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DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS FOR THE LOTS IN NORTH BETHANY LAKE ESTATES PHASE ONE

STATE OF TEXAS)
COUNTY OF COLLIN)

THAT JLL Development I, L.P., a Texas limited partnership (the "Declarant"), is the owner of all the lots shown on the Final Plat of North Bethany Lake Estates, Phase One (the "Property") an Addition to the City of Allen ("City"), Texas, according to the Plat thereof (the "Plat") recorded in Volume L, Page 319 of the Map Records of Collin County, Texas (the "County").

Declarant has subdivided the Property into single-family lots as shown on the Plat. As used herein, "lot" and "lots" shall refer only to the numbered lots shown on the Plat and shall not refer to the public areas, parks, esplanades, tracts owned or subsequently acquired by any public body.

Declarant hereby declares that all of the Property described above shall be held, sold and conveyed subject to the following easements, restrictions, covenants and conditions, which are for the purpose of establishing a general scheme for the development of all of the lots in the Property and for the purpose of enhancing and protecting the value, attractiveness and desirability of said lots and which shall run with the land and be binding on all parties having or acquiring any right, title or interest in the Property or any part thereof, and which shall inure to the benefit of each owner thereof.

ARTICLE I

CONSTRUCTION OF IMPROVEMENTS AND USE OF LOTS

Section 1.1 Residential Use. All lots shall be used for single-family residential purposes only. No building shall be erected, altered, placed or permitted to remain on any lot other than one (1) detached single-family residence per lot, which residence may not exceed either two (2) stories in height or the maximum height as allowed by the city.

Section 1.2 Single-Family Use. Each residence may be occupied by only one family consisting of persons related by blood, adoption or marriage or no more than three (3) unrelated persons living and cooking together as a single housekeeping unit, together with any household servants.

Section 1.3 Garages. Each residence shall have a garage suitable for parking not less than two (2) nor more than four (4) standard size automobiles, which garage conforms in design and materials with the main structure. All garage doors shall be closed at all times except as may be necessary for the entry and exit of vehicles and persons.

4500 1702

Section 1.4 Restrictions on Resubdivision. Except for replats undertaken by Declarant, none of the lots shall be subdivided into smaller lots.

Section 1.5 Driveways. All driveways shall be surfaced with concrete or a similar substance approved by the Committee.

Section 1.6 Minimum Floor Area. The total air-conditioned living area of the main residential structure, as measured to the outside of exterior walls but exclusive of open porches, garages, patios and detached accessory buildings, shall be not less than one thousand five hundred (1500) square feet for a one (1) story residence and not less than two thousand (2000) square feet for a two (2) story residence, or the minimum habitable floor area as specified by the City at the time of construction, whichever is greater.

Section 1.7 Building Materials - Exterior Items and Surfaces. The total exterior wall area of the main residential structure on a lot shall not be less than seventy-five percent (75%) brick, brick veneer, stone, stone veneer, masonry or other material approved by the Committee (as defined in Article II below). Roofing shall be constructed of wood, slate, clay tile or composition material of a minimum weight of 240 pounds per 1000 square feet of roofing specifically approved otherwise by the Committee in writing before installation. Roof pitch shall be a minimum of 8/12, unless approved otherwise by the Committee. Installation of all types of exterior items and surfaces such as address numbers or external paint or stain, shall be subject to the prior approval of the Committee as to design, materials and location.

Section 1.8 Side Line and Front Line Setback Restrictions. No dwelling shall be located on any lot nearer to the front lot line or nearer to the side lot line than the minimum setback lines shown on the Plat or required by the City. For the purposes of these covenants, eaves and steps and open porches shall not be considered as a part of the building, provided, however, that this shall not be construed to permit any portion of a building on a lot to encroach upon another lot.

Section 1.9 Fences and Walls. Any fence or wall must be constructed of masonry, brick, wood or other material approved by the Committee. No fence or wall shall be permitted to extend nearer to any street than the front building line of the residence upon the lot upon which such fence or wall is situated, except for retaining walls installed by Declarant or retaining walls or decorative fences approved by the Committee. Fences or walls erected by the Declarant shall become the property of the owner of the lot on which the same are erected and, as such, shall be maintained and repaired by such owner. No portion of any fence shall extend greater than eighty (80) inches in height.

Section 1.10 Sidewalks. All sidewalks shall conform to City specifications and regulations.

