

DECLARATION OF COVENANTS AND RESTRICTIONS

FOR

SILVER CREEK RANCH

THE STATE OF TEXAS §
 §
COUNTY OF MONTGOMERY §

THIS DECLARATION OF COVENANTS AND RESTRICTIONS FOR SILVER CREEK RANCH is made this 8 day of June 2022, Declarant, as hereinafter defined.

RECITALS

A. Declarant is the owner of certain real property situated in the City of Magnolia, Montgomery County, Texas, as more particularly described as follows: SILVER CREEK RANCH, an addition to the City of Magnolia, as described in the map or plat thereof recorded under Montgomery County Clerk's File No. 2021011398, Cabinet Z, Sheet 6973 in the Official Public Records of Montgomery County, Texas, together with additions thereto as may be made subject to the terms of this Declaration by any Supplemental Declaration of Covenants executed and filed, from time to time, by Declarant in the Official Public Records of Montgomery County, Texas (being collectively called the "Property") and desires to create on the Property a residential community with residential Home Sites and common areas for the benefit of the Owners, as hereinafter defined.

B. Declarant desires to provide for the efficient preservation of the values and amenities within the Property and for the maintenance of Common Areas. To this end, Declarant desires to impose upon the Property the covenants, conditions, restrictions, easements, charges and liens contained in this Declaration and has caused, or will cause, to be created SILVER CREEK RANCH HOMEOWNER'S ASSOCIATION, INC. ("Association"), a Texas non-profit corporation, to which is delegated and assigned the powers of maintaining and administering the Common Areas and enforcing the terms of this Declaration.

NOW, THEREFORE, Declarant, for and in consideration of, and expressly for the benefit of, and to bind, its successors-in-interest, does hereby agree and declare that the Property, including any additions thereto as may hereafter be made hereof, shall be held, transferred, sold, conveyed and occupied subject to the covenants, conditions, restrictions, easements, charges and liens sometimes referred to collectively as the (the "Covenants") hereinafter set forth which shall run with the land and shall be binding upon all parties having any right, title, or interest in or to the Property, or any part thereof, and their heirs, successors, representatives and assigns. The covenants, conditions, restrictions, easements, charges and liens hereinafter set forth are covenants running with the Property at law as well as in equity.

ARTICLE I

DEFINITIONS

The following words when used in this Declaration shall have the following meanings:

“Accessory Buildings” shall mean structures defined in Section 7.10 of this Declaration.

“Architectural Committee” shall mean the Architectural Committee as described in Article IX of this Declaration.

“Assessments” shall mean and refer to Assessments referred to in Article IV of this Declaration including the regular annual assessments, the special assessments, neighborhood assessments and the default assessments levied for the Association as determined by the Board of Directors.

“Association” shall mean and refer to the SILVER CREEK RANCH HOMEOWNER’S ASSOCIATION, INC., a Texas non-profit corporation, its successors and assigns.

“Board of Directors or Board” shall mean the governing body of the Association, the elections and procedures of which shall be as set forth in the Articles of Incorporation and the Bylaws of the Association.

“Common Area” shall mean any property, real or personal, owned, held or maintained by the Association for the benefit of the Members of the Association, including, but not limited to, any open areas, wrought iron fences, common sewer lines and common water lines, any electrical lines and any paved parking area that is utilized for visitors or by the Owner or Resident of more than one Home Site.

“Community” shall mean and refer to generally the Property and the Dwelling Units.

“Declarant” shall mean and refer to “3PM DEVELOPMENT MAGNOLIA, LLC, a Texas limited liability company” and its successors and assigns, if: (a) such successor or assignee should acquire more than one (1) undeveloped Home Site from “3PM DEVELOPMENT MAGNOLIA, LLC, a Texas limited liability company” for the purpose of development; and (b) any such successor or assignee shall receive by assignment from “3PM DEVELOPMENT MAGNOLIA, LLC, a Texas limited liability company”, of all or a portion of its rights hereunder as such Declarant, by an instrument expressly assigning such rights as Declarant to such successor or assignee.

“Dwelling Unit” shall mean and refer to a home situated upon any Home Sites which are designed and intended for use and occupancy as a residence by a single person, a couple, a family or a permitted family size group of persons.

“Election Date” shall mean the earliest of the dates when: (i) Declarant shall have sold all of its Home Sites; (ii) eight (8) years have lapsed from the date of recordation of the Declaration;

or (iii) Declarant by written notice to the Board of Directors notifies the Association of the Declarant's election to cause the Election Date to occur.

"Home Site" or **"Home Sites"** shall mean and refer to the portion of the Property on which a Dwelling Unit is situated.

"Institutional Mortgage" shall mean a mortgage or deed of trust creating a first lien on a Home Site which is held by a third party institutional lender.

"Landscape and Irrigation Easement" shall mean an easement granted to the Association for the purposes of installing, maintaining, removing, re-installing and/or re-planting landscaping and irrigation equipment, in, over, on, under and or across certain portions of the Home Sites and if granted will be described in a separate document, recorded or to be recorded in the Deed Records of Montgomery County, Texas, incorporated herein by reference. THE LANDSCAPE AND IRRIGATION EASEMENTS, IF ANY, CONSTITUTE EASEMENTS ONLY, AND IN NO WAY GRANT OR CONVEY OWNERSHIP OF ANY PART OF THE UNDERLYING FEE SIMPLE ESTATE.

"Member" shall mean and refer to each Owner as provided herein in Article II of this Declaration.

"Neighborhood" shall mean and refer to the plat.

"Owner" shall mean and refer to the record owner, whether one or more persons or entities, of the fee simple title to any Home Site but, notwithstanding any applicable theory of mortgages or other security devices, shall not mean or refer to any mortgagee or trustee under a mortgage or deed of trust unless and until such mortgagee or trustee has acquired title pursuant to foreclosure or any conveyance in lieu of foreclosure. Declarant shall be deemed an Owner of each unplatted Home Site.

