

CROSSING AT WATERFORD OWNER'S ASSOCIATION
GUIDELINES FOR ROOFING MATERIALS

STATE OF TEXAS

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COUNTY OF COLLIN

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KNOW ALL PERSONS BY THESE PRESENTS:

WHEREAS the Crossing at Waterford Owner's Association (the "Association") is charged with administering and enforcing those certain covenants, conditions and restrictions contained in the recorded Declaration of Covenants, Conditions & Restrictions for Waterford Crossing, filed for record on June 23, 2000, at Document Number 20000623000649510, of the Official Public Records of Collin County, Texas (referred to as the "Declaration"); and

WHEREAS the Texas Legislature passed House Bill 362 which amends Chapter 202 of the Texas Property Code to add Section 202.011 thereto dealing with the regulation of roofing materials and other things; and

WHEREAS, the Board of Directors ("Board") of the Association has determined that in connection with maintaining the aesthetics and architectural harmony of the community, and to provide clear and definitive guidance regarding roofing materials therein, it is appropriate for the Association to adopt guidelines regarding roofing materials within the community.

NOW, THEREFORE, the Board has duly adopted the following *Guidelines for Roofing Materials* within the community, hereby repealing any and all prior restrictions on roofing materials contained in any governing documents of the Association which are not in accordance with the new law.

A. The Association shall not prohibit an owner who is otherwise authorized to install shingles on the roof of the owner's property from installing shingles that:

1. are designed to:

- (a) be wind and hail resistant;
- (b) provide heating and cooling efficiencies greater than those provided by customary composite shingles;
- (c) provide solar generation capabilities; and

2. when installed:

- (a) resemble the shingles used or otherwise authorized for use on property in the subdivision;
- (b) are more durable than and are of equal or superior quality to the shingles described by subsection (a) above; and
- (c) match the aesthetics of the property surrounding the owner's property.

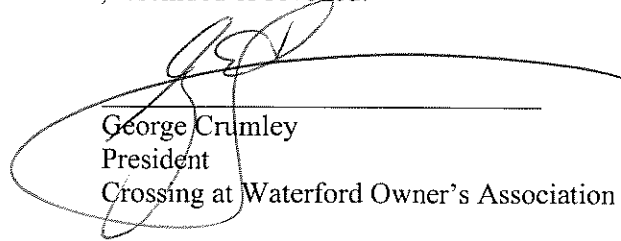
B. The definitions contained in the Association's dedicatory instruments are hereby incorporated herein by reference.

Crossing at Waterford Owners Association
Guidelines for Roofing Materials
Page 2 of 2

- C. In the event of any conflict between these provisions and any roofing material restrictions contained in any governing document of the Association, including design guidelines, policies and the Declaration, this Roofing Materials Policy controls.

FURTHERMORE, these guidelines are effective upon recordation in the Public Records of Collin County, and will remain in effect until revoked, modified or amended.

This is to certify that the foregoing Policy was adopted by the Board at a meeting of the same held 12-6-11, and has not been modified, rescinded or revoked.



George Crumley
President
Crossing at Waterford Owner's Association

THE CROSSING AT WATERFORD OWNERS ASSOCIATION, INC.

GUIDELINES FOR SOLAR ENERGY DEVICES

STATE OF TEXAS
COUNTY OF COLLIN

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KNOW ALL PERSONS BY THESE PRESENTS:

WHEREAS the The Crossing at Waterford Owners Association, Inc. (the “Association”) is charged with administering and enforcing those certain covenants, conditions and restrictions contained in the recorded Declaration of Covenants, Conditions & Restrictions for Waterford Crossing, June 23, 2000, at Document Number 20000623000649510 of the Official Public Records of Collin County, Texas (referred to as the “Declaration”); and

WHEREAS the Texas Legislature passed House Bill 362 which amends Chapter 202 of the Texas Property Code to add Section 202.010 thereto dealing with the regulation of solar energy devices; and

WHEREAS, the Board of Directors (“Board”) of the Association has determined that in connection with maintaining the aesthetics and architectural harmony of the community, and to provide clear and definitive guidance regarding solar energy devices therein, it is appropriate for the Association to adopt guidelines regarding solar energy devices within the community.

NOW, THEREFORE, the Board has duly adopted the following *Guidelines for Solar Energy Devices* within the community,.

1. These guidelines apply to solar energy devices (“Devices”) as defined in Section 171.107(a) of the Texas Tax Code. A solar energy device means a system or series of mechanisms designed primarily to provide heating or cooling or to produce electrical or mechanical power by collecting and transferring solar-generated energy. The term includes a mechanical or chemical device that has the ability to store solar-generated energy for use in heating or cooling or in the production of power.
2. Such Devices may be installed with advance approval of the Association, subject to these guidelines.
3. Any such Devices must be installed on land or structures owned by the property owner. No portion of the Devices may encroach on adjacent properties or common areas.
4. Such Devices may only be installed in the following locations:
 - a. on the roof of the main residential dwelling on an owner’s property; or
 - b. on the roof of any other approved structure; or
 - c. within a fenced yard or patio.
5. For Devices mounted on a roof, the Devices must:
 - a. have no portion of the Devices higher than the roof section to which it is attached; and

- b. have no portion of the Devices extend beyond the perimeter boundary of the roof section to which it is attached; and
 - c. conform to the slope of the roof; and
 - d. be aligned so that the top edge of the Devices is parallel to the roof ridge line for the roof section to which it is attached; and
 - e. have a frame, brackets, and visible piping or wiring that is a color that matches the roof shingles or a silver, bronze or black tone commonly available in the marketplace; and
 - f. be located in a position on the roof which is least visible from any street or common area which does not reduce estimated annual energy production more than ten percent (10%), as determined by a publically available modeling tool provided by the National Renewable Energy Laboratory (www.nrel.gov) or equivalent entity over alternative roof locations.
6. For Devices located in a fenced yard or patio, no portion of the Devices may extend above the fence. If the fence is not a solid fence which blocks view of the Devices, the Association may require the Devices be placed in a location behind a structure or otherwise require visual screening. The Association may consider installation of Devices on properties without a fenced yard if there is adequate screening from public view from any street or common area.
7. All Devices must be installed in compliance with manufacturer's instruction and in a manner which does not void material warranties. Licensed craftsmen must be used where required by law. Permits must be obtained where required by law.
8. Installed Devices may not:
- a. threaten public health or safety; or
 - b. violate any law; or
 - c. substantially interfere with the use and enjoyment of land by causing unreasonable discomfort or annoyance to any adjoining property owner or resident of ordinary sensibilities.
9. All Devices must be maintained in good repair. Unused or inoperable Devices must be removed if they can be seen from any street or common area.

FURTHERMORE, these guidelines are effective upon recordation in the Public Records of Collin County, and will remain in effect until revoked, modified or amended.

This is to certify that the foregoing Policy was adopted by the Board at a meeting of the same held 12-6-11, and has not been modified, rescinded or revoked.


George Crumley
President
The Crossing at Waterford Owners Association, Inc.

THE CROSSING AT WATERFORD OWNERS ASSOCIATION, INC.

GUIDELINES FOR RAINWATER RECOVERY SYSTEMS

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

WHEREAS The Crossing at Waterford Owners Association, Inc. (the “Association”) is charged with administering and enforcing those certain covenants, conditions and restrictions contained in the recorded Declaration of Covenants, Conditions & Restrictions for Waterford Crossing, filed for record on June 23, 2000, at Document Number 20000623000649510, of the Official Public Records of Collin County, Texas (referred to as the “Declaration”); and

WHEREAS the Texas Legislature passed House Bill 3391 which amends Chapter 202 of the Texas Property Code to add Section 202.007 (d) thereto dealing with the regulation of rainwater recovery devices; and

WHEREAS, the Board of Directors (“Board”) of the Association has determined that in connection with maintaining the aesthetics and architectural harmony of the community, and to provide clear and definitive guidance regarding rainwater recovery devices therein, it is appropriate for the Association to adopt guidelines regarding rainwater recovery devices within the community.

NOW, THEREFORE, the Board has duly adopted the following *Guidelines for Rainwater Recovery Devices* within the community, hereby repealing any and all prior restrictions on rainwater recovery devices contained in any governing documents of the Association which are not in accordance with the new law.

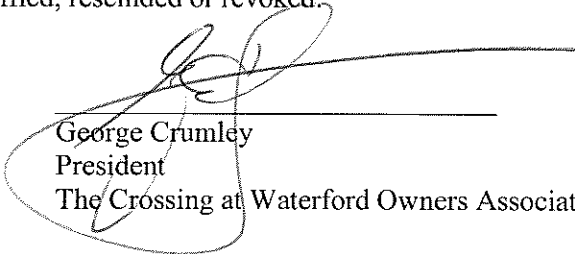
- A. An owner may not install a rain barrel or rainwater harvesting system if:
 - 1. such device is to be installed in or on property:
 - (a) owned by the Association;
 - (b) owned in common by the members of the Association; or
 - (c) located between the front of the owner’s home and an adjoining or adjacent street; or
 - 2. the barrel or system:
 - (a) is of a color other than a color consistent with the color scheme of the owner’s home; or
 - (b) displays any language or other content that is not typically displayed by such a barrel or system as it is manufactured.