Section 1.11 Mailboxes. Mailboxes shall be standardized and shall be constructed of a material and design approved by the Committee (unless clusterboxes are required by the U. S. Postal Service).

4500 1703

Section 1.12 Retaining Walls. Any retaining wall visible from any street shall be stone or other material approved by the Committee.

Section 1.13 Chimney Flues. Chimney Flues shall be fully enclosed with materials that are acceptable to the Committee.

Section 1.14 Prohibited Uses.

(a) No temporary dwelling, shop, trailer or mobile home of any kind or any improvement of a temporary character (except children's playhouses, dog houses, greenhouses, gazebos and buildings for storage of lawn maintenance equipment, which may be placed on a lot only in places which are not visible from any street on which the lot fronts) shall be permitted on any lot except that a builder or contractor, with the prior written approval of the Committee, may have temporary improvements (such as a sales office and/or construction trailer) at a given lot during construction of a residence on the Property. No building material of any kind or character shall be placed or stored upon the property until the owner thereof is ready to commence construction of improvements.

(b) No boat, marine craft, hovercraft, aircraft, recreational vehicle, pick-up camper, travel trailer, motorhome, camper body or similar vehicle or equipment may be parked for storage in the driveway or front yard of any dwelling or parked on any public street or alley on the Property, nor shall any such vehicle or equipment be parked for storage in the side or rear yard of any residence unless screened from view by a screening structure or fencing approved by the Committee. No such vehicle or equipment shall be used as a residence or office temporarily or permanently. This restriction shall not apply to any vehicle, machinery or equipment temporarily parked and in use for the construction, maintenance or repair of a residence in the immediate vicinity.

(c) Trucks with tonnage in excess of one ton shall not be permitted to park overnight within the Property except those used by a builder or contractor during the construction or repair of improvements.

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

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

(f) No structure of a temporary character, such as a trailer, basement, tent, shack, barn or other out-building, shall be used on any lot at any time as a dwelling house; provided, however, any builder, with the prior written approval of the Committee, may maintain and occupy model houses, sales offices and construction trailers during the construction period.

4500 1706

(g) No oil drilling, oil development operation, oil refining, quarrying or mining operations of any kind shall be permitted on the Property, nor shall oil wells, tanks, tunnels, mineral excavations or shafts be permitted upon or in any part 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 pennitted within the Property.

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

(i) No lot or other area in the Property shall be used as a dumping ground for rubbish or a site for the accumulation of unsightly materials of any kind, including without limitation, broken or rusty equipment, disassembled or inoperative cars and discarded appliances and furniture. Trash, garbage, or other waste shall not be kept except in sanitary containers in appropriate locations which may be specified by the Committee. Materials incident to construction of improvements may be stored on lots during construction so long as construction progresses without undue delay.

(j) No individual water supply system shall be permitted in the Property.

(k) No individual sewage disposal system shall be permitted in the Property.

(l) No garage, garage house or other out-building (except for sales offices and construction trailers during the construction period which have been approved by the Committee in writing) shall be occupied by any owner, tenant or other persons.

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

(n) Except with the written permission of the Committee or as provided below, no antennas, discs or other equipment for sending or receiving sound or video messages shall be permitted in the Property except antennas for AM or FM radio reception and UHF/VHF television reception. All antennas shall be located inside the attic of the main residential structure except that, with the written permission of the Committee, one (1) satellite disc or other structure may be placed in the back yard so long as it is completely screened front view of any street, alley, park or other public area. No use shall be made of any lot or structure thereon for any other type of radio or television or similar broadcasting system.

4500 1705

(o) No lot or improvement shall be used for business, professional, commercial or manufacturing purposes of any kind. No activity, whether for profit or not, shall be conducted which is not related to single-family residential purposes. No noxious or offensive activity shall be undertaken within the Property, nor shall anything be done which is or may become an annoyance or nuisance to the neighborhood. Nothing in this subparagraph shall prohibit a builder's temporary use of a residence as a sales office until such builder's last residence in 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 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.

(p) No fence, wall, hedge or shrub planting which obstructs sight lines at elevations between two (2) and six (6) feet above the roadway shall be placed or permitted to remain on any corner lot within the triangular area formed by the street right-of-way lines and a line connecting them at points twenty-five (25) feet from the intersection of the street right-of-way lines, or, in the case of a rounded property corner, from the intersection of the street right-of-way lines as extended. The same sight-line limitations shall apply on any lot within fifteen (15) feet from the intersection of a street right-of-way line with the edge of a private driveway or alley pavement. No tree shall be permitted to remain within such distance of such intersections unless the foliage line is maintained at sufficient height to prevent obstruction of such sight lines.