"Plat" shall mean that certain plat of SILVER CREEK RANCH, an addition to the City of Magnolia, as described in the map or plat thereof recorded under Clerk's File No. 2021011398, Cabinet Z, Sheet 6973 in the Official Public Records of Montgomery County, Texas.

"Property" shall have the meaning given to it in Paragraph A of the Introductory Statement above.

"Resident" shall mean and refer to each person (not otherwise an Owner or Member) authorized by an Owner to reside within such Owner's Dwelling Unit.

"Two-Thirds Member Vote" shall mean the approval of two-thirds (2/3^{rds}) of all Members (regardless of class) entitled to vote who either (i) are voting in person or by proxy at a meeting duly called for this purpose and at which the necessary quorum exists, or (ii) execute a written consent in lieu of a meeting for such purpose.

ARTICLE II

MEMBERSHIP AND VOTING RIGHTS IN THE ASSOCIATION; ADDITIONS TO THE PROPERTY; THE BOARD OF DIRECTORS

2.1 **Membership.** Each and every Owner shall automatically be and must remain a Member of the Association, subject to the terms of this Declaration, the Articles of Incorporation and the Bylaws of the Association and the Association's rules and regulations. Membership of an Owner in the Association shall be appurtenant to and may not be separated from the interest of such Owner in and to a Home Site. Ownership of a Home Site shall be the sole qualification for being a Member; provided, however a Member's privileges in the Common Areas may be regulated or suspended as provided in this Declaration, the Bylaws of the Association and/or the Association's rules and regulations. Any person or entity that holds an interest in and to a Home Site merely as security for the performance of an obligation shall not be a Member until such time as the holder or its successor acquires title to the Home Site through foreclosure or conveyance in lieu thereof.

2.2 **Transfer.** Membership of an Owner in the Association may not be severed from or in any way transferred, pledged, mortgaged or alienated except upon the sale or assignment of said Owner's interest in a Home Site and then only to the purchaser or assignee as the new Owner thereof. Such membership shall not be severed by the encumbrance by an Owner of a Home Site. Any attempt to make a prohibited severance, transfer, pledge, mortgage or alienation shall be void and of no further force or effect. Owners shall notify the Association of any transfer of the fee title to a Home Site. Such transfer shall automatically operate to transfer the membership to the new Owner thereof. In the event an Owner should fail or refuse to provide written evidence of transfer of the membership in the Association registered in such Owner's name to the transferee of such Owner's interest in a Home Site, the Association shall have the right to record the transfer upon the books and records of the Association. The Association shall have the right to charge a fee for the transfer or change or name on the records of the Association.

2.3 **Classes of Membership.** The Association shall have two classes of voting membership:

CLASS A. Class A Members shall be all Members with the exception of Declarant. Class A Members shall be entitled to one vote for each Home Site in which they hold the interest required for membership. When more than one person holds such interest or interests in any Home Site, all such persons shall be Members, and the vote for such Home Site shall be exercised as they, among themselves, determine, but in no event, shall more than one vote be cast with respect to any such Home Site.

CLASS B. The Class B Member(s) shall be the Declarant. The Class B Member(s) shall be entitled to nine (9) votes for each Home Site owned by the Class B Member(s). On a date which is eight (8) years following the date of recordation of this Declaration (the "Voting Conversion Date"), the Class B Member(s) shall only be entitled to one (1) vote for each Home Site owned by it regardless of the number of Home Sites owned by the Class B Member(s) at such time.

2.4 The Board of Directors. The number, term and election of the Board of Directors shall be as determined in the Articles of Incorporation and By-Laws of the Association. The initial Board of Directors shall be appointed by the Declarant and shall serve until the first Board is elected by the Members after the Election Date. The Declarant may fill vacancies on the Board of Directors until the Election date. No Director need be a Member of the Association or a resident of the Property.

ARTICLE III

COMMON AREA

3.1 Common Area. Declarant does hereby declare, grant and reserve the Common Area for itself, its successors and assigns and for the benefit of the Owners, their successors, representatives and assigns, their invitees, lessees, guests and agents for the purposes of maintaining and providing the Common Area. The Common Area shall be for the benefit of and appurtenant to the Property.

3.2 Right to Use. Each Owner shall have the right to use the Common Area in any manner that does not unreasonably interfere with, or prevent the use, of the Common Area by any other Owner or any other party which may have the right to use same, pursuant to the terms hereof.

3.3 Encroachment/Enforcement. No buildings shall be located over, upon, along or across, or so as to encroach into, the Common Area. In the event of any interference or threatened interference with the Common Area, the rights herein granted may be enforced by restraining orders and injunctions (temporary or permanent) prohibiting such interference and commanding compliance with the provisions hereof, which restraining orders and injunctions shall be obtainable upon proof of the existence of such interference or threatened interference, and without the necessity of proof of inadequacy of legal remedies or irreparable harm, and shall be deemed to be an election of remedies or a waiver or any other rights available at law or in equity.

3.4 Regulations Governing Common Area. The Association may prescribe regulations governing the use, operation and maintenance of the Common Area.

3.5 Access Easement. Declarant shall retain full and complete control of the operations of any such Access Easement, regulating access to the Property or any portion thereof until the earlier of the following: (1) the initial new construction is completed for all of the Property and all Dwelling Units having been conveyed to third parties and developed by completing construction of a residence thereon; or (2) Declarant specifically conveys control of the Access Easement over to the Association in writing. Declarant emphasizes that the Access Easement, if any, are not to be construed as a comprehensive security system. Declarant and the Association disclaim any representation that any Access Easement constitute a comprehensive security system. There may be a better, or more complete method of restricting access. Any upgrade or variation of the Access Easement, if any, may be decided later by the Association, at the Association's expense

3.6 Indemnification. The Association shall at all times, from and after any turnovers of the management of the Association, INDEMNIFY and hold Declarant HARMLESS from any and all liability associated with any and all claims or damages of every kind arising out of the operations of the Property or the Association. Additionally, Declarant may not be held liable in any way in its role in enforcing or failing to enforce any of the conditions of these restrictions, in protecting its rights or in carrying out any of its duties or obligations. This indemnification shall include the Association's payment of any and all expenses including the payment of any and all legal expenses, court costs, any and all costs associated with the protection of the Declarant in any legal actions or proceedings or any other action of any kind.