- B. The Association may regulate the size, type, and shielding of, and the materials used in the construction of, a rain barrel, rainwater harvesting device, or other appurtenance that is located on the side of a house or at any other location that is visible from a street, another lot, or a common area if:

1. the restriction does not prohibit the economic installation of the device or appurtenance on the owner's property; and
 2. there is a reasonably sufficient area on the owner's property in which to install the device or appurtenance.
- C. In order to enforce these regulations, an owner must receive written approval from the Board or the architectural control or review committee (if one exists) prior to installing any rain barrel or rainwater harvesting system. Accordingly, prior to installation, an owner must submit plans and specifications to receive the written approval of the Board or architectural control/review committee. The plans and specifications must show the proposed location, color, material, shielding devices, size and type of such system or device (and all parts thereof). The plans should also identify whether the device or any part thereof will be visible from any street, other lot or common area.

FURTHERMORE, these guidelines are effective upon recordation in the Public Records of Collin County, and will remain in effect until revoked, modified or amended.

This is to certify that the foregoing Policy was adopted by the Board at a meeting of the same held 12-6-11, and has not been modified, rescinded or revoked.



George Crumley
President
The Crossing at Waterford Owners Association, Inc.

THE CROSSING AT WATERFORD OWNERS ASSOCIATION, INC.

DOCUMENT INSPECTION AND COPYING POLICY

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

WHEREAS the The Crossing at Waterford Owners Association, Inc. (the "Association") is charged with administering and enforcing those certain covenants, conditions and restrictions contained in the recorded Declaration of Covenants, Conditions & Restrictions for Waterford Crossing, filed for record on June 23, 2000 at Document Number 20000623000649510 of the Official Public Records of Collin County, Texas (referred to as the "Declaration"); and

WHEREAS Chapter 209 of the Texas Property Code was amended to amend Section 209.005 ("Section 209.005") thereto regarding owner access to Association documents and records ("Records"); and

WHEREAS, the Board of Directors ("Board") of the Association desires to establish a policy for records production consistent with Section 209.005 and to provide clear and definitive guidance to property owners.

NOW, THEREFORE, the Board has duly adopted the following *Documents Inspection and Copying Policy*.

1. The Association's books and records available for inspection and copying by owners are those records designated by Section 209.005 of the Texas Property Code. Pursuant to Section 209.005(d) of the Texas Property Code, an attorney's files relating to the Association, excluding invoices, are not records of the Association, are not subject to inspection by owners, or production in a legal proceeding. Further, pursuant to Section 209.005(k), the Association is not required to release or allow inspection of any books and records relating to an employee of the Association, or any books and records that identify the violation history, contact information (other than the address and/or financial information of an individual owner) absent the express written approval of the owner whose information is the subject of the request or a court order requiring disclosure of such information.
2. Every owner of a lot in the Association is entitled to inspect and copy the Association's books and records in compliance with the procedures set forth in this Policy. An owner may submit a designation in writing, signed by the owner, specifying such other individuals who are authorized to inspect the Association's books and records as the owner's agent, attorney, or certified public accountant. The owner and/or the owner's designated representative are referred to herein as the "Requesting Party."
3. The Requesting Party seeking to inspect or copy the Association's books and records must submit a written request via certified mail to the Association at the mailing address of the Association or its managing agent as reflected on the Association's current management certificate. The request must contain sufficient detail describing

the requested Association's books and records, including pertinent dates, time periods or subjects sought to be inspected. The request must also specify whether the Requesting Party seeks to inspect the books and records before obtaining copies or to have the Association forward copies of the requested books and records to the Requesting Party.

4. If the Requesting Party elects to inspect the Association's books and records, the Association shall notify the Requesting Party within ten (10) business days after receiving the Requesting Party's request of the dates during normal business hours that the Requesting Party may inspect the requested books and records (the "Inspection Notice").

If the Requesting Party requests copies of the Association's books and records, the Association shall produce the requested books and records by the 10th business day after the date the Association receives the request.

If the Association is unable to produce the requested books and records by the 10th business day after the date the Association receives the request, the Association must provide written notice to the Requesting Party (the "Inspection Delay Letter") that (1) the Association is unable to produce the information by the 10th business day after the date the Association received the request, and (2) state a date by which the information will be either sent or made available for inspection that is not later than fifteen (15) days after the date of the Inspection Delay Letter.

5. Any inspection shall take place at a mutually-agreed upon time during normal business hours. All inspections shall take place at the office of the Association's management company or such other location as the Association designates. No Requesting Party or other individual shall remove original records from the location where the inspection is taking place, nor alter the records in any way. All individuals inspecting or requesting copies of records shall conduct themselves in a businesslike manner and shall not interfere with the operation of the Association's or management company's office or the operation of any other office where the inspection or copying is taking place.

At such inspection, the Requesting Party may identify such books and records for the Association to copy and forward to the Requesting Party. The Association may produce all requested books and records in hard copy, electronic, or other format reasonably available to the Association.

6. Costs Associated with Compilation, Production and Reproduction. The costs associated with compiling, producing and reproducing the Association's books and records in response to a request to inspect or copy documents shall be as follows:
 - a. Copy charges.
 - i. Standard paper copy. The charge for standard paper copies reproduced by means of an office machine copier or a computer printer is \$0.10 per page or part of a page. Each side that contains recorded information is considered a page.

- ii. Nonstandard copy. The charges in this subsection are to cover the materials onto which information is copied and do not reflect any additional charges, including labor, that may be associated with a particular request. The charges for nonstandard copies are:
 - 1. Diskette--\$ 1.00;
 - 2. Magnetic tape--actual cost
 - 3. Data cartridge--actual cost;
 - 4. Tape cartridge--actual cost;
 - 5. Rewritable CD (CD-RW)--\$ 1.00;
 - 6. Non-rewritable CD (CD-R)--\$ 1.00;
 - 7. Digital video disc (DVD)--\$ 3.00;
 - 8. JAZ drive--actual cost;
 - 9. Other electronic media--actual cost;
 - 10. VHS video cassette--\$ 2.50;
 - 11. Audio cassette--\$ 1.00;
 - 12. Oversize paper copy (e.g.: 11 inches by 17 inches, greenbar, bluebar, not including maps and photographs using specialty paper)--\$0.50;
 - 13. Specialty paper (e.g.: Mylar, blueprint, blueline, map, photographic)--actual cost.
- b. Labor charge for locating, compiling, manipulating data, and reproducing information.
 - i. The charge for labor costs incurred in processing a request for information is \$15.00 an hour. The labor charge includes the actual time to locate, compile, manipulate data, and reproduce the requested information.
 - ii. When confidential information is mixed with non-confidential information in the same page, a labor charge may be recovered for time spent to redact, blackout, or otherwise obscure confidential information in order to release the information. A labor charge shall not be made for redacting confidential information for requests of fifty (50) or fewer pages.
 - iii. If the charge for providing a copy of information includes costs of labor, the Requesting Party may require that the Association provide a written statement as to the amount of time that was required to produce and provide the copy, signed by an officer of

the Association. A charge may not be imposed for providing the written statement to the requestor.

c. Overhead charge.

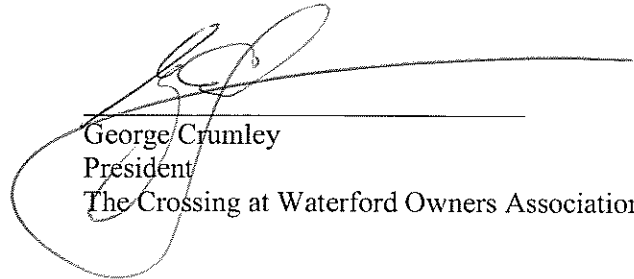
- i. Whenever any labor charge is applicable to a request, the Association may include in the charges direct and indirect costs, in addition to the specific labor charge. This overhead charge would cover such costs as depreciation of capital assets, rent, maintenance and repair, utilities, and administrative overhead. If the Association chooses to recover such costs, a charge shall be made in accordance with the methodology described in paragraph (3) of this subsection. Although an exact calculation of costs will vary, the use of a standard charge will avoid complication in calculating such costs and will provide uniformity for charges.
- ii. An overhead charge shall not be made for requests for copies of fifty (50) or fewer pages of standard paper records.
- iii. The overhead charge shall be computed at twenty percent (20%) of the charge made to cover any labor costs associated with a particular request (example: if one hour of labor is used for a particular request, the formula would be as follows: Labor charge for locating, compiling, and reproducing, \$15.00 x .20 = \$ 3.00).

d. Postal and shipping charges. The Association may add any related postal or shipping expenses which are necessary to transmit the reproduced information to the Requesting Party.