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

(r) No changes shall be made to any portion of a lot (including without limitation any easement area, set-back area, drainage channel, swale or other area) which may damage or interfere with the installation and maintenance of utilities or which may change the overall drainage pattern of a lot (including without limitation the alteration of existing topography or the installation of structures, plantings or other materials), without the prior written approval of the Committee, the City and other appropriate agencies having authority to grant such approval.

(s) No sign of any kind shall be displayed to the public view on any lot except one (1) professional sign of not more than six (6) square feet advertising the property for rent or sale. Declarant shall not be bound by any sign or billboard restriction. The Committee shall have the right to remove any sign, billboard or other advertising structure that does not comply with the foregoing requirements, and in so doing shall not be subject to any liability for trespass or any other liability in connection with such removal. All signs are subject to the approval of the Committee and may be required by the Committee to be removed if, in the sole judgment of the Committee, same are found to be inconsistent with the high standards of the Property. To protect the safety and harmony of the neighborhood, no person shall engage in picketing on any lot, easement, right-of-way or common area within or adjacent to the Property, nor shall any vehicle parked, stored or driven in or adjacent to the Property bear or display any signs, slogans, symbols, word or decoration intended to create controversy, invite ridicule or disparagement, or

4500 1706

interfere in any way with the exercise of the property rights, occupancy or permitted business activities of any builder, owner, or Declarant.

(t) The drying of clothes in public view is prohibited.

(u) Except within fireplaces in the main residential dwelling and except for outdoor cooking, no burning of anything shall be permitted anywhere within the Property

(v) No carport shall be permitted on a lot.

(w) No abandoned, derelict or inoperative vehicles may be stored or located on any lot unless visually screened from other lots and from any residential street.

ARTICLE II

ARCHITECTURAL CONTROL COMMITTEE

Section 2.1 Establishment. "Committee" shall mean the Architectural Control Committee, which shall be the governing body charged with using its best efforts to promote and ensure a high level of taste, design, quality, harmony and conformity throughout the Property consistent with this Declaration. Until the termination of Declarant control (referred to in Subsection 2.3 below), Declarant shall constitute the Committee, and may approve plans or take other actions on behalf of the Committee in Declarant's own name or in the name of the Committee. After the termination of Declarant control, the Committee shall be composed of at least three (3) individuals who own a lot within the Property appointed by the Board of Directors of the Association as hereinafter described, and shall act by simple majority vote. In the event of death, resignation or other removal of any homeowner elected member of the Committee, the remaining members shall appoint a successor member. No member of the Committee shall be entitled to compensation for, or be liable for claims, causes of action or damage arising out of services performed pursuant to this Declaration.

Section 2.2 Authority. No landscaping, 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 to be made until all plans and specifications therefor have been submitted to and approved in writing by the Committee as to:

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

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

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

4500 1707

The Committee is authorized and empowered to consider, review and approve any and all aspects of construction and landscaping which may, in the reasonable opinion of the Committee, adversely affect the living enjoyment of one or more lot owners or the general value of lots in the Property and, pursuant thereto, the Committee may require the submission of plans and specifications and/or site or plot plans prior to the commencement, or during the process, of such construction or landscaping. In considering the harmony of external design between existing structures and the proposed building being erected, placed or altered, the Committee shall consider only the general appearance of the proposed building as that can be determined from front, rear and side elevations on submitted plans.

The restrictions and requirements of this Declaration shall not be applicable to the development, improvement, maintenance, repair or replacement of any lot or improvement upon a lot by Declarant, and the Committee shall have no power or authority to review, approve or require modifications to plans and specifications for such work of Declarant.

Section 2.3 Procedure for Approval. Final plans and specifications shall be submitted in duplicate to the Committee. The plans and specifications shall show the nature, kind, shape, height, materials and location of all landscaping and improvements. The documents shall specify any requested variance from the setback lines, garage location or any other requirement set forth in this Declaration. The Committee is authorized to request the submission of samples of proposed construction materials. At such time as the plans and specifications meet the approval of the Committee, one complete set of plans and specifications will be retained by the Committee and the other complete set of Plans shall be marked "Approved", signed on behalf of the Committee and returned to the lot owner or his designated representative.

