in a sanitary and attractive manner and shall edge the street curbs that run along the Lot 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 Owner shall permit weeds or grass on a Lot to grow to a height of greater than six inches. Upon failure of any Owner to maintain its Lot, a Declarant or the Association may, at its option, have the grass, weeds and vegetation cut as often as necessary in its judgment, and such Owner shall be obligated, when presented with an itemized statement, to reimburse the Declarant or the Association for the cost of such work. The amount to be reimbursed, if not paid within ten (10) days after the date of such invoice, shall bear interest from the date of the invoice at the maximum non-usurious rate of interest that can be contracted for under the laws of the State of Texas. The Association is a third-party beneficiary of this Section.

(b) Right to Waive or Modify Specific Instruction Provisions. The Committee shall have the right, in its discretion, to grant reasonable waivers of the construction provisions set forth in this Declaration, and any such waiver shall not entitle any other Person to a similar waiver and shall only be granted with respect to portions of the Property for which such Committee is responsible in accordance with the terms of this Declaration.

Section 9.8 Declarant Rights. So long as a Declarant owns any Lot, such Declarant may exercise any of the rights of the Committee appointed by such Declarant under this Article 3 and supersede any decision or action of such Committee.

ARTICLE X GENERAL PROVISIONS

Section 10.1 Easements. Easements for the installation and maintenance of utilities and drainage facilities are reserved as shown on the Final Plat. Easements are reserved across all Lots as necessary for the installation, operation, maintenance and ownership of utility service lines from the property lines to the Residences. By acceptance of a deed to a Lot, the Owner of the Lot 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 10.2 Recorded Final Plat. All dedications, limitations, restrictions and reservations shown on the Final Plat are incorporated herein and shall be constructed as being adopted in each contract, deed or conveyance

executed or to be executed by Developer conveying Lots, whether specifically referred to therein or not.

Section 10.3 Lot Landscape and Maintenance. The Owner of each Lot shall maintain its yard 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 property in a neat and attractive manner. The Owner of each Lot on which a fence is required to be constructed shall maintain such fence in good order and repair and shall replace such fence upon its deterioration. No vegetables shall be grown in any yard that faces a street or the golf course. No Owner shall permit weeds or grass to grow to heights of greater than six inches upon his property. Upon the failure of any Owner to maintain any Lot or any fence thereon, Developer and the Association each has the right, at its option, to have the grass, weeds and vegetation cut or the fence repaired or replaced as often as necessary in its sole judgment without the joinder of the other, and the Owner of such property shall be obligated, when presented with an itemized statement or notice of Special Assessment, to reimburse Developer or pay Special Assessments to the Association, as the case may be, for the cost of such work. The amount to be paid, if not paid within thirty days after the date of the statement or notice of Special Assessment is presented to the Owner, shall bear interest from such date of presentation until paid at the rate of twelve percent (12%) per annum or the highest rate allowed by law, whichever is lower. Any Special Assessment owing to the Association for such work shall be secured by a lien on such Owner's Lot as provided in Section 4.1 of this Declaration.

Section 10.4 Maintenance of Improvements Each Owner (a) shall maintain the exterior of all buildings, fences, walls and other Improvements on his Lot in good condition and repair, (b) shall replace worn and rotten parts, (c) shall regularly repaint all painted surfaces, and (d) shall not permit the roofs, rain gutters, downspouts, exterior walls, windows, doors, walks, driveways, parking areas or other exterior portions of the Improvements to deteriorate.

Section 10.5 Mortgages It is expressly provided that the breach of any of the forgoing provisions 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 provisions shall be binding as to Lots acquired by foreclosure, trustee's sale or otherwise, but only as to any breach occurring after such acquisition of title.

Section 10.6 Term. This Declaration and the covenants and restrictions contained herein shall run with and bind the land and shall remain in full force and effect through and including December 31, 2020. Thereafter, this Declaration and the covenants and restrictions contained herein shall be extended automatically for successive periods of ten (10) years unless amended as provided herein. This Declaration may be terminated only by an amendment effected under Paragraph (b) of Section 9.12, which expressly provides for such termination.