3.7 Assignment by Declarant. Declarant shall have full right and authority to sell and assign its rights, duties and obligations under these restrictions upon any such action. Declarant shall have no further obligation or liability, implied or otherwise, hereunder.

ARTICLE IV

COVENANT FOR MAINTENANCE ASSESSMENTS

4.1 Creation of the Lien and Personal Obligation for Assessments. Declarant, for each Home Site owned by it within the Property, hereby covenants and agrees, and each purchaser of a Home Site (by acceptance of a deed, whether or not it shall be so expressed in any such deed or other conveyance), for each Home Site owned by any such Owner, hereby covenants and agrees and shall be deemed to covenant and agree to pay to the Association (or to a mortgage company or other collection agency designated by the Association): (a) annual assessments or charges, to be paid in installments as the Board of Directors of the Association may elect, (b) special assessments for capital expenditures, such assessments to be fixed, established and collected from time to time as hereinafter provided, and default assessments which may be assessed against an individual Owner to reimburse the Association for extra maintenance and repair costs incurred as a result of the willful or negligent acts or omissions of such Owner, or the Owner's family, agents, guests and invitees, such default assessments to be fixed, established and collected from time to time as hereinafter provided. The regular annual assessments, special assessments and default assessments, together with such interest thereon and costs of collection thereof as hereinafter provided (collectively "Assessments"), shall be a charge and continuing lien upon each Home Site against which each such Assessment is made. Each such Assessment, together with such interest thereon and costs of collection thereof, as hereinafter provided, shall also be the continuing personal obligation of the person who was the Owner of such Home Site at the time when the Assessment became due. The annual assessments shall be payable as provided in this Article IV.

4.2 Purpose of Assessments. The Assessments levied by the Association shall be used: (i) for the purposes of promoting the recreation, health, safety and welfare of the residents of the Property, and services and facilities devoted to this purpose and directly related to the use and enjoyment of the Common Area including, but not limited to, the payment of insurance premiums, if any, in connection with the Common Area and the repair, replacement and additions thereto; (ii) for paying the cost of labor, equipment (including the expense of leasing any equipment) and materials required for, and management and supervision of, the Common Area; (iii) for carrying out the duties of the Board of Directors of the Association as set forth in Article V hereafter,

including, but not limited to, the payment by the Association of all assessments and charges payable in connection with sewer, water and garbage pickup services and the installation and maintenance of lighting (if any) for the Common Area; (iv) for paying the cost of maintenance of any monument sign, for the Property; (v) for paying for landscaping, irrigation, electrical and other expenses associated with the maintenance of public right-of-way areas adjacent to or in the vicinity of the Property; and (vi) for carrying out the purposes of the Association as stated in its Articles of Incorporation. The Board may at any time ratably increase or decrease the amount of the annual assessments in accordance with this Declaration to such level as shall be reasonably necessary in the judgment of the Board to cover obligations of the Association under this Declaration, including maintenance of reasonable cash reserves. The Board is obligated to maintain assessments at a level sufficient to enable payment of all costs, which are the Association's obligation.

4.3 Basis and Amount of Assessments.

(a) Until the year beginning January 1, 2023, the maximum annual assessment shall be \$1,000.00 for each Home Site not owned by Declarant. The Board of Directors shall fix the annual assessment at any amount less than such maximum.

(b) Commencing with the year beginning January 1, 2024, and each year thereafter, the maximum annual assessment for the following year for each Home Site, shall automatically increase ten percent (10%) above the maximum annual assessment for the previous year without a vote of the membership or the Board of Directors.

(c) Provided that the Board has received approval by a Two-Thirds Member Vote, the maximum annual assessment for the following year for each Home Site may exceed the maximum amounts set forth in Section 4.4(a) or (b) above.

4.4 Special Assessments for Improvements. In addition to the annual Assessments authorized by Section 4.4 above, the Association may levy in any Assessment year a special Assessment, applicable to that year only, for the purpose of defraying, in whole or in part, the costs of any construction or reconstruction, unexpected repair or replacement of any improvement in the Common Area, including the necessary fixtures and personal property related thereto; provided that any such Assessment for the improvements shall have been approved by a Two-Thirds Member Vote.

4.5 Uniform Rate of Assessment Within Classes of Members. In recognition of the fact that while Declarant is the Owner of Home Sites, the benefits either Declarant or Builder receives from such Home Sites will be proportionately less than other Owners, and therefore, the regular annual and special Assessments. The regular annual and special Assessments shall be fixed at a uniform rate for all Home Sites.

4.6 Date of Commencement of Assessments; Due Date. The annual assessments provided for herein shall commence as of the date of the closing of the Home from Declarant to a homeowner. The first annual assessment shall be made for the balance of the calendar year in which it is levied. The amount of the annual assessment which may be levied for the balance remaining in the first year of assessment shall be an amount which bears the same relationship to

the annual assessments provided for in Section 4.4 as the remaining number of months in that year bear to twelve. The first annual assessment shall be due and payable as of the date of closing of the Home from Declarant to a homeowner, and thereafter, the due date for annual assessments shall be January 31st of every year. The due date or dates, if it is to be paid in installments, of any special assessment under Section 4.5, a Neighborhood Assessment or of any default assessment under Section 4.1, shall be fixed in the respective resolution authorizing such assessment. Notwithstanding anything contained to the contrary in this Section, it is hereby understood that the Board of Directors of the Association shall have the right to establish a payment date and payment period that is different from the payment date provided herein.