If disapproved by the Committee, one set of such plans shall be returned marked "Disapproved" and shall be accompanied by a reasonable statement of the reasons for disapproval, which statement shall be signed on behalf of the Committee. Any Statement shall be signed on behalf of the Committee. Any modification of the approved set of plans and specifications must again be submitted to the Committee for its approval. The Committee's approval or disapproval, as required herein, shall be in writing. In no event shall the Committee give verbal approval or disapproval of any plans. If the Committee fails to approve or disapprove such plans and specifications within thirty (30) days after the date of submission, written approval of the matters submitted shall not be required and compliance with this Article shall be deemed to have been completed. In case of a dispute about whether the Committee responded within such time period, the person submitting the plans shall have the burden of establishing that the Committee received the plans. The Committee's receipt of the plans may be established by a signed certified mail receipt.

Section 2.4 Standards. The Committee shall have sole discretion with respect to taste, design and all standards specified herein. One objective of the Committee is to prevent unusual, radical, curious, odd, bizarre, peculiar or irregular structures from being built in the Property.

Section 2.5 Termination of Declarant Control. Declarant shall cease to control and constitute the Committee on the earlier of: (a) the date on which Declarant records in the County land records a document declaring the termination of the Committee, or (b) at such time as

4500 1708

Declarant no longer owns a lot within the Property. Notwithstanding the above provisions, at any time after the termination of the Committee, the record owners of a majority of the lots in the Property shall have the authority to record an instrument which provides for a committee elected by the homeowners to continue the functions of the Committee, which instrument shall establish election or appointment of procedures whereby the homeowners' committee members shall be chosen and a notice procedure whereby all homeowners in the Property will receive notice of such procedures. Thereafter, such homeowners committee shall constitute the Committee, and shall be empowered with all of the rights, obligations, and immunities (specifically including those of Section 2.6 below), set forth or reserved in this Declaration for the Committee.

Section 2.6 Liability of Committee. The Committee (and all members thereof) shall have no liability for decisions made by the Committee so long as such decisions are made in good faith and without malice. Any errors in or omissions from the plans or the site plan submitted to the Committee shall be the responsibility of the owner of the lot to which the improvements relate, and the Committee shall have no obligation to check for errors in or omissions from any such plans, or to check for such plans' compliance with the general provisions of this Declaration, City codes, state statutes or the common law, whether the same relate to lot lines, building lines, easements or any other issue.

ARTICLE III

DECLARANT'S RIGHTS

Section 3.1. Rights of Declarant. Notwithstanding anything to the contrary contained in this Declaration, Declarant, its agents, employees and contractors shall not be restricted or prevented by this Declaration from doing, and Declarant, its agents, employees and contractors shall have the right to do, such things or take such actions as they deem necessary, advisable or convenient for completion and improvement of the Property as a residential community for the sale, rental or other disposition of lots in the Property. The rights of Declarant, its agents, employees and contractors shall include, without limitation:

(a) The right and easement of ingress in, over and upon the Property for the purpose of performing on any part of parts of the Property acts deemed necessary, advisable or convenient for the completion and improvement of the Property as a residential community and for the sale, rental or other disposition of lots.

(b) The right to erect, construct, maintain, demolish or remove structures and other improvements on the Property as it deems necessary, advisable or convenient for the completion and improvement of the Property as a residential community and for the sale, rental or other disposition of lots.

(c) The right to use lots and improvements owned by Declarant as models, sales offices or contractor's offices and to construct and display promotional, informational and directional signs and other sales aides on or about any portion of the Property.

4500 1709

(d) The right to develop Phase Two of the Bethany Lake Estates upon a tract of land adjoining the Property and to incorporate the lot owners within Phase Two into the association of homeowners as full members.

ARTICLE IV

HOMEOWNERS' ASSOCIATION

4.01 Creation. The Owners shall constitute the Association, including owners of lots in North Bethany Lake Estate, Phase Two to be hereafter platted for land adjoining the Property and who for all purposes shall be included within the meaning of "Owner" as used herein. Each Owner of a Lot, including Developer, shall automatically be a member of the Association. Association membership shall be appurtenant to ownership of a Lot. Ownership of a Lot is the sole criterion for membership in the Association.