Section 10.7 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 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 10.8 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 Declaration Property, it being understood that such conditions, covenants, restrictions and agreements are not for the benefit of the Owner of any land except in the Declaration Property other than as specifically provided herein. This instrument, when executed, shall be filed of record in the land records of Denton County so that each and every Owner or purchaser of any portion of the Declaration Property is on notice of the conditions, covenants, restrictions and agreements herein contained.

Section 10.9 Enforcement Each of the Declarant, the Developer, the Association, and the Owner of any Lot on the Declaration Property shall have the right to require that each and all of foregoing covenants, conditions and restrictions herein be faithfully carried out and performed with reference to each and every Lot, together with the right to bring any suit or undertake any legal process that may be proper to enforce the performance thereof. It is the intention hereby to attach to each Lot, without reference to when it was sold, the right to have such covenants,

conditions and restrictions strictly complied with, such right to exist with the Owner of each Lot and to apply to all other Lots whether owned by the Developer, its successors and assigns, others. Failure by any of the Owner, Developer, or the Association to enforce any covenant or restriction herein contained shall in no event be deemed a waiver of the right to do so thereafter.

Section 10.10 Other Authorities. If other authorities, such as the City, impose more demanding, expensive or restrictive requirements than those 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 supercede or diminish the requirements herein.

Section 10.11 Addresses. Any notices of correspondence to any Owner of a Lot shall be addressed to the street address of the Lot.

Section 10.12 Amendment This Declaration may be amended only as follows:

(a) Until the rights and authority granted to "Developer" hereunder vest in the Association pursuant to Section 10.13 hereof, the Developer shall have and reserves the right at any time and from time to time, without the joinder or consent of any other party, to amend this Declaration by any instrument in writing duly signed, acknowledged, and filed for record, provided that any such amendment shall be consistent with and in furtherance of the general plan and scheme of development as evidenced by this Declaration and shall not impair or affect the vested property or other rights of any Owner or his mortgage.

(b) At any time, the Owners of the legal title to 75% of the Lots (as shown by the Denton County Real Property Records) may amend the covenants, conditions and restrictions set forth herein by signing, acknowledging and recording an instrument containing such amendment(s), except that until the rights and authority granted to Developer hereunder vest in the Association pursuant to Section 9.13 hereof, no such amendment shall be valid or effective without the joinder of the Developer.

Section 10.13 Rights of Developer. All rights and authority granted to "Developer" hereunder shall continue until the earlier to occur of (i) the date that Developer and its assigns no longer own any portion of the Declaration Property, or (ii) December 31, 2022. On such date, all rights and authority granted to "Developer" hereunder shall vest in and thereafter be exercised by, the Association, except for rights and authority which by their terms cease to exist hereunder on or prior to such date. Developer may assign any or all of its rights and authority as "Developer" hereunder to any purchaser of any portion of the Declaration Property or by written instrument of assignment duly recorded in the Real Property Records of Denton County, Texas. Conveyance of a property interest by Developer alone shall not constitute an assignment of Developer's rights and authority as "Developer", hereunder.

Section 10.14 Dual Capacities. Declarant is entering into this Declaration in its capacity as Declarant and also in its capacity as the Owner of certain Lots.

[THE REMAINDER OF THIS PAGE INTENTIONALLY LEFT BLANK]

IN WITNESS WHEREOF, Declarant has executed this Declaration on the 20th day of May, 2002.

DECLARANT:

PULTE HOMES OF TEXAS, L.P.,
a Texas limited partnership

By: PN I, Inc.,
a Nevada corporation,
its General Partner

By: Todd Miller
Name: TODD MILLER
Title: controller
Date: 5/20/02

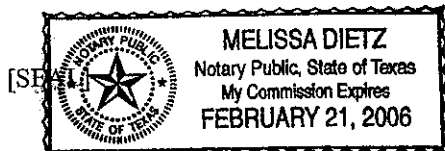
STATE OF TEXAS

§
§

COUNTY OF DALLAS §

BEFORE ME, the undersigned authority, on this day personally appeared TODD MILLER CONTROLLER of PN I, Inc., a Nevada corporation, the general partner of Pulte Homes of Texas, L.P., a Texas limited partnership, known to me to be the person whose name is subscribed to the foregoing instrument, and acknowledged to me that he executed the same for the purposes and consideration therein expressed, as the act and deed of Pulte Homes of Texas, L.P., a Texas limited partnership, and in the capacity therein stated.