4.7 Duties of the Board with Respect to Assessments.

(a) The Board shall fix the date of commencement and the amount of the Assessment against each Home Site for each Assessment period at least thirty (30) days in advance of such date or period and shall, at that time, prepare a roster of the Home Sites and Assessments applicable thereto which shall be kept in the office of the Association and shall be open to inspection by any Owner.

(b) Written notice of the Assessment shall thereupon be delivered or mailed to every Owner subject thereto.

(c) The Board shall, upon an Owner's written request and payment of any reasonable fee previously set by the Board, furnish to any Owner liable for each Assessment a certificate in writing signed by an officer of the Association, setting forth whether such Assessment has been paid. Each such certificate shall be conclusive evidence of payment of any Assessment therein stated to have been paid. A reasonable charge may be made by the Board for the issuance of such certificates.

4.8 Effect of Non-Payment of Assessment: The Personal Obligation of the Owner, the Lien, Remedies of Association.

(a) If any Assessment or any part thereof is not paid on the date(s) when due (being the dates specified by the Board), then the unpaid amount of such Assessment shall become delinquent and shall, together with such interest thereon and the costs of collection thereof as hereinafter provided, be a continuing lien (the "Lien") on the Home Site of the non-paying Owner which shall bind such Home Site in the hands of the then Owner, Owner's heirs, executors, devisees, personal representatives and assigns. The personal obligation of the then Owner to pay such Assessment, however, shall remain the Owner's personal obligation and shall not pass to Owner's successors in title unless expressly assumed by them. Any assumption of the obligation to pay an Assessment by a successor in title shall not relieve the prior Owner of such Owner's personal obligation to pay such Assessment. The lien for unpaid Assessments shall be unaffected by any sale or assignment of a Home Site and shall continue in full force and effect. No Owner may waive or otherwise escape liability for the Assessments provided herein by non-use of the Common Area or abandonment of Owner's Home Site.

(b) In furtherance of the Lien provided in Section 4.9(a), and to secure the full and timely payment of all Assessments and other amounts payable by each Owner hereunder, each Owner, by such Owner's acceptance of a deed or other conveyance of the Home Site and regardless of whether or not such deed or other conveyance expressly contains such a provision, does hereby grant and convey unto the Board of Directors, in trust as Trustee (the "Trustee"), for the benefit of the Association, the Home Site owned by such Owner, subject to all easements and other encumbrances affecting such Home Site; provided, that each such grant shall be subordinated to the lien of any mortgage or deed of trust only to the extent provided in Section 4.9; and for these purposes the provisions of this Section 4.9(b) shall be deemed to have created a deed of trust (the "Deed of Trust") covering all of the Home Sites with a power of sale granted to the Trustee in accordance with the provisions of the Texas Property Code (the "Code") and as it may be amended from time to time. The Deed of Trust created hereby shall be upon the same terms and conditions, and shall provide to the Association all of the rights, benefits and privileges, of the Deed of Trust promulgated by the State Bar of Texas for use by lawyers, and all amendments, modifications and substitutions thereof, which form is hereby incorporated by reference for all purposes hereof. The Association, acting through its president, shall have the right in its sole discretion at any time, and from time to time, to appoint in writing a substitute or successor trustee who shall succeed to all rights and responsibilities of the then acting Trustee.

(c) Without limitation of the remedies available to the Association and to the other Owners upon the occurrence of a default by any Owner in the payment of any Assessment or other amount due and payable hereunder, the Association may, at its election and by and through the Trustee, sell or offer for sale the Home Site owned by the defaulting Owner to the highest bidder for cash at public auction in accordance with the provisions of the Code. The Association may, at its option, accomplish such foreclosure sale in such manner as permitted or required by the Code or by any other present or subsequent laws relating to the same. After the sale of any Home Site in accordance with the provisions of this Section 4.9(c), the Owner of such Home Site shall be divested of any and all interests and claims thereto, and the proceeds of any such sale shall be applied in the following order of priority: (i) to the payment of the costs and expenses of taking possession of the Home Site, (ii) to the payment of reasonable Trustee's fees, (iii) to the payment of costs of advertisement and sale, (iv) to the payment of all unpaid Assessments and other amounts payable by such Owner to the Association hereunder, and (v) to the defaulting Owner or to any other party entitled thereto. The Association shall have the right to become the purchaser at the sale of any Home Site pursuant to the Deed of Trust and shall have the right to be credited on the amount of its bid therefor all of the Assessments due and owing by the defaulting Owner to the Association as of the date of such sale.

(d) If any Assessment or part thereof is not paid within thirty (30) days after the delinquency date, the unpaid amount of such Assessment shall bear interest from the date of delinquency at the lesser of eighteen percent (18%) per annum or the maximum legal rate of interest, then prevailing and the Association may, at its election, bring an action at law against the Owner personally obligated to pay the same in order to enforce payment and/or to foreclose the lien against the property subject thereto. There shall be added to

the amount of such Assessment the costs of preparing and filing the complaint (including reasonable attorneys' fees) in such action, and in the event a judgment is obtained such judgment shall include interest on the Assessment as above provided and a reasonable attorneys' fee to be fixed by the court, together with the costs of the action.