7. Payment. Upon receipt of a request to inspect and/or copy documents, the Association may require the Requesting Party to pay the estimated costs associated with production and copying in advance. If the estimated cost of compilation, production and reproduction is different from the actual cost, the Association shall submit a final invoice to the owner on or before the 30th business day after the Association has produced and/or delivered the requested information. If the actual cost is greater than the estimated amount, the owner must pay the difference to the Association within thirty (30) business days after the date the invoice is sent to the owner, or the Association will add such additional charges as an assessment against the owner's property in the Association. If the actual cost is less than the estimated amount, the Association shall issue a refund to the owner within thirty (30) business days after the date the invoice is sent to the owner.

FURTHERMORE, this Policy is effective upon recordation in the Public Records of Collin County, and supersedes any policy regarding records production which may have previously been in effect. Except as affected by Section 209.005 and/or by this Policy, all other provisions contained in the Declaration or any other dedicatory instrument of the Association shall remain in full force and effect.

This is to certify that the foregoing Policy was adopted by the Board at a meeting of the same held 12-6-11, and has not been modified, rescinded or revoked.



George Crumley
President
The Crossing at Waterford Owners Association, Inc.

THE CROSSING AT WATERFORD OWNERS ASSOCIATION, INC.

DOCUMENT RETENTION POLICY

STATE OF TEXAS

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COUNTY OF COLLIN

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KNOW ALL PERSONS BY THESE PRESENTS:

WHEREAS the The Crossing at Waterford Owners Association, Inc. (the "Association") is charged with administering and enforcing those certain covenants, conditions and restrictions contained in the recorded Declaration of Covenants, Conditions & Restrictions for Waterford Crossing, filed for record on June 23, 2000, at Document Number 20100507000456610, of the Official Public Records of Collin County, Texas (referred to as the "Declaration"); and

WHEREAS Chapter 209 of the Texas Property Code was amended to add Section 209.005(m) ("Section 209.005") thereto regarding retention of Association documents and records ("Documents"); and

WHEREAS, the Board of Directors ("Board") of the Association desires to establish a policy for document retention consistent with Section 209.005 and to provide clear and definitive guidance to property owners.

NOW, THEREFORE, the Board has duly adopted the following *Document Retention Policy*.

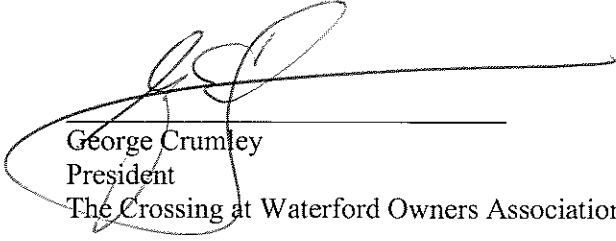
1. Association documents may be maintained in paper format or in an electronic format which can be readily transferred to paper.
2. Association documents shall be retained for the durations listed below;
 - a. certificate of formation or articles of incorporation, bylaws, restrictive covenants, other dedicatory instruments and any amendments to same shall be retained permanently; and
 - b. financial books and records, including annual budgets, reserve studies, monthly financial statements and bank statements, shall be retained for seven (7) years (for example the July 2011 financial statements shall be retained until July 31, 2018); and
 - c. account records of current owners shall be retained for five (5) years (for example, invoice, payment and adjustment records on an owner's account with a transaction date of 08/15/2011 will be retained until 08/15/2016 subject to section (d) below); and
 - d. account records of former owners shall be retained as a courtesy to that former owner for one (1) year after they no longer have an ownership interest in the property; and
 - e. contracts with a term of one year or more shall be retained for four (4) years after the expiration of the contract term (for example, a contract

expiring on 06/30/2011 and not extended must be retained until 06/30/2015); and

- f. minutes of meetings of the owners and the Board shall be retained for seven (7) years after the date of the meeting (for example, minutes from a 07/20/2011 board meeting must be retained until 07/20/2018); and
 - g. tax returns and CPA audit records shall be retained for seven (7) years after the last date of the return or audit year (for example, a tax return for the calendar year 2011 shall be retained until 12/31/2018); and
 - h. decisions of the Modification Committee ("MC") or Board regarding applications, variances, waivers or related matters associated with individual properties shall be retained for (7) years from the decision date (for example, an application for a swimming pool approved on 10/31/11, must be retained until 10/31/18.)
3. Any documents not described above may be retained for the duration deemed to be useful to the purpose of the Association.
 4. Upon expiration of the retention period listed above, the Documents shall no longer be considered Association records and may be destroyed, discarded, deleted, purged or otherwise eliminated.
 5. In the event the Association is served with any subpoena or request for documents or the Association becomes aware of a governmental investigation or audit concerning the Association or the commencement of any litigation against or concerning the Association, all documents relating or pertaining to such investigation, claim or litigation shall be retained indefinitely, and any further disposal of documents shall be suspended and shall not be reinstated until conclusion of the investigation or lawsuit, or until such time as the Board, with the advice of legal counsel, determines otherwise.

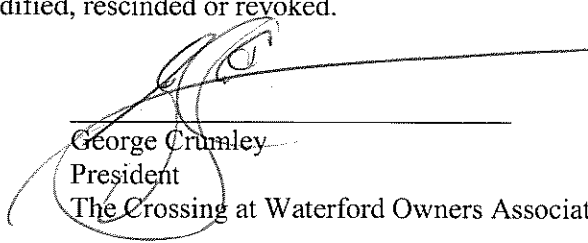
FURTHERMORE, this Document Retention Policy is effective upon recordation in the Public Records of Collin County, and will remain in effect until revoked, modified or amended.

This is to certify that the foregoing Policy was adopted by the Board at a meeting of the same held 12-9-11, and has not been modified, rescinded or revoked.


George Crumley
President
The Crossing at Waterford Owners Association, Inc.

FURTHERMORE, these guidelines are effective upon recordation in the Public Records of Collin County, and will remain in effect until revoked, modified or amended.

This is to certify that the foregoing Policy was adopted by the Board at a meeting of the same held 12-4-11, and has not been modified, rescinded or revoked.



George Crumley
President
The Crossing at Waterford Owners Association, Inc.

THE CROSSING AT WATERFORD HOMEOWNERS ASSOCIATION, INC.
PAYMENT PLAN POLICY

STATE OF TEXAS
COUNTY OF COLLIN

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KNOW ALL PERSONS BY THESE PRESENTS:

WHEREAS, the The Crossing at Waterford Homeowners Association, Inc. (“ the Association”) is charged with administering and enforcing those certain covenants, conditions and restrictions contained in the recorded Declaration of Covenants, Conditions & Restrictions for The Crossing at Waterford, filed for record on June 23, 2000, at Document Number 20000623000649510, of the Official Public Records of Collin County, Texas (referred to as the “Declaration”); and

WHEREAS, pursuant to Section 209.0062 of the Texas Property Code, the Board of Directors of the The Crossing at Waterford Homeowners Association, Inc. is required to adopt reasonable guidelines regarding a payment schedule in which an owner may make partial payments to the Association for delinquent regular or special assessments or any other amounts owed to the Association.

NOW, THEREFORE, in order to comply with the procedures set forth by Chapter 209 of the Texas Residential Property Owners Protection Act, the following procedures and practices are established for the payment plan policy for the Association.

1. Purpose. The purpose of this Policy is to assist Owners in remedying delinquencies and remaining current on the payment of amounts owed to the Association by establishing orderly procedures by which Owners may make partial payments to the Association for amounts owed without accruing additional penalties.
2. Eligibility. To be eligible for a payment plan pursuant to the Association’s alternate payment plan schedule, an Owner must meet the following criteria:
 - a) The owner must currently be delinquent in the payment of regular assessments, special assessments, or any other amounts owed to the Association;
 - b) The Owner must not have defaulted on a prior payment plan within the prior two year period; and
 - c) The Owner must submit a signed payment plan as defined below, along with the Owner’s initial payment to the address designated by the Association for correspondence.
3. Payment Plan Schedule/Guidelines. The Association hereby adopts the following alternate payment guidelines and makes the following payment plan schedule available to owners in order to make partial payments for delinquent amounts owed:

- a) Requirements of Payment Plan Request. Within 30 days of the date of the initial letter which informs the owner of the availability of a payment plan, an owner must submit a signed acceptance of the payment plan schedule described below to the Association's management company.
- b) Term. The term of the payment plan or schedule is six (6) months.
- c) Date of Partial Payments under Plan. The Owner must submit the first monthly installment payment under the plan a within the same timeframe as the submission of the Owner's payment plan agreement which must be signed by the Owner. The initial payment must be in an amount equal to twenty-five percent (25%) of the delinquent amount owed. The Owner must make all additional monthly installments under the payment plan in equal amounts so that the payments are received by the Association no later than the first (1st) day of each month. The Owner may pay off, in full, the balance under the payment plan at any time. All payments must be received by the Association at the Association's designated mailing address or lock box for all payments. Payments may be made through auto draft bill payment, in check or certified funds, or by credit card (to the extent the Association is set up to receive payment by credit card).
- d) Correspondence. Any correspondence to the Association regarding the amount owed, the payment plan, or such similar correspondence must be sent to the address designated by the Association for correspondence. Such correspondence shall not be included with an Owner's payment.
- e) Amounts Coming Due During Plan. Owners are responsible for remaining current on all assessments and other charges coming due during the duration of the Owner's payment plan and must, therefore, timely submit payment to the Association for any amounts coming due during the duration of the Owner's payment plan.
- f) Additional Charges. An Owner's balance owed to the Association shall not accrue late fees or other monetary penalties (except interest) while such Owner is in compliance with a payment plan under the Association's alternate payment plan schedule. Owners in a payment plan are responsible for reasonable costs associated with administering the plan, and for interest on the unpaid balance, calculated at the highest rate allowed by the governing documents or by law. The costs of administering the plan and interest shall be included in calculating the total amount owed under the payment plan and will be included in the payment obligation. The costs of administering the payment plan may include a reasonable charge for preparation and creation of the plan, as well as a monthly monitoring fee of no less than \$5.00 per month.