4.02 Transfer of Membership. Association membership can be transferred to the grantee of a conveyance of a Lot in fee. Membership shall not be assigned, pledged, or transferred in any other way. Any attempt to make a prohibited transfer shall be void.

4.03 Management of Association. The Association shall be incorporated as a nonprofit corporation. The Association shall be managed by the Board pursuant to the procedures set forth in the Association's articles of incorporation and bylaws, subject to this Declaration.

4.04 Membership Voting, Elections, and Meetings. Each Owner shall have one vote. There shall be at least one meeting of the membership each year. At that meeting, the Owners shall elect a Board consisting of five directors and vote on any other matters the Board chooses to place before the membership, and discuss any matter of Association business that the Board or any Owner wishes to bring before the entire membership. A decision of the membership or the Board shall be by majority vote. Notwithstanding anything to the contrary, Declarant shall constitute the Board until such time as Declarant's Control is terminated in accordance with Section 2.5. Until such time as Declarant's Control is terminated, no action may be taken by the membership of the Association without Declarant's consent.

4.05 Duties and Powers of Board. Through the Board, the Association shall have the following powers and duties:

- (a) To adopt rules and regulations to implement this Declaration and the Association's bylaws.
- (b) To enforce this Declaration, the bylaws, its rules and regulations.
- (c) To elect officers of the Board and select members of the Architectural Control Committee when that power devolves to the Board.
- (d) To delegate its powers to committees, officers, or employees.

4500 1710

- (e) To prepare a balance sheet and operating income statement for the Association and deliver a report to the membership at its annual meeting.
- (f) To establish and collect regular assessments to defray expenses attributable to the Association's duties, to be levied against each Owner, including Developer.
- (g) To establish and collect special assessments for capital improvements or other purposes.
- (h) To file liens against unit owners because of nonpayment of assessments duly levied and to foreclose on those liens.
- (i) To receive complaints regarding violations of this Declaration, the bylaws, or the rules and regulations.
- (j) To hold hearings to determine whether to discipline Owners who violate this Declaration, the bylaws, or the rules and regulations.
- (k) To give reasonable notice to all Owners of all annual meetings of the membership and all discipline hearings.
- (l) To hold regular meetings of the Board at least semiannually.
- (m) To manage and maintain all of the Common Area in a state of high quality and in good repair, including without limitation, the detention pond on lot 15 of Block C of the Property as shown on the Plat.
- (n) To construct and maintain a 42" high fence along F. M. 2551, the length of the Property, in accordance with state regulations and the Facilities Agreement, dated July 26, 1999, executed between Declarant and the City of Allen, Texas. The construction shall be completed within 180 days of the completion of improvements along F. M. 2551 by the North Texas Municipal Water Utility District.
- (o) To pay taxes and assessments that are or could become a lien on the Common Area.
- (p) To pay the costs of any liability insurance and fire insurance on the Common Area and any liability insurance for members of the Board.
- (q) To appoint members to the Committee as described in Section 2.1. after the termination of control by Declarant.

4500 1711

ARTICLE V

GENERAL PROVISIONS

Section 5.1 Lot Maintenance. After installation of the original landscaping for a lot, the owner of such lot shall continually maintain a minimum amount of landscaping within the front yard of the lot, such minimum being two (2) four-inch caliper trees, plus thirty (30) five-gallon shrubs, plus ten (10) one-gallon shrubs (such sizes being the minimum when planted). Each owner 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. No vegetables shall be grown in any yard unless they are completely screened from public view. No owner shall permit weeds or grass to grow to a height of greater than six inches (6") upon his property. If, after ten (10) days' prior written notice from the Committee, an owner of a lot shall fail to: (a) control weeds, grass and/or other unsightly growth, (b) remove trash, rubble, building and construction debris, (c) exercise reasonable care and conduct to prevent or remedy an unclean, untidy or unsightly condition, or (d) otherwise satisfy the aforesaid maintenance requirements, then Declarant or the Committee shall have the authority and right to assess and collect from the owner of said lot the amount so expended by Declarant or the Committee in connection with mowing, cleaning or otherwise maintaining said lot on each respective occasion of such mowing, cleaning or maintenance. In the event an owner of a lot does not pay such an assessment within fifteen (15) days after the date of the invoice for such assessment, such owner shall also be obligated to pay Declarant or the Committee interest thereon from the due date until paid at the lesser of the maximum rate permitted by applicable law or eighteen percent (18%) per annum plus all reasonable costs of collection thereof including attorneys' fees and costs of court and appeal.