GIVEN UNDER MY HAND AND SEAL OF OFFICE this 20 day of MAY, 2002



My Commission Expires:

2-21-06

Melissa Dietz
NOTARY PUBLIC IN AND FOR
THE STATE OF TEXAS

MELISSA DIETZ
Printed Name of Notary

(THERE WILL BE SIGNATURE LINES AND ACKNOWLEDGEMENT FOR EACH
RESPECTIVE OWNER WHO SIGNS THIS DECLARATION)

STATE OF TEXAS

§
§

COUNTY OF _____ §

BEFORE ME, the undersigned authority, on this day personally appeared _____, known to
me to be the person whose name is subscribed to the foregoing instrument, and acknowledged to me that he
executed the same for the purposes and consideration therein expressed.

GIVEN UNDER MY HAND AND SEAL OF OFFICE this ____ day of _____, 2001.

[SEAL]

NOTARY PUBLIC IN AND FOR
THE STATE OF TEXAS

My Commission Expires:

Printed Name of Notary

EXHIBIT "A"

Declaration Property Description

Lots 1,4-9,12-14,16 Block 10 in Braewood at Oakmont
Lots 1-4,9,13-26 Block 2 in Braewood at Oakmont
Lots 71,72 Block 9 in Braewood at Oakmont
Lots 19, 20 Block A in Wynstone at Oakmont Phase I
Lots 1, 12 Block B in Wynstone at Oakmont Phase I
Lots 2-5,7-8,16 Block C of Wynstone at Oakmont Phase I
Lots 1-3, 6 Block D of Wynstone at Oakmont Phase I
Lots 16-21,23-32 of Block D in Wynstone at Oakmont Phase II
Lots 18-33 of Block B in Wynstone at Oakmont Phase II
Lots 1-6, 8-42 Block E of Wynstone at Oakmont Phase II
Lots 1-9 Block F of Wynstone at Oakmont Phase II
Lots 57-65 of Block 2 in Braewood at Oakmont Phase II
Lots 1-4 Block 4 in Braewood at Oakmont Phase II
Lots 1-5 Block 5 in Braewood at Oakmont Phase II
Lots 1, 56-70 Block 9 in Braewood at Oakmont Phase II
Lots 1-28 Block 2 in Braewood at Oakmont Phase III
Lots 1-20 Block 3 in Braewood at Oakmont Phase III
Lots 5-21 Block 4 in Braewood at Oakmont Phase III

EXHIBIT "B"

Legal Description of Annex Lots

EXHIBIT "C"
Legal Description of Common Area

Lot 1 of Wynstone at Oakmont Amenities Center more commonly known as 3717 Pine Hills Lane as filed in Denton County, TX.

Exhibit D

ANY PROVISION HEREIN WHICH RESTRICTS THE SALE, RENTAL, OR USE
OF THE DESCRIBED REAL PROPERTY BECAUSE OF COLOR OR RACE IS
INVALID AND UNENFORCEABLE UNDER FEDERAL LAW.

THE STATE OF TEXAS }
COUNTY OF DENTON }

I hereby certify that this instrument was FILED in the File Number sequence on
the date and the time stamped hereon by me; and was duly RECORDED, in the
Official Public Records of Real Property of Denton County, Texas on

MAY 21 2002

Cynthia Mitchell
COUNTY CLERK
DENTON COUNTY, TEXAS



Filed for Record in:
DENTON COUNTY, TX
CYNTHIA MITCHELL, COUNTY CLERK

On May 21 2002
At 1:49pm

Receipt #: 28959
Recording: 55.00
Doc/Mgmt: 6.00
Doc/Num: 2002-R0063834
Doc/Type: DEC
Deputy -Cristina