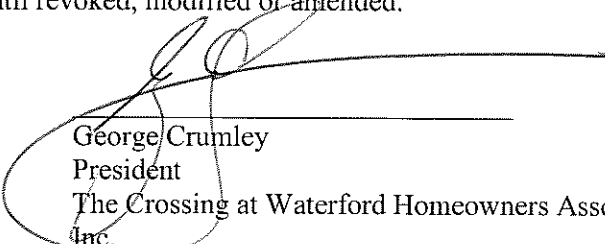
- g) Other Payment Arrangements. At the discretion of the Board of Directors, and only for good cause demonstrated by an Owner, the Association may accept payment arrangements offered by Owners which are different from the above-cited guidelines, provided that the term of payments is no less than three (3) months nor larger than eighteen (18) months. The Association's acceptance of payment arrangements that are different from the approved payment plan schedule/guidelines hereunder shall not be construed as a waiver of these guidelines nor authorize an owner to be granted a payment plan which differs from the one herein provided.

4. Default. If an Owner fails to timely submit payment in full of any installment payment (which installment payment must include the principal owed, the administration fees assessed to the plan and interest charges), or fails to timely pay any amount coming due during the duration of the plan, the Owner will be in default. If an Owner defaults under a payment plan, the Association may proceed with collection activity without further notice. If the Association elects to provide a notice of default, the Owner will be responsible for all fees and costs associated with the drafting and sending of such notice. In addition, the Owner is hereby on notice that he/she will be responsible for any and all costs, including attorney's fees, of any additional collection action which the Association pursues.

5. Board Discretion. Any Owner who is not eligible for a payment plan under the Association's alternate payment plan schedule may submit a written request to the Board for the Association to grant the Owner an alternate payment plan. Any such request must be directed to the person or entity currently handling the collection of the Owner's debt (i.e. the Association's management company or the Association's attorney). The decision to grant or deny an alternate payment plan, and the terms and conditions for any such plan, will be at the sole discretion of the Association's Board of Directors.

7. Severability and Legal Interpretation. In the event that any provision herein shall be determined by a court with jurisdiction to be invalid or unenforceable in any respect, such determination shall not affect the validity or enforceability of any other provision, and this Policy shall be enforced as if such provision did not exist. Furthermore, the purpose of this policy is to satisfy the legal requirements of Section 209.0062 of the Texas Property Code. In the event that any provision of this Policy is deemed by a court with jurisdiction to be ambiguous or in contradiction with any law, this Policy and any such provision shall be interpreted in a manner that complies with an interpretation that is consistent with the law.

FURTHERMORE, this Payment Plan Policy is effective upon recordation in the Public Records of Collin County, and will remain in effect until revoked, modified or amended.


George Crumley
President
The Crossing at Waterford Homeowners Association,
Inc.

THE CROSSING AT WATERFORD HOMEOWNERS ASSOCIATION, INC.
GUIDELINES FOR DISPLAY OF FLAG

STATE OF TEXAS

§

KNOW ALL PERSONS BY THESE PRESENTS:

COUNTY OF COLLIN

§

§

WHEREAS the The Crossing at Waterford Homeowners Association (the "Association") is charged with administering and enforcing those certain covenants, conditions and restrictions contained in the recorded Declaration of Covenants, Conditions & Restrictions for Crossing at Waterford, filed for record on June 23, 2000, at Document Number 20000623000649510, of the Official Public Records of Collin County, Texas (referred to as the "Declaration"); and

WHEREAS Chapter 202 of the Texas Property Code was amended to add Section 202.011 thereto regarding the display of flags; and

WHEREAS, the Board of Directors ("Board") of the Association has determined that in connection with maintaining the aesthetics and architectural harmony of the community, and to provide clear and definitive guidance regarding the display of flags therein, it is appropriate for the Association to adopt guidelines regarding flag display within the community.

NOW, THEREFORE, the Board has duly adopted the following *Guidelines for the Display of Flags* within the community.

A. An owner or resident may display:

1. the flag of the United States of America; and/or
2. the flag of the State of Texas; or
3. an official or replica flag of any branch of the United States armed forces.

B. An owner may only display a flag described in A. above if such display meets the following criteria:

1. a flag of the United States must be displayed in accordance with 4 U.S.C. Sections 5-10;
2. a flag of the State of Texas must be displayed in accordance with Chapter 3100 of the Texas Government Code;
3. a flagpole attached to a dwelling or a freestanding flagpole must be constructed of permanent, long-lasting materials, with a finish appropriate to the materials used in the construction of the flagpole and harmonious with the dwelling;
4. the display of a flag or the location and construction of the supporting flagpole must comply with applicable zoning ordinances, easements and setbacks of record;

THE CROSSING AT WATERFORD HOMEOWNERS ASSOCIATION, INC.

Guidelines for Flag Display

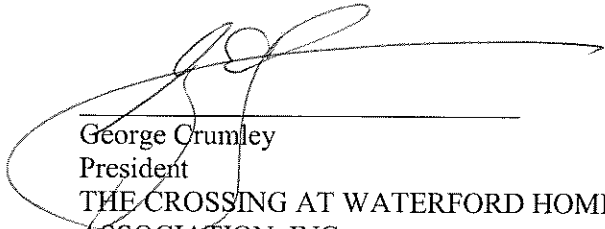
Page 2 of 3

5. a displayed flag and the flagpole on which it is flown must be maintained in good condition and any deteriorated flag or deteriorated or structurally unsafe flagpole must be repaired, replaced or removed;
- C. The Association hereby adopts the following additional restrictions on the display of flags on an owner's lot:
 1. an owner may not install a flagpole which is greater than twenty feet (20') in height;
 2. an owner may not install more than one flagpole on the owner's property;
 3. any flag displayed must not be greater than 3' x 5' in size;
 4. Lights used to illuminate a displayed flag must comply with the following:
 - (a) Be ground mounted in the vicinity of the flag; and
 - (b) Utilize a fixture that screens the bulb and directs light in the intended direction with minimal spillover; and
 - (c) Points towards the flag and faces the main structure on the property or to the center of the property if there is no structure; and
 - (d) Provides illumination not to exceed the equivalent of a 300 watt incandescent bulb or per the lighting stipulations of the City.
 - (e) Lights used to illuminate a displayed flag that do not comply with the above requirements constitute a nuisance and are not permitted on an owners' property.
 5. an owner may not locate a displayed flag or flagpole on property that is:
 - (a) owned or maintained by the Association; or
 - (b) owned in common by the members of the Association.
 6. Flagpoles must not generate unreasonable noise levels which would disturb the quiet enjoyment of other residents. Each flagpole owner should take steps to reduce noise levels by using vinyl or plastic snap hooks, installing snap hook covers or securing a loose halyard (rope) around the flagpole with a flagpole clasp.

FURTHERMORE, these guidelines are effective upon recordation in the Public Records of Collin County, and will remain in effect until revoked, modified or amended.

THE CROSSING AT WATERFORD HOMEOWNERS ASSOCIATION, INC.
Guidelines for Flag Display
Page 3 of 3

This is to certify that the foregoing Policy was adopted by the Board at a meeting of the same held 12-6-11, and has not been modified, rescinded or revoked.



George Crumley
President
THE CROSSING AT WATERFORD HOMEOWNERS
ASSOCIATION, INC.

The Crossing at Waterford

www.waterfordcrossing.org



Modification Guidelines

MODIFICATIONS GUIDELINES

TABLE OF CONTENTS

The subjects listed below are not all-inclusive but may be considered as exterior modification candidates by a property owner. These guidelines can be modified without notice at any time.