4.09 Subordination of the Lien to Mortgages. The lien securing the payment of the Assessments and other obligations provided for herein shall be superior to any and all other charges, liens or encumbrances which may hereafter in any manner arise or be imposed upon any Home Site whether arising from or imposed by judgment or decree or by any agreement, contract, mortgage or other instrument, except for:

(a) Bona fide first mortgage or deed of trust liens for purchase money and/or home improvement purposes placed upon a Home Site, including without limitation Institutional Mortgages, in which event the Association's lien shall automatically become subordinate and inferior to such first lien,

(b) Liens for ad valorem taxes or other public charges as are by applicable law made superior to the Association's lien; and

(c) Such other liens about which the Board may, in the exercise of its reasonable discretion, elect to voluntarily subordinate the Association's lien; provided however, such subordination shall apply only to the Assessments which have been due and payable prior to the foreclosure sale (whether public or private) of such Home Site pursuant to the terms and conditions of any such first mortgage or deed of trust or tax lien. Such sale shall not relieve such Home Site from liability for the amount of any Assessment thereafter becoming due nor from the lien of any such subsequent Assessment. Such subordination shall not apply where the first mortgage or deed of trust or tax lien is used as a device, scheme or artifice to evade the obligation to pay Assessments and/or to hinder the Association in performing its functions hereunder.

4.10 Omission of Assessments. The omission of the Board, before the expiration of any year, to fix the assessments hereunder for that or the next year, shall not be deemed a waiver or modification in any respect of the provisions of this Declaration, or a release of any Owner from the obligation to pay the assessments, or any installment thereof for that or any subsequent year, but the assessment fixed for the preceding year shall continue until a new assessment is fixed by the Board.

4.11 Declarant Authority and Exemption as to Assessments.

(a) NOTWITHSTANDING ANY OTHER PROVISIONS HEREOF, DECLARANT IS EXEMPT FROM PAYMENT OF ANY ANNUAL, SPECIAL OR SPECIFIC ASSESSMENTS UNTIL THE FIRST DAY OF JANUARY FOLLOWING THE ELECTION DATE. IN THE EVENT OF RE-ACQUISITION OF OWNERSHIP OF ANY LOT BY DECLARANT, THE RATE OF ASSESSMENT THEN APPLICABLE TO DECLARANT SHALL AGAIN APPLY IN ACCORDANCE WITH THIS SECTION. The forgoing shall also apply to any Lot used by Declarant for a model residence or other

development, marketing or sales purposes regardless of whether record title remains in Declarant (such as, for example but without limitation, in the case of the sale of a Home to an Owner and lease back to Declarant for use as a model). In such cases, completion of the initial sale shall not be deemed to have occurred until the first day of the month following termination of any such use of the Home by Declarant.

(b) Prior to the Election Date, Declarant is entitled to establish all Association budgets and to set and change the amounts of regular and specific assessments and/or to impose special assessments without the joinder, vote or consent of any Owner or any other person, and without further formality than giving of notice thereof to the Owners to the extent notice by the Association would otherwise be required by this Declaration.

(c) Prior to the Election Date, Declarant will only budget for such operating expenses of the Association as Declarant deems to be essential to the operation of the Association, and Declarant's determinations as to same (and as to any other matters pertaining to the provisions of this Section are final. In addition to and not in limitation of the foregoing, and notwithstanding any other provisions of this Declaration or prior to the Election Date, Declarant is not required to budget for or to otherwise collect any funds for payment of any capital expenditures (determined in accordance with generally accepted accounting principles), or for payment to or funding of any capital, contingency or other reserves.

(d) Declarant may advance funds to the Association or directly pay for costs and expenses of the Association. In either case Declarant shall be entitled to reimbursement from the Association, without interest.

4.12 Capitalization Fee. A one-time "**Capitalization Fee**" must be paid by the purchaser of each Lot at the time of closing on the purchase of the Lot. At the time of closing on the sale of each Lot, the purchaser shall pay to the Association a "**Capitalization Fee**" equal to one-half (1/2) of the amount of the regular annual assessment then in effect. The initial Capitalization Fee shall be due and payable as to each Lot upon completion of the initial sale of each Lot and at the time of closing on each subsequent sale of the Lot. Capitalization Fees shall be deposited in the Maintenance Fund, and may be used by the Association for general operations, funding of any reserves or as otherwise determined by the Board. Capitalization Fees are nonrefundable and shall not be deemed in any manner as an advance payment of any other assessments.

ARTICLE V

GENERAL POWERS AND DUTIES OF BOARD OF DIRECTORS OF THE ASSOCIATION

5.1 Powers and Duties.

(a) The Board, for the benefit of the Property and the Owners, shall provide, and shall pay for out of Assessments, to the extent appropriate, the following:

(i) Care, preservation and maintenance of the Common Area, including without limitation, the maintenance of private sewer, storm sewer, streets, Access Easement, wrought iron fences, Landscape Easements, including care and replacement of trees, shrubs and grass, lighting systems and any installed sprinkler systems on the Common Area; the maintenance of all entry monuments, and payment of utility usage charges, including Master Water Meter expenses, and other charges associated with the Common Area and public right-of-way areas adjacent to or in the vicinity of the Property; provided however, in the event the need for maintenance or repair is caused through the willful or negligent act of any Owner, the Owner's family, or guests, or invitees, the cost of such maintenance or repairs shall be added to and become a part of the Assessment attributable to such Owner's Home Site.

(ii) The services of a person or firm to manage the Association or any separate portion thereof, to the extent deemed advisable by the Board, and the services of such other personnel as the Board shall determine to be necessary or proper for the operation of the Association, whether such personnel are employed directly by the Board or by the manager.

(iii) Legal and accounting services.

(iv) If deemed appropriate by the Board, a policy or policies of insurance insuring the Association and the Board against any liability to the public or to the Owners (and/or invitees, guests or tenants), incident to the operation of the Association, in an amounts determined by the Board; which policy or policies shall contain an endorsement providing that the rights of the named insured shall not be prejudiced with respect to actions against other named insured.

(v) Workers' compensation insurance to the extent necessary to comply with any applicable laws.

(vi) Such fidelity bonds as the Board may determine to be advisable.

(vii) Any other materials, supplies, insurance, furniture, labor, services, maintenance, repairs, taxes or assessments (including taxes or assessments assessed against an individual Owner) which the Board is required to obtain or pay for pursuant to the terms of this Declaration or by law or which in its opinion shall be necessary or proper for the operation or protection of the Association or for the enforcement of this Declaration.