Section 5.2 Temporary Completion Easement. All lots shall be subject to an easement of ingress and egress for the benefit of the Declarant, its employees, subcontractors, successors and assigns, over and upon the front, side and rear yards of the lot as may be expedient or reasonable for the construction, servicing and completion of improvements and landscaping upon lots adjacent to the subject lot.

Section 5.3 Maintenance of Improvements. (a) Each lot owner shall maintain the exterior of all buildings, fences, walls and other improvements on his lot in good condition and repair, and shall replace worn and rotten parts, and shall regularly repaint all painted surfaces and 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 in an unattractive manner.

(b) The Association shall manage and maintain all of the Common Area in a state of high quality and in good repair, including without limitation, the detention pond on lot 15 of Block C of the Property as shown on the Plat. As used herein "Common Areas" shall mean Block C, Lot 15 and all landscaping, fencing, monuments and screening easements in those certain common areas dedicated to the North Bethany Lakes Addition Homeowners Association as indicated on the subdivision plat. The Association shall be responsible for the continuous and

4500 1712

perpetual operation, maintenance and/or supervision of landscape systems, features or elements located in Common Areas, and as identified herein or on the subdivision plat. The City of Allen shall be responsible for all median maintenance and all paving maintenance (except for private streets or roads) and the repair of landscape systems, features or elements damages by City initiated utility work in dedicated easements. Other damage occurring during utility repairs will be the responsibility of the appropriate utility company. Should the Association or its Board fail or refuse to maintain such Common Areas to the City of Allen's specifications for an unreasonable time, not to exceed (90) days after written request to do so, the City of Allen, by and through a majority of its City Council members, shall have the same right, power and authority as is herein given to the Association and its board of Directors to enforce these covenants and levy assessments necessary to maintain the Common Areas identified herein. It is understood that in such event, the City of Allen, Texas, through its City Council, may elect to exercise the rights and powers of the Association or its Board of Directors, to the extent necessary to take any action required and levy any assessment that the Association might have, either in the name of the Association or otherwise, to cover the cost of maintenance of said Common Areas and Common Maintenance Areas. Upon filing of the subdivision plat, Declarant dedicates to the Association, Block C, Lot 15 and all other landscaping and screening easements and all other Common Areas as identified on the subdivision plat or herein. The Association shall maintain all landscaping within these areas.

(c) The Association shall construct and maintain a 42" high fence along F. M. 2551, the length of the Property, in accordance with all applicable municipal ordinances or state regulations. The construction shall be completed within 180 days of the completion of improvements along F. M. 2551 by the North Texas Municipal Water Utility District.

Section 5.4 Mortgages. It is expressly provided that the breach of any of the foregoing conditions shall not defeat or render invalid the lien of any mortgage or deed of trust made in good faith and for value, as to the same premises or any part thereof encumbered by such mortgage or deed of trust, but said conditions shall be binding thereto as to lots acquired by foreclosure, trustee's sale or otherwise, as to any breach occurring after such acquisition of title.

Section 5.5 Term. The foregoing covenants and restrictions shall run with and bind the land and shall remain in full force and effect for a term of thirty (30) years after this Declaration is recorded. They shall be automatically extended for successive periods of ten (10) years unless amended as provided herein or as allowed by applicable law.

Section 5.6 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 effect any other condition, covenant or restriction, each of which shall remain in full force and effect.

Section 5.7 Binding Effect. Each of the conditions, covenants, restrictions and agreements herein contained is made for the mutual benefit of, and is binding upon, each and every person acquiring any part of the Property, it being understood that such benefits of the owner of any land except land in the Property and the same shall inure to the benefit of owners of land in the Property and Declarant, its successors and assigns. This Declaration, when executed,

4500 1713

shall be filed of record in the deed records of the County so that each and every owner or purchaser of any portion of the Property is on notice of the conditions, covenants, restrictions and agreements herein contained.