- TABLE OF CONTENTS 2
- INTRODUCTION
 - Definition of Modification 3
 - Who is Subject to the Approval Process 3
 - Who Administers the Approval Process 3
- THE REVIEW PROCESS (Disclaimer) 4
 - APPURTENANCES (Antenna, Satellite Dish, Exterior Weather Devices) 5-6
 - AWNINGS/SCREENS 7
 - BASKETBALL BACKBOARDS & APPARATUSES 8
 - BIRDHOUSES/FEEDERS 9
 - DECKS & PATIOS 10
 - FENCES 11
 - GUTTERS/DOWNSPOUTS 12
 - LANDSCAPING 13
 - LANDSCAPING BORDERS 14
 - PAINTING/STAINING/COLOR CHANGES 15
 - PLAY EQUIPMENT/PLAYHOUSES 16
 - POOLS/SPAS/HOT TUBS 17
 - RETAINING WALLS 18
 - ROOF REPLACEMENTS 19
 - SCREEN & STORM DOORS 20
 - SHEDS 21
 - SHUTTERS 22
 - SOLAR SCREENS 23
 - SWINGS/YARD FURNITURE 23
 - TRELLISES/ARBORS/GAZEBOS 24
 - MISCELLANEOUS 25-26
 - Waiver, Amendment and Third Party Benefit
 - Non-Liability of the MC
 - Accuracy of Information and Representation
 - Use Restrictions, Regulatory Compliance
- ENFORCEMENT 27-29
- DEFINITIONS 30-31
- REVISION LOG 32

INTRODUCTION

DEFINITION OF MODIFICATIONS

A modification is defined as any alteration, change, remodeling, restoration, addition or renovation to any building, structure, fence, wall or improvement of any kind or nature.

After a new house has been completed, in accordance with the approved plans, and occupied, the Modifications Committee (MC) becomes responsible for reviewing all modifications to the exterior of the structure and site. The MC consists of members appointed by the Board of Directors of the Association.

WHO IS SUBJECT TO THE APPROVAL PROCESS?

All property Owners are responsible for obtaining the necessary review and approval to comply with the terms of the Declaration of Covenants, Conditions, & Restrictions for The Crossing at Waterford. The builder will most often be responsible for new constructions and Property Owners will generally be responsible for modifications. Each application is reviewed on an individual basis.

WHO ADMINISTERS THE APPROVAL PROCESS?

The administration process for approval begins with the MC.

THE REVIEW PROCESS

When a new house is completed and ownership changes hands from the builder to the resident, the resident agrees by the mere act of purchasing a property at The Crossing at Waterford to abide by the Declaration of Covenants, Conditions & Restrictions. Part of that responsibility is to submit to a review process prior to the start of an exterior modification.

Submissions for any exterior modification are made to the MC, which is the sole governing authority to administer this process. The MC can be appointed by the Board of Directors of The Crossing at Waterford Homeowners Association, Inc or formed by any other process the Board of Directors finds adequate.

The “steps” listed below describe the sequence of events necessary to complete THE REVIEW PROCESS.

- 1) Obtain Modification application form/s from Neighborhood Management, Inc (NMI) or the web site www.waterfordcrossing.org.
- 2) “Fill Out” the modification application and return it to NMI, along with the necessary supportive materials (i.e., drawings, pictures brochures, plats, etc). (INCOMPLETE FORMS WILL NOT BE ACCEPTED)
- 3) Return your completed and signed form by fax or mail to NMI.

Fax: 972-359-1171

Mail: The Crossing at Waterford Homeowners Association
c/o Neighborhood Management, Inc
P.O. Box 1567
Allen, TX 75013

- 4) The MC meets on an as needed basis (no less than one time per month) and the results of the committee’s decision will be mailed to you.

REMINDER:

Don’t start any project without prior approval. The MC will not be held responsible for any projects that are started without the approval of a request pursuant to the DCCR.

DISCLAIMER:

This booklet has been developed as a guideline. It is a quick reference guide and not meant to replace the DCCR, only to assist in interpreting the DCCR. If you do not see something listed in this document please refer to the DCCR or contact the MC.

Waterford Crossing Modification Guidelines

APPURTENANCES (Antenna, Satellite Dish, Exterior Weather Devices)

Size: Diameter of the dish is not to exceed one meter (39 inches).

Color: All satellite dish antennae, including the support structure and related equipment, must be earth tone.

Location: (SEE PG. 6 FOR VISUAL PLACEMENT LOCATIONS)

- 1) Placement of the dish shall be in the rear yard or side yard behind the primary fence line.
- 2) Dishes should not be placed in the prominent visual locations, such as on top of a chimney, fence, balcony-railing or roof ridge, and may not be located on roof surfaces that directly faces the street.
- 3) Dishes may not encroach upon any public right-of-way, common area, or adjacent property.

Placement is prohibited: (see below)

- a. On a pole/supporting structure that is
 - i. In front of the façade of the house.
 - ii. Outside the perimeter of an approved fence
 - iii. Within the perimeter of an approved fence that causes the satellite dish to exceed the height of the fence by two feet.
- b. On any part of an approved fence
- c. On any part of the front half of the house, unless fully blocked from view of front and/or side residential streets closest to the house.

Safety Considerations: Safety precautions related to maintenance, installation, distance from utility lines, grounding requirements, etc., are the sole responsibility of the property owner.

Variances: Variances to these restrictions may be granted by the MC provided the Property Owner can provide evidence that the above restrictions would impair signal reception, cause an unreasonable increase in cost of installation, maintenance or access of the device, or would cause a legitimate safety concern.

Pre-Approvals: Satellite dish antennae and High Definition antennae 39 inches or less in diameter are pre-approved and require no application, permit or inspection if they comply with the requirements for Small Satellite Dishes and High Definition antennae as contained in this section.

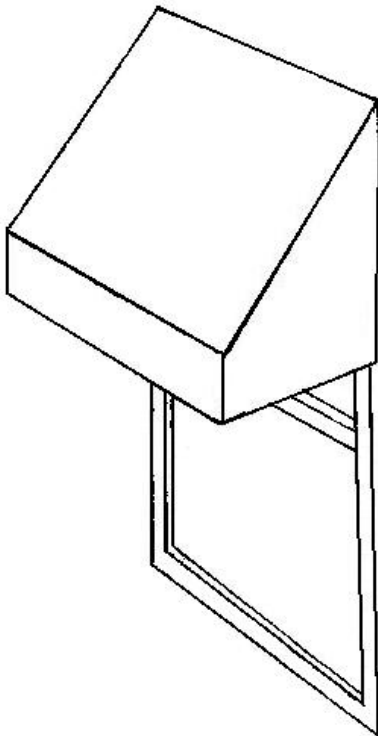
Please see illustration on back of page.

Waterford Crossing Modification Guidelines

AWNINGS/SCREENS

Awnings must be “simple” in design and compatible with the architecture and building scale. Colors of the awning and its support structure must be solid earth toned (i.e. dark green, gray, black, bronze, etc) and compatible with the existing building colors. “Bright” colored, multi-colored and striped (i.e., red, yellow, violet, etc.) are not acceptable. The covering of the awning must be made of fabric. Scalloped-edge or decorative edge awnings are not allowed.

Screens intended for windows shall be integral with the windows, earth toned in color and complementary of the house.



Solid earth toned colored awning, compatible with the existing building colors

APPLICATION CONTENTS:

1. A completed and signed MC Request Form
2. A building plan or photograph showing the awning location.
3. An awning material sample depicting your preferred color selection.

Waterford Crossing Modification Guidelines

BASKETBALL BACKBOARDS & SPORTS APPARATUSES

There is to be no permanent installation of basketball goals or other recreational or sporting equipment in a front yard, on a front driveway, in an unfenced portion of a side yard, or on the street side exterior portion of a dwelling. No recreational or sports equipment may be “permanently” attached, mounted, or installed on the home. Basketball goals are limited to one per property.

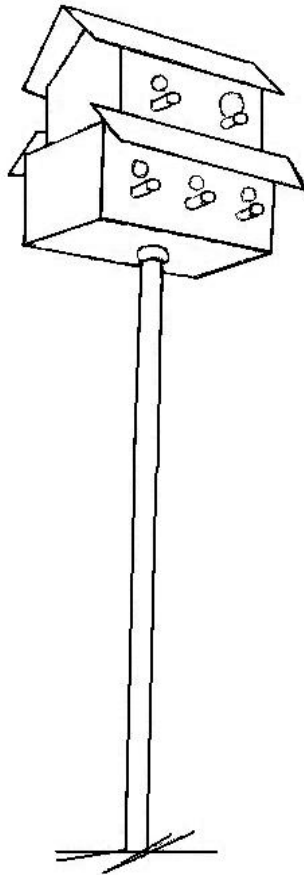
APPLICATION CONTENTS:

1. A completed and signed MC Request Form
2. A copy of your plat indicating the proposed backboard/pole location in relation to the existing house.

Waterford Crossing Modification Guidelines

BIRDHOUSES/FEEDERS

If visible from any street or adjacent street, pole mounted birdhouses are limited to two (2) per property, confined to the rear or side property (except corner lots which front two streets) area and not exceed 15' overall height. Pole material is to be limited to wood or metal, painted dark earth tone (preferably black) and maintained as required.



APPLICATION CONTENTS:

1. A completed and signed MC Request Form
2. A copy of your plat indicating the proposed birdhouse/pole location in relation to the existing house.
3. A brochure or picture depicting the proposed birdhouse/pole.