(b) The Board shall have the following additional rights, powers and duties:

(i) To execute all replats of the Property.

(ii) To borrow funds to pay costs of operation, secured by assignment or pledge of rights against delinquent Owners, if the Board sees fit.

(iii) To enter into contracts, maintain one or more bank accounts (granting authority as the Board shall desire to one or more persons to sign checks), and, generally, to have all the powers necessary or incidental to the operation and management of the Association.

(iv) To protect the Common Areas from loss or damage, and to determine adequate replacement reserves.

(v) To make reasonable rules and regulations for the maintenance and protection of the Common Area, and to amend them from time to time, provided that any rule or regulation may be amended or repealed by an instrument in writing signed by a majority of the Members, or, with respect to a rule applicable to less than all of the Property, by the Members owning Home Sites in the portions affected.

(vi) To make available to each Owner upon written request within sixty days after the end of each year an annual report.

(vii) To adjust the amount, collect, and use any insurance proceeds to repair damage or replace lost property, and if proceeds are insufficient to repair damage or replace lost property, to assess the Members in proportionate amounts to cover the deficiency.

(viii) To enforce the provisions of this Declaration and any rules made hereunder and to enjoin and seek damages from any Owner for violation of such provision or rules.

5.2 Board Powers, Exclusive. The Board shall have the exclusive right to contract for all goods, services, and insurance, payment for which is to be made from the Assessments and the exclusive right and obligation to perform the functions of the Board, except as otherwise provided herein.

5.3 Rules and Regulations. The Association, through its Board of Directors, may make and enforce reasonable rules and regulations governing the use of the Common Area, including but not limited to parking rules and regulations, which rules and regulations shall be consistent with the rights and duties established by this Declaration. Sanctions for violations of this Declaration, the By-Laws, or such rules and regulations may include reasonable monetary fines, suspension of the right to vote, the right to use the Common Areas and the right to hold any office or appointed position in the Association or committee. In addition, the Association shall have the right to exercise self-help to cure violations, and shall be entitled to suspend any services provided by the Association to any Owner or such Owner's Unit in the event that such Owner is more than

thirty (30) days delinquent in paying any assessment or other charge due to the Association. The Board shall also have the power to seek relief in any court for violations or to abate nuisances. Imposition of sanctions shall be as provided in the By-Laws of the Association.

ARTICLE VI

EASEMENTS

6.1 Easement Reserved for the Association. Full rights of ingress and egress shall be had by the Association at all times over and upon each Home Site, the Access Easements, Landscape and Irrigation Easements or any other easements for the carrying out by the Association of its rights, functions, duties and obligations hereunder; provided, that any such entry by the Association upon any Home Site or easement shall be made with as minimum inconvenience to the Owner as practical, and any damage caused thereby shall be repaired by the Association.

6.2 Easements and Rights Reserved by Declarant. Declarant hereby reserves for itself, its successors and assigns, the right to: (i) dedicate the walks throughout the Property, and (ii) reserve or grant easements of ingress and egress and for the installation, construction, maintenance, repair and replacement of utilities and related facilities, which shall include, but not be limited to, sewer (sanitary and storm), gas, electric, telephone, cable television and water lines, upon, over, under, and across the Property, as it in its sole discretion deems proper or appropriate. Further, Declarant hereby reserves temporary construction easements for the construction, repair, removal, maintenance and reconstruction of improvements within the Property, including the right to remove, on a temporary basis, fences, landscaping and other improvements as shall be reasonably necessary to enable Declarant to complete the development and improvement of the Property; provided, that any such improvements removed by Declarant shall be replaced and/or restored, upon completion of the construction activities, to substantially their former condition. All claims for damages, if any, arising out of any such construction or other activities by Declarant are hereby waived by each Owner and the Association.

6.3 Rights Reserved to Governmental Authorities and Utility Companies. Full rights of ingress and egress shall be had by Declarant, any governmental authority having jurisdiction over the Property, and any utility company which provides utilities to the Property, at all times over any Common Area and other dedicated easement for the installation, operation, maintenance, repair or removal of any utility, together with the right to remove any obstruction that may be placed in such easement that would constitute interference with the use of such easement, or with the use, maintenance, operation or installation of such utility. All claims for damages, if any, arising out of the construction, maintenance and repair of utilities or on account of temporary or other inconvenience caused thereby against the Declarant, or any utility company or governmental authority, or any of their agents or servants are hereby waived by each Owner and the Association.

6.4 Utility Easements. Wherever: (i) sanitary sewer or water service connections, (ii) natural gas, electricity, telephone or cable televisions lines, or (iii) drainage facilities are installed within the Property, which connections, lines or facilities or any portion thereof lie in or upon a Home Site owned by any other party other than the Owner of the Home Site served by the connections, lines or facilities, such Owner of the Home Site served and the applicable public

utilities shall have the right and are hereby granted an easement to the full extent necessary therefore, to enter upon the Home Sites within or upon which said connections, lines or facilities or any portion thereof lie to repair, replace and generally maintain said connections, lines or facilities as and when the same may be necessary.

ARTICLE VII

PROTECTIVE COVENANTS

7.1 Residential Purpose Only. Each Home Site and Dwelling Unit shall be used exclusively for single-family residential purposes including any Accessory Buildings. No building or structure intended for or adapted to business purposes, and no apartment house, lodging house, rooming house, hospital, sanitarium or doctor's office, or other multiple-family dwelling shall be erected, placed, permitted or maintained on any Home Site, or on any part thereof.