Section 5.8 Enforcement. The Association or any Owner of any lot in the Property shall have the easement and right to have each and all of the foregoing restrictions, conditions and covenants herein faithfully carried out and performed with reference to each and every lot in the Property, together with the right to bring any suit or undertake any legal process that may be proper to enforce the performance thereof, it being the intention hereby to attach to each lot in the Property, without reference to when it was sold, the right and easement to have such restrictions, conditions and covenants strictly complied with, such right to exist with the owner of each lot and to apply to all other lots in the Property, whether owned by the Declarant, its successors and assigns, or others. Failure by any owner, including Declarant, to enforce any covenant or restriction herein contained shall in no event be deemed a waiver of the right to do so thereafter.

Section 5.9 Definition of "Owner" and "Declarant". As used herein, the term "Owner" shall refer to the record owner, whether one or more persons or entities, of the fee simple title to a lot. "Declarant" means JLL Development I, L. P. and any successor or assign to who JLL Development I, L. P. assigns its interest as Declarant hereunder in whole or in part by instrument recorded in the official records of the County.

Section 5.10 Other Authorities. If other authorities, such as the City or County, 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 supersede or diminish the requirements herein.

Section 5.11 Addresses. Any notices or correspondence to an owner of a lot shall be addressed to the street address of the lot. Any notices or correspondence to the Committee shall be addressed to the address shown opposite the signature of the Declarant below or to such other address as is specified by the Committee pursuant to an instrument recorded in the deed records of the County.

Section 5.12 Amendment. Declaration and the covenants, conditions and restriction set forth herein may be amended in whole or in part with the consent of more than 50% of the Owners of the lots (with one vote to be cast for each lot so owned) evidenced by a document in writing bearing the signatures of such majority owners. For the period that a Declarant appointed Committee is in existence, no amendment of the covenants, conditions and restrictions set for the herein shall be valid or effective without the joinder of Declarant.

Section 5.13 Liberal Interpretation. This Declaration shall be liberally construed to effectuate its purpose of creating a uniform plan for the Property.

Section 5.14 Attorney Fees. If any controversy, claim, or dispute arises relating to this instrument, its breach, or enforcement, the prevailing party shall be entitled to recover from the losing party reasonable expenses, attorneys' fees, and costs.

4500 1714

Section 5.15 Covenants Running With the Land. These easements, restrictions, covenants, and conditions are for the purpose of protecting the value and desirability of the Property. Consequently, they shall run with the real property and shall be binding on all parties having any right, title, or interest in the Property in whole or in part, and their heirs, successors, and assigns. These easements, covenants, conditions, and restrictions shall be for the benefit of the Property, each lot, and each lot Owner.

EXECUTED this 19 day of August, 1999.

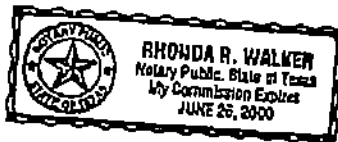
JLL DEVELOPMENT I, L.P.,
a Texas limited partnership
2653 Tama Drive
Dallas, Texas 75229

By: J. L. Goff
Printed Name: Tommy Goff
General Partner

STATE OF TEXAS)
COUNTY OF ~~COLLET~~)
DALLAS

The foregoing instrument was acknowledged before me this 19th day of August, 1999, by Tommy Goff, a General Partner of JLL Development I, L.P. a Texas limited partnership, on behalf of said limited partnership.

Rhonda R Walker
Notary Public in and for the State of Texas



4500 1715

ANY PROVISION HEREIN WHICH RESTRICTS OR LIMITS THE SALE, RENTAL, OR USE OF THE
DESCRIBED REAL PROPERTY BECAUSE OF COLOR OR RACE IS HEREBY REPEALED AND
UNENFORCEABLE UNDER FEDERAL LAW (COUNTY OF COLLIN
THE STATE OF TEXAS)
This document was filed in the Public Records on the 14th
day of September 1999, and was duly RECORDED, in the Public
Records of the Property at Davis County, Texas at

SEP 14 1999

Helen Starnes



Filed for Record in
COLLIN COUNTY, TX
HONORABLE HELEN STARNES

On 1999/09/14

At 1:22P

Number: 99- 0115512
Type : RB 37.00

2000- 0116947

FIRST AMENDMENT TO
DECLARATION OF COVENANTS, CONDITIONS AND
RESTRICTIONS FOR THE LOTS IN
NORTH BETHANY LAKE ESTATES PHASE ONE

4781 0181

THE STATE OF TEXAS }
 }
COUNTY OF COLLIN } KNOW ALL MEN BY THESE PRESENTS:

WHEREAS, JLL Development I, L.P., a Texas limited partnership, the original Owner of North Bethany Lake Estates Phase One, an addition to the City of Allen, Collin County, Texas, according to the Plat recorded in Volume L, Page 319 of the Map Records of Collin County, Texas; and JLL Development I, L.P., acting through Tommy Goff, its General Partner, has executed that certain Declaration of Covenants, Conditions and Restrictions for the Lots in North Bethany Lake Estates Phase One as recorded in Volume 4500, Page 1701, et seq., of the Deed Records of Collin County, Texas (the "Declaration"); and,

WHEREAS, the Declaration provides that the covenants, conditions and restrictions set forth therein may be amended in whole or in part with the consent of more than 50% of the Owners of the lots (with one vote to be cast for each lot so owned) evidenced by a document in writing bearing the signatures of such majority owners; and,

WHEREAS, KB Group, L.L.C. and Kimball Hill Homes Texas, Inc., as the owners of more than 50% of the lots on the effective date of this instrument, jointly and mutually agree and desire to amend the Declaration,

NOW, THEREFORE, the Declaration shall be and is hereby amended as follows:

The first sentence of Section 5.1 shall be amended to read as follows:

"Lot Maintenance. After installation of the original landscaping for a lot, the owner of such lot shall continually maintain a minimum amount of landscaping within the front yard of the lot, such minimum being one (1) three-inch caliper tree, plus four (4) five-gallon shrubs, plus four (4) three-gallon shrubs, plus four (4) one-gallon shrubs (such sizes being the minimum when planted)."

Except as amended hereby, all provisions of the Declaration shall remain and are in full force and effect.

IN WITNESS HEREOF, the undersigned have caused this instrument to be executed in their names and on their behalf by their duly authorized officers and shall be effective this the 19th day of October, 2000.

FIRST AMENDMENT TO
DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS
FOR THE LOTS IN NORTH BETHANY LAKE ESTATES PHASE ONE

SIGNATURE PAGE ONLY

KB Group, L.L.C.

Kimball Hill Homes Texas, Inc.

By: Kenny Bounds
Kenny Bounds
Manager

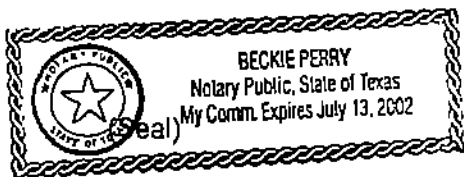
By: Samuel L. Wyse, III
Samuel L. Wyse, III
Area Vice President

4781 0182

STATE OF TEXAS }
COUNTY OF DENTON }

Before me, the undersigned, on this day personally appeared Kenny Bounds, known to me to be the person and officer whose name is subscribed to the foregoing instrument and acknowledged to me that the same was the act of said KB Group, L.L.C., and that he executed the same as the act of such corporation for the purposes and consideration therein expressed, and in the capacity therein stated.

Given Under My Hand and Seal of Office, this the 19th day of October, 2000.

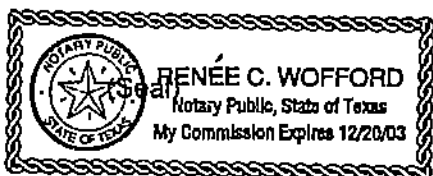


Beckie Perry
Notary Public in and for the State of Texas

STATE OF TEXAS }
COUNTY OF DENTON }

Before me, the undersigned, on this day personally appeared Samuel L. Wyse, III, known to me to be the person and officer whose name is subscribed to the foregoing instrument and acknowledged to me that the same was the act of said Kimball Hill Homes Texas, Inc., and that he executed the same as the act of such corporation for the purposes and consideration therein expressed, and in the capacity therein stated.

Given Under My Hand and Seal of Office, this the 24 day of Oct, 2000.



Renée C. Wofford
Notary Public in and for the State of Texas

4781 0183

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 COLLIN)
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 Collin County, Texas on

OCT 25 2000

Helen Starnes



Filed for Record in:
Collin County, McKinney TX
Honorable Helen Starnes
Collin County Clerk

On Oct 25 2000
At 9:40am

Doc/Num : 2000- 0116947

Recording/Type:RS 13.
Receipt #: 308522

AFTER RECORDING, RETURN TO:

LIMBAK HILL HOMES
ATTN: SAMUEL L. WYSG, III
1422 W. MAIN ST., SUITE 206
LEWISVILLE, TX. 75067