Waterford Crossing Modification Guidelines

DECKS & PATIOS

You must send in a request for all decks and visible patios.

APPLICATION CONTENTS:

1. A completed and signed MC Request Form
2. A copy of your plat indicating the proposed patio or deck location in relation to the existing house.
3. Plans that indicate dimensions and features (colors, materials, screening, benches, railings and other significant details).

Waterford Crossing Modification Guidelines

FENCES & GATES

Fences and gates visible from the streets adjacent to the property of the house are permissible if the following guidelines are followed:

1. Proper completion of the MC Application process (see below for contents)
2. Fence and gate designs must be one of the following types:
 - a. Shadow box
 - b. Solid Panel
 - c. Board on Board
 - d. Wrought Iron—6' maximum ht. hollow or solid square tubes that are ½" vertical pickets, 1" horizontal framing members and 2" posts. Spikes will not be permitted on the tops of the fencing. Fence must be black in color.
3. Fence and gate materials are limited to wood panels, wood posts or metal posts. Chain link fences are not acceptable
4. Fence and/or gate height is limited to 8 feet per City of Allen code. Except wrought iron, which is restricted to 6' height maximum.
5. Fence location must be within the parameter of the plat.

Wood Fence Painting or Staining:

Wood fence can be permitted to weather to its natural color. Any paint or stain must be of natural wood colors. Color paints will not be permitted to include colors such as red, orange, green, white, etc. All fencing must be the same color/stain. If pickets are replaced on a wood fence the consistency of the fence must be maintained in respect to color whether, it is naturally weathered, stained, or painted.

The homeowner is responsible for maintaining an appearance consistent with that of the house in terms of structural integrity, consistent stain/color, and general consistent appearance. All wood panels and wood posts must be maintained to keep with their original intended purpose. For example, vertical wood panels must be firmly fastened to the horizontal wood panels.

APPLICATION CONTENTS:

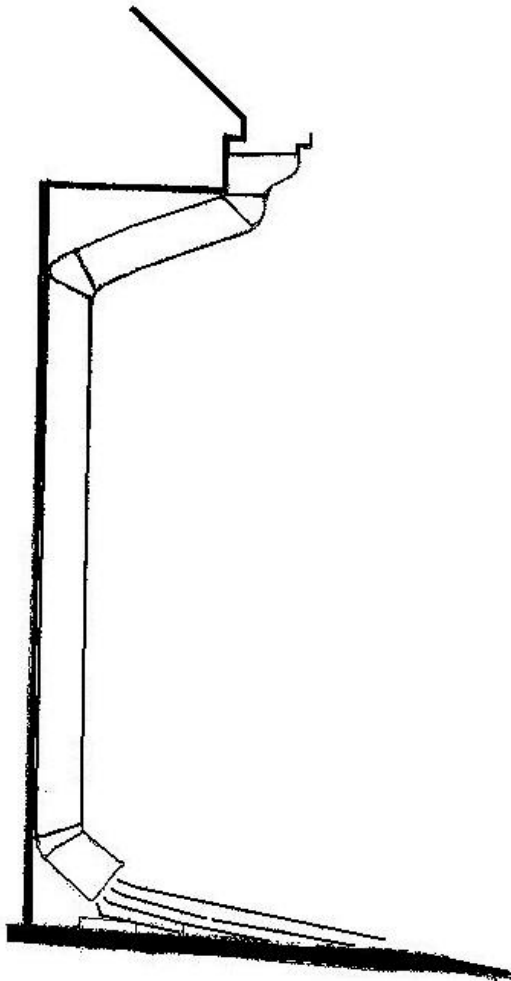
1. A completed and signed MC Request Form.
2. A copy of your plat indicating the proposed location of the fence in relation to the existing house
3. A drawing, brochure, or picture of the proposed fence with intended materials, size and color clearly identified and marked.

Waterford Crossing Modification Guidelines

GUTTERS/DOWNSPOUTS

Gutters and downspouts must match the trim on your house. The dispersal of the downspout must direct water onto your lot and “sheet flow” by the time the water reaches your property line.

Piped drainage must not have an outlet, which directs water onto adjoining lots.



APPLICATION CONTENTS:

1. Application not required if you comply with the above guidelines.
2. If there are questions with the interpretation of the above guidelines, please contact Management Company.

Waterford Crossing Modification Guidelines

LANDSCAPING

The homeowner can add/change landscaping under the following conditions **(these guidelines apply to all areas visible from streets adjacent to the property of the house)**:

1. Any and all trees, shrubs, plants, flowers, etc. must be planted within the plat boundary, including any additional growth or overhang. If there is potential for overhang of trees to a neighboring yard or common area, the homeowner will not be permitted to plant in that location.
2. Any shrubs planted in front of a window must not exceed the midpoint of that window.
3. Landscape improvements must not negatively impact existing drainage.
4. Landscaping must not impede sight lines needed for safe traffic movement.

APPLICATION CONTENTS:

1. None required provided you comply with the above guidelines.
2. If there are questions regarding the interpretation of the above guidelines please contact the Management Company.

Waterford Crossing Modification Guidelines

LANDSCAPING BORDERS

1. Brick edging must complement house brick and must be mortared in place. **In no instance will loose common brick be allowed. Holes showing on brick will not be acceptable.**
2. Landscape stone, i.e. Windsor Stone/Pavestone, is allowable if complementary in color to house brick and installation is of good quality. They **must** be level.
3. Natural rock and flagstone are acceptable borders. It is recommended that they are mortared in place, but it is not required. They **must** be level if more than one row high.
4. Gravel used as the main ground cover or lawn in a publicly visible yard is not permitted.
5. Railroad ties and picket fencing is not permitted.
6. Other forms of landscaping trim will need approval of the MC prior to installation. **
7. Landscaping concrete items (birdbaths, pots, etc) cannot exceed 36 inches in height.

APPLICATION CONTENTS:

1. None required provided you comply with the above guidelines.
**Item 6 will always require MC approval.
2. If there are questions regarding the interpretation of the above guidelines please contact the Management Company.

Waterford Crossing Modification Guidelines

PAINTING/STAINING/COLOR CHANGES

Property owners who wish to re-paint their house with the same original house color do not have to submit a modification application. Property owners who elect to change their house color from the originally approved color are required to submit a modification application. Property owners who elect to stain their fence see guidelines for fence staining.

APPLICATION CONTENTS:

1. A completed and signed MC Request Form
2. A picture of the existing house showing current paint/stain, brick colors, and stone colors.
3. A sample of stain or paint color, manufacturer and color specifications (color name and number).

Waterford Crossing Modification Guidelines

PLAY EQUIPMENT

Play equipment is limited to the backyard. Equipment shall not exceed an overall height of 12'. Wood structures must be of new timber, preferably redwood or cedar. Metal or plastic play equipment is permitted as long as the overall height does not exceed the property's current fence height. Awnings may be composed of wood that matches the color of the structure or fabric. All structures must be maintained to a quality appearance.

APPLICATION CONTENTS:

1. A completed and signed copy of the MC Request Form.
2. A copy of your plat indicating the proposed location of the play equipment in relation to the existing house including distance from property lines.
3. A drawing, brochure or picture of the proposed structure including material size and color.

Waterford Crossing Modification Guidelines

POOLS/SPAS/HOT TUBS

All pools, spas and hot tubs are to be located in side or rear yards and abide by City of Allen standards. Pool, spa and hot tub equipment must be enclosed by fencing. Above ground, masonry block, vinyl lined and low hung vinyl lined pools will not be approved.

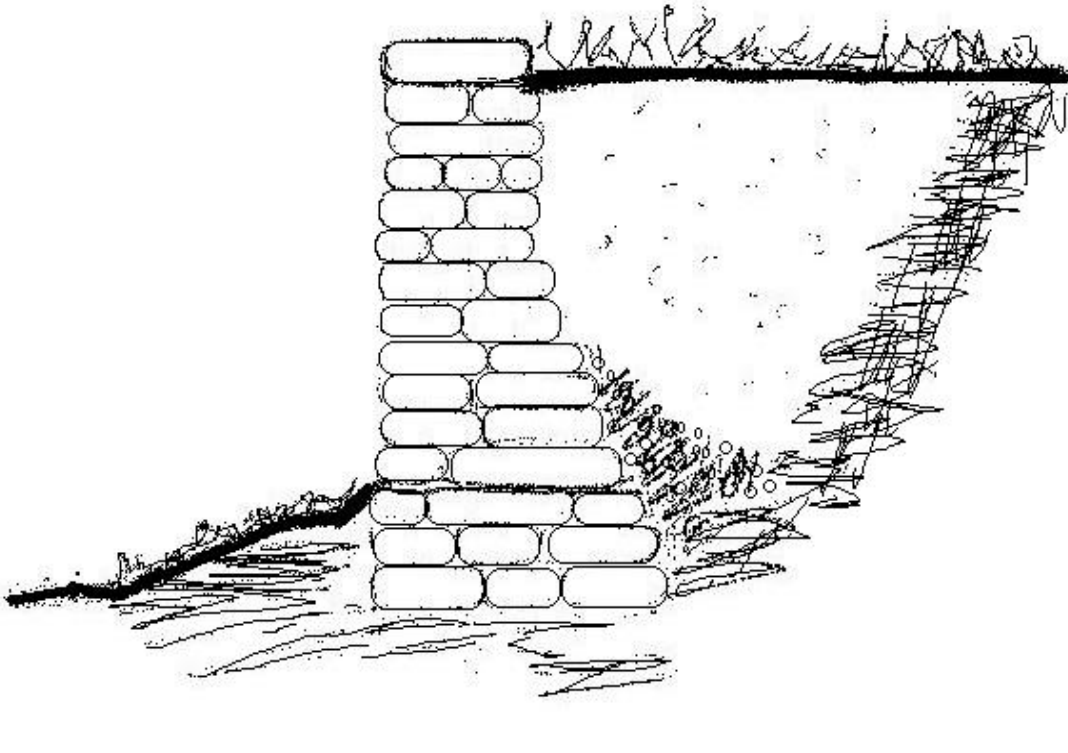
APPLICATION CONTENTS:

1. A completed and signed copy of the MC Request Form.
2. A copy of your plat indicating the proposed pool, spa or tub location, decking and fencing in relation to the existing house.
3. Construction drawings indicating the pool and its support equipment.