7.2 Rubbish, Etc. No Home Site shall be used in whole or in part for the storage of rubbish of any character whatsoever, nor for the storage of any property or thing that will cause such Home Site to appear in an unclean or untidy condition or that will be obnoxious to the eye; nor shall any substance, thing or material be kept upon any Home Site that will emit foul or obnoxious odors, or that will cause any noise that will or might disturb the peace, quiet, comfort or serenity of the occupants of the surrounding property. No weeds, underbrush or other unsightly growths shall be permitted to grow or remain upon the Home Site, and no refuse pile or unsightly objects shall be allowed to be placed or suffered to remain anywhere thereon.

7.3 Animals. No animals, reptiles, livestock, poultry or birds of any kind shall be raised, bred or kept on any Home Site, except that dogs, cats or other household pets may be kept, not to exceed a total of four such animals, provided that they are not kept, bred or maintained for any commercial purpose. The foregoing limitation on number of pets shall not apply to hamsters, small birds, fish or other constantly caged animals, nor shall it apply to require the removal of any litter born to a permitted pet prior to the time that the animals in such litter are three (3) months old. Horses, reptiles, ponies, goats, sheep, hogs, pigs, monkeys, chickens, ducks, peacocks, pigeons, and Guinea fowl shall not be deemed as household pets and are expressly prohibited. Notwithstanding the foregoing, however, no individual dogs or other animals deemed by the Board in its sole discretion to be dangerous to persons or other animals shall be raised, bred or kept on any Home Site.

7.4 Development Activity. Notwithstanding any other provision herein, Declarant and its successors and assigns shall be entitled to conduct on the Property all activities normally associated with and convenient to the development of the Property and the construction and sale of Home Sites within the Property.

7.5 Signs. No sign or emblem of any kind may be kept or placed upon any Home Site or mounted, painted or attached to any Dwelling Unit, fence or other improvement upon such Home Site so as to be visible from public view except the following:

(a) **For Sale Signs.** An Owner may erect one (1) sign on the Owner's Home Site, not exceeding 2' x 3' in area, fastened only to a stake in the ground and extending not more than three (3) feet above the surface of such Home Site advertising the property for sale. The Board of Directors may, but shall not be obligated to, authorize similar size signs in an area outside of the wrought iron fence. No "for lease" or "for rent" signs will be permitted until two (2) years following the date Declarant sells the last Home Site on the Property.

(b) **Declarant's Signs.** Declarant may erect and maintain a sign or signs deemed reasonable and necessary for the construction, development, operation, promotion, leasing and sale of the Home Sites.

(c) **Builders' Signs.** Any Dwelling Unit builder may utilize one professional sign (of not more than five (5) square feet in size) per Home Site for advertising and sales promotion of such Dwelling Unit.

(d) **Political Signs.** Political signs may be erected upon a Home Site by the Owner of such Home Site advocating the election of one or more political candidates or the sponsorship of a political party, issue or proposal, provided that such signs shall not be erected more than sixty (60) days in advance of the election to which they pertain and shall be removed within ten (10) days after such election.

(e) **Address Signs.** Declarant or the Association may erect signs containing the community name and addresses as required by the city in which the Property is located.

(f) **Common Areas Signs.** The Association may erect signs as it may deem necessary for the efficient use of the Common Areas or beneficial to the Members. Only signs approved by the Association may be placed in the Common Areas.

The Association is specifically the right to enter the Common Areas or any Lot to remove signs not permitted by these restrictions.

7.6 Prohibited Vehicles. Commercial vehicles, vehicles with commercial writing on their exteriors, vehicles primarily used or designed for commercial purposes, tractors, mobile homes, recreational vehicles, trailers (either with or without wheels), campers, camper trailers, boats and other watercraft, and boat trailers but excluding first responder vehicles (law enforcement, fire or EMS), shall be parked only in enclosed garages or areas, if any, designated by the Board. Stored vehicles and vehicles which are either obviously inoperable or do not have current licenses shall not be permitted on the Property except within enclosed garages. Notwithstanding the foregoing, vehicles that become inoperable while on the Property must be removed within twenty-four (24) hours thereof. Notwithstanding the foregoing, service and delivery vehicles may be parked on the Property during the daylight hours for such period of time as is reasonably necessary to provide service or to make a delivery to a Dwelling Unit or the Common Area. Any vehicle parked in violation of this section or parking rules promulgated by the Board may be towed at the expense of the Owner of the Home.

7.7 Vehicles; Parking; Towing.

(a) Prohibited Vehicles. No boat, mobile home, trailer, boat or truck rigging, truck larger than a three-quarter ton pick-up, recreational vehicle, bus, unused vehicle, inoperable vehicle of any kind (including any vehicle requiring same which does not have both a current and valid license plate and current and valid state inspection sticker), no over-sized vehicle, and no unsightly vehicle or vehicle (including without limitation, any motor bikes, motorcycles, motor scooters, go-carts, golf-carts or other similar vehicles) which by reason of noise, fumes emitted, or by reason of manner of use or operation, constitute a nuisance, as may be determined in the sole opinion of the Board, may be parked, stored or kept at any time at any location within the Property, including without limitation upon any street or upon any other part of any Lot, unless such vehicle is stored completely within a garage. "Oversized vehicle" means any vehicle, which exceeds in size six feet six inches (6'6") in height, seven feet six inches (7'6") in width, and/or twenty-one feet (21') in length. Use of vehicle covers of any kind (except for vehicles parked completely in a garage) is prohibited.

(b) Prohibited Parking - General. No vehicle of any kind may be parked, stored or otherwise permitted to remain at any time (i) on grass or any other similar portion of any Lot or any other place within the Property not intended customarily for use for parking of vehicles, or (ii) in any other manner other than as is customary for the type of parking space being used, or (iii) in such manner as to obstruct or impede sidewalk, driveway or street access or usage, or in such manner that any part of the vehicle extends in to any part of any street. No Owner or resident is permitted to park or store any vehicle on the Lot of another Owner or resident.