Waterford Crossing Modification Guidelines

RETAINING WALLS

All retaining walls require MC approval. All retaining walls higher than 2ft require a city permit in addition to MC approval. Walls must be constructed of “natural” and neutral color materials. Landscape timber is not recommended.



APPLICATION CONTENTS:

1. A completed and signed MC request form.
2. A copy of your lot layout showing the proposed retaining walls location in relation to existing house.
3. A sketch, drawing or picture of the proposed wall showing materials to be used including pattern and color.

Waterford Crossing Modification Guidelines

ROOF REPLACEMENTS

The roof material must compliment the other exterior materials of the house. All roof replacements are required to make a submission unless the roof is being replaced with the exact same roof (material and color).

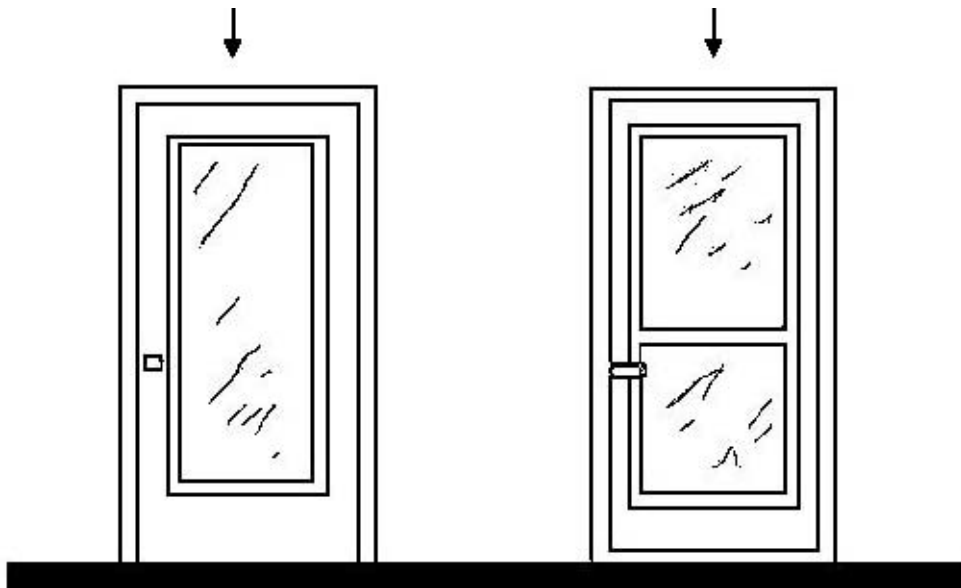
APPLICATION CONTENTS:

1. A completed and signed MC Request Form
2. Brochure or sample of roof material and color.

Waterford Crossing Modification Guidelines

SCREEN AND STORM DOORS

The proposed screen or storm door shall be without ornamentation or grillwork. Screen and storm doors shall be finished in a color to match or complement the house trim. Storm doors shall have transparent glass. Screen doors shall have a screen mesh (dark in color) with an even transparent look. Storm doors should be simple in design. The entire surface of storm/screen door must be glass or screen mesh. Storm doors should be simple in design.



Storm door with transparent glass

Storm door with transparent mesh

APPLICATION CONTENTS:

1. None required provided you comply with the above guidelines.
2. If there are questions with the interpretation of the above guidelines, please contact the Management Company.

Waterford Crossing Modification Guidelines

SHEDS

Sheds must be located behind an approved fence. Overall shed height must not exceed fence height. Sheds must be located at least 3 feet from any property line per City of Allen code. If visible from streets adjacent to the property of the house: exterior siding and trim material is limited to wood, brick, stone, fiber cement, and/or vinyl that matches the majority color and texture of the house, and exterior roofing material must match the roofing of the house in color, texture and material.

The homeowner is responsible for maintaining an appearance consistent with that of the house. All sheds are subject to City of Allen ordinances with a City of Allen permit required.

APPLICATION CONTENTS:

1. A completed and signed MC Request Form
2. A copy of your plat indicating the proposed location of the shed in relation to the existing house
3. A drawing, brochure, or picture of the proposed shed with intended materials, size and color.

Waterford Crossing Modification Guidelines

SHUTTERS

Shutters must be proportioned and sized to match windows/doors. The shutter width must equal one half of the overall window width (i.e., a 3' wide window should have a pair of 1'-6" wide shutters). The intent is to provide for a visually operable shutter. The shutter color should be compatible with the color scheme of the house. Wood shutters are allowed as long as properly stained and treated.

APPLICATION CONTENTS:

1. A completed and signed MC Request Form
2. A copy of your plat indicating the proposed shutter location/s on the existing house.
3. An elevation drawing or picture of the existing house, shutter and proposed color.

Waterford Crossing Modification Guidelines

SOLAR SCREENS

Solar screens are an exterior modification and therefore require approval of the MC. Frame and screen color should be compatible with the exterior color of the house.

APPLICATION CONTENTS:

1. A completed and signed MC Request Form
2. A picture of the house showing the windows to be covered.
3. A drawing, brochure, or picture of the proposed solar screens with intended materials and color.

SWINGS/YARD FURNITURE

All yard furniture, visible from a street, including swings of all types will need MC approval prior to placement. This is per the DCCR that states all exteriors and landscape modifications must receive approval.

APPLICATION CONTENTS:

1. A completed and signed MC request form.
2. A copy of your lot layout showing the location of the proposed structure
3. A drawing, brochure, or picture of the proposed yard furniture including materials and color.

Waterford Crossing Modification Guidelines

TRELLISES / ARBORS / GAZEBOS

All structures must be submitted for approval prior to construction.

APPLICATION CONTENTS:

1. A completed and signed MC request form.
2. A copy of your lot layout showing the location of the proposed structure (trellis, arbor, or gazebo).
3. An elevation drawing of the proposed structure. Please indicate color/finish.

Waterford Crossing Modification Guideline

MISCELLANEOUS

In the event of a conflict between these Guidelines/Procedures and the terms of the Declaration, the latter shall prevail.

WAIVER, AMENDMENT AND THIRD PARTY BENEFIT

As described in the Declaration of Covenants, Conditions, and Restrictions, these Design Guidelines may be waived, amended or modified from time to time. The MC, its agents, representatives or employees shall not be liable for failure to follow these Design Guidelines as herein defined. These Design Guidelines confer no third party benefit or rights upon any Entity, Person or Builder.

NON-LIABILITY OF THE MC

As described in the Declaration of Covenants, Conditions and Restrictions, the MC shall not be liable to anyone submitting plans for approval in accordance herewith or to any other Person for damages (whether direct, indirect, consequential or otherwise) arising out of or in connection with:

- (a.) the approval or disapproval or failure to approve or disapprove any such plans;
- (b.) enforcement or failure to enforce any site maintenance or other requirement hereof;
- (c.) the approval or disapproval of, or failure to approve or disapprove, any architectural, landscaping, development or other plans for improvements to any property adjacent to, or situated on or in the proximity or the Properties;
- (d.) the development or construction of, or the failure to develop or construct, any improvements (including landscaping) on lands adjacent to or in the proximity of the Properties;
- (e.) Defects (whether latent or otherwise) in such plans. Anyone submitting plans for review agrees not to seek any such damages against the MC. In addition, each owner shall release and hold harmless the MC, and the members thereof from any and all liability, including attorneys' fees and court costs actually incurred, regardless of whether suit is brought or any appeal is taken there from, arising out of any approval given or denied n/by the MC

ACCURACY OF INFORMATION & REPRESENTATION

Applicants making submissions to the MC shall be responsible for accuracy of and verification of data. A portion of this data might include site dimensions, grades, elevations, utility locations and other features of the property. Property Owners represent by the act of entering in the MC review process, all representatives of the property owner (i.e., architect, engineer, builder, subcontractors, etc.) shall be made aware by the property owner of all applicable requirements set forth by the MC and shall abide by these Design Guidelines with respect to approval of plans and specifications.

USE RESTRICTIONS

The Board of Directors of The Crossing at Waterford Homeowners Association, Inc. may from time to time promulgate use restrictions governing the use of lots and Association common areas. The property owner should review any such use restriction to ensure lot improvements are in compliance with such use restrictions.

REGULATORY COMPLIANCE

Plans submitted for review must comply with all applicable building codes, zoning ordinances and other local and federal codes as they pertain to the modifications. It is the property owner's responsibility to obtain all necessary permits and ensure all governmental compliance. Regulatory approvals do not preclude the authority and responsibility of the MC for design review and approval by the MC does not preclude the property owner from obtaining any necessary governmental approvals.

ENFORCEMENT POLICY

The Board of Directors has adopted the following procedures and practices for the enforcement of the provisions of the Declaration of Covenants, Conditions, and Restrictions, Modifications Guidelines and for the elimination of violations of the Declaration and the rules promulgated thereunder. These procedures were adopted in an effort to encourage owners to comply with the Association's governing documents. The policy is as follows:

1. PROCESS OF NOTIFICATION – Prior to imposing a fine, the Board of Directors or Architectural Modifications Committee (MC) must give an owner a written notice of violation and an opportunity to cure the violation. The following steps must be followed with supporting documentation kept on file in order to impose a fine:

i. First Notice – As soon as **reasonably possible after** a violation is discovered, the Association's management agent ("Management") shall send notice to the owner and resident, if different than the owner, of the discovered violation by First-Class Mail (the "First Notice"). A First Notice need not be sent if the alleged violator has previously received a "First Notice" relating to a similar Violation within six (6) months of the occurrence of the current Violation and was given a reasonable opportunity to cure the prior Violation. If the alleged violator was given notice and an opportunity to cure the prior similar Violation within the previous six (6) months, the Board may impose sanctions as authorized by the DCCR and/or this Enforcement Policy without notice to the Owner other than the Notice of Fine Application described in Paragraph 1(B) below. The First Notice shall contain the following information:

1. Reference to the provision(s) of the DCCR or adopted rules which has been violated;
2. The nature, description and location of the violation, including any property damage caused by the Owner and what specifically must be done to cure the violation;
3. The amount of the proposed fine or the amount claimed to be due from the owner for property damage;
4. A statement that not later than thirty (30) days from the date of the Owner's receipt of the First Notice, that one of the following actions must be taken to avoid suspension of membership privileges and the imposition of fines:
 - a. The violation must be cured, or
 - b. A written request for a hearing must be submitted to Management.

5. A statement that if none of the actions set forth in subparagraph 1(A)(4) are timely taken by the Owner, the Owner's membership privileges will be suspended and an applicable fine will be imposed and will become part of the owners assessment obligation.
6. A statement that the violation may be referred to legal counsel and that any Attorney's fees and costs will be charged to the Owner as an assessment if none of the actions set forth in subparagraph 1(A)(4) are taken by the Owner within the allotted period.

ii. Notice of Fine Application – Where Management has observed the violation uncorrected and has not received a written request for a hearing within the allotted thirty (30) day period noted in the First Notice, Management shall notify the owner and the violator (if different than the owner) by First-Class mail, that a fine is being applied to the Owner's assessment obligation and their voting rights and membership privileges will be suspended. The Notice of Fine Application shall contain the following information:

1. The nature of the violation;
2. A statement that their voting rights and membership privileges are suspended and a fine in the amount of twenty five dollars (\$25). If the violation has not been cured 30 days from the first fine an additional fine of seventy-five dollars (\$75) will be levied and failure to cure the violation in an additional 30 days will result in an additional fine of two hundred and twenty five dollars (\$225).
3. A statement that there is no limit to the number of fine applications for separate violations, which may occur, and that the matter may be referred to legal counsel for further enforcement measures if not cured.

2. HEARING/APPEAL/DUE PROCESS – The following steps should be provided in the case where a homeowner has been given appropriate notice of a violation and has submitted to the management company a written request for a hearing or a written appeal to the application of a fine within the specified period of time:

i. Hearing – If the owner timely requests a hearing to challenge the proposed action or timely appeals a fine application, a hearing before the Board of Directors (composed of not less than three (3) nor more than five (5) Board members) shall be held in executive session affording the owner a reasonable opportunity to be heard. Such hearing shall be held no later than the 30th day after the date of the Board of Directors receives the Owner's request for a hearing. The Board of Directors shall send notice to the owner of a mutually agreed time, date and place of a hearing with an invitation to attend and produce any statements, evidence, and witnesses in support of the owner's challenge to the proposed fine application or violation. Such notice shall be sent no later than the 10th day before the date of the hearing. The Board or the Owner may request a postponement, and, if requested, a

postponement shall be granted for a period of not more than ten (10) days. The minutes of the meeting shall contain a written statement of the Owner's reason for non-compliance and the results of the hearing (whether the fine is applied or not). The decision of the Board of Directors will be made in executive session after the homeowner has been excused from the meeting.

- ii. Notification of Hearing Decision – Within **thirty** (30) days of the hearing the Board of Directors shall send notice as to their decision providing a support response for their decision. Any reasonable extension of time required by the Board of Directors shall also be noted in the response.
- iii. Waiver of fines (Correspondence) – Contained within any correspondence sent to a homeowner, where a fine is applied, will be a notation to the homeowner that they may request waiver of the fine by appealing to the Board of Directors in writing after the violation is cured.

3. FINES AND OTHER FEES

i. Fining Schedule – The imposition of fines per incident type will be on the following basis:

- 1. First Violation - \$25.00 per incident type
- 2. Additional violations –an additional seventy-five dollars (\$75) for failure to cure the violation within 30 days and another two hundred and twenty five (\$225) if not cured within 60 days.
- 3. Number of Fines – There is no limit to the number of fine applications for separate violations or the number of fines, which may occur.

ii. Administrative and Legal Fees – Any administrative and/or attorney's fees and any related charges incurred by the Association to enforce an owner's compliance with the Association's governing documents, including, without limitations, the administration of this policy as to a particular violation, shall become part of the violating owner's assessment obligation. The imposition of fines will be in addition to and not exclusive of any other rights or remedies of the Association as created by the Declaration or this Policy.

4. CURE OF VIOLATION DURING ENFORCEMENT – An owner may correct or eliminate a violation at any time during the pendency of any procedure prescribed by this Policy. Upon verification that the violation has been corrected or eliminated, the violation will be deemed no longer to exist. Unless proper appeal process is followed and fines removed, the owner will remain liable for the costs and fines under this Policy, which costs and fines, if not paid upon demand, will be referred to legal counsel for collection.

This policy was adopted by the Board of Directors on February 27, 2001

Waterford Crossing Modification Guidelines

DEFINITIONS

“Association”: means The Crossing at Waterford Owners Association, Inc., the association of owners of all lots in the Property, initially organized as a Texas Nonprofit Corporation, and serving as the “property owners’ association” defined in Section 202-001 (2) of the Texas Property Code.

“Board”: means the board of directors of the Association.

“City”: means the City of Allen, Collin County, Texas, in which the Property is located.

“Common Area”: means property that is owned by or for the benefit of owners or residents of the Property.

“DCCR” refers to the Declaration of Covenants, Conditions and Restrictions for The Crossing at Waterford Owners Association, Inc.

“Documents”: means, singly or collectively as the case may be, this Declaration, the plat, the bylaws, the Association’s articles of incorporation, and the rules of the Association, as any of these may be amended from time to time. An appendix, exhibit, schedule, or certification accompanying a Document is a part of that Document.

“Earth Tone Color”: shall mean brown, black, green or derivatives thereof (i.e., beige, tan, gray, etc). Red, blue, yellows and derivatives thereof (i.e., orange, purple, pink, etc) are not earth tone colors.

“Lot”: means a portion of the Property intended for independent ownership, on which there is or will be constructed a dwelling, as shown on the Plat. Where the context indicates or requires, “lot” includes all improvements thereon.

“Majority”: means more than half.

“MC”: means the Architectural Modifications Committee of the Association.

“Member”: means a member of the Association, each member being an owner of a lot, unless the context indicates that member means a member of the board or a member of a committee of the Association.

“NCC” means New Construction Committee.

“Owner”: means a holder of recorded fee simple title to a lot. Declarant is initial owner of all lots. Contract sellers and mortgagees who acquire title to a lot through a deed in lieu of foreclosure or through judicial or nonjudicial foreclosures are owners. Persons or entities having ownership interests merely as security for the performance of an obligation are not owners. Every owner is a member of the Association.

“Rules”: means rules and regulations adopted by the board in accordance with the Documents.

REVISION LOG

DATE	DESCRIPTION
	Board of Directors voted to accept modifications booklet as plain English version of DCCR.
	Document distributed to homeowners