(c) Occupant Vehicles. "Occupant Vehicles" means any permitted vehicles as to each lot which are owned and/or operated by (i) any single family member of the residents of each lot, and (ii) any other person visiting or staying at the lot who parks the vehicle within the Property at any time more than twenty-four (24) hours. Occupant vehicles may be parked only in the garage of the Home at which the operator thereof resides, or upon the private driveway to the garage, if any. Parking upon a private driveway as aforesaid is permitted only if the driveway is of sufficient size that the entire occupant vehicle can be parked wholly within the private driveway. Parking of occupant vehicles at any time at any location in the Community except in accordance with the foregoing, including parking of occupant vehicles upon any street within the Community is strictly prohibited. The board may (but is not obligated to) adopt rules and regulations to permit parking of occupant vehicles upon a street within the Community to the extent it deems appropriate in general and/or in individual cases to accommodate unusual circumstances or alleviate undue hardship.

(d) Temporary Parking. Temporary parking upon a street in the Community is permitted by occupant vehicles, guests and invitees, and by pick-up or delivery services, but solely for purposes of loading and unloading of passengers and cargo, and subject to such rules and regulations as from time to time promulgated by the architectural committee

and other applicable ordinances and laws (such as prohibitions against parking in fire lanes, or in such manner as to block entry to or exit from the Community). "temporary" means only for so long a period of time as is reasonably necessary to complete loading, unloading, pick-up or delivery, with such activity commenced promptly after the vehicle is parked. Any parking in excess of twenty minutes is presumed not to be temporary. Pick-up or deliveries requiring longer than twenty minutes (such as moving in or out of a residence) shall be coordinated with the association, shall be conducted in such manner as to minimize interference with traffic and pedestrian ingress and egress, and shall otherwise be conducted in accordance with directives of the association and applicable rules and regulations.

(e) Repair, Rental or Sale of Vehicles Prohibited. No work on any vehicle within the Community, including on any street, or on any Homeowners Properties, or on any Lot, may be performed at any time other than temporary emergency repairs or other work required in order to promptly remove an inoperable or disabled vehicle from the Community or to move completely within a garage. Repair work on any vehicle within a garage is limited to occasional minor repairs on Occupant Vehicles (such as oil changes, headlight bulb replacements and similar minor repairs). Extensive or frequent work (such as in connection with an auto repair or racing hobby or profession) on any vehicles, including any Occupant Vehicles, is prohibited. Without limitation of the foregoing and except for the limited purposes expressly permitted by the foregoing, no vehicle repair, rental or sales business or activities of any kind, whether or not for profit, may be conducted at any time at any location upon any Lot or elsewhere within the Community.

(f) Vehicle Defined. As used in this Section, "vehicle" means a device in, on, or by which a person or property may be transported, including an operable or inoperable automobile, truck, motorcycle, recreational vehicle, trailer, and such other devices as from time to time specified by applicable Rules and Regulations.

(g) Presumptive Violations. Repairs or other work extending over a period exceeding eight hours is conclusively presumed not to be "temporary". Any vehicle is conclusively presumed to be "unused" or "inoperable" if the vehicle has not been operated outside the Community for seven or more consecutive days or the vehicle has not been operated outside the Community more than twice in any fourteen day period. The provisions hereof do not prejudice the right of the Association to otherwise establish a violation. The foregoing provisions do not apply to any vehicle completely stored within a garage.

(h) Towing. The Board through its designated representative may cause any vehicle which is parked, stored or maintained in violation of this Declaration or in violation of any ordinance, statute or other governmental regulation, to be removed from the Community to any vehicle storage facility within Montgomery County, Texas at the sole cost and expense of the Person owning such vehicle (whether or not such person is an Owner) and/or the Owner as to whom such person is a tenant, visitor, guest or invitee. Any such removal maybe in accordance with any applicable statute or ordinance, including Chapter 2308 of the Texas Occupations Code, as amended.

(i) LIMITATION OF LIABILITY. DECLARANT, THE ASSOCIATION, AND THEIR RELATED PARTIES, AND ANY PERSON REMOVING ANY VEHICLE AS HEREIN PROVIDED (THE "INDEMNITEES") HAVE NO LIABILITY WHATSOEVER IN CONSEQUENCE OF REMOVAL OF ANY VEHICLE AS HEREIN PROVIDED. THE PERSON OWNING EACH TOWED VEHICLE (WHETHER OR NOT SUCH PERSON IS AN OWNER) AND THE OWNER AND OWNER'S TENANT AS TO WHOM SUCH PERSON IS A VISITOR, GUEST, OR INVITEE, SHALL HOLD ALL SUCH INDEMNITEES HARMLESS FROM ANY AND ALL CLAIMS, SUITS, ACTIONS, LIABILITIES OR DAMAGES ARISING, DIRECTLY OR INDIRECTLY, AS RESULT OF SUCH REMOVAL. THE PROVISIONS HEREOF ARE IN ADDITION TO ANY OTHER INDEMNITIES IN THIS DECLARATION.

7.8 Commercial or Institutional Use. No Home Site, and no building erected or maintained on any Home Site, shall be used for manufacturing, industrial, business, commercial, institutional or other non-residential purposes.

7.9 Mailboxes. Mailboxes, house numbers and similar matter used in the Community must be harmonious with the overall character and aesthetics of the community. This provision with respect to mailboxes shall not apply when cluster box units are required by the United States Postal Service.

7.10 Accessory Buildings. All Accessory Buildings must be approved by the Architectural Committee. Barns, equipment and/or storage buildings: (i) must be located behind the plane of the back wall of the residence; (ii) shall at no time be used as a residence; (iii) must not be a temporary structure or pre-manufactured building, or a move-on building; (iv) meet construction standards of this Declaration or the Development Guidelines for Accessory Buildings; (v) must have an architectural style similar to or complimentary to the Dwelling Unit; (vi) must have a minimum pitch of 4 X 12 on the roofline; (vii) must have a minimum of two (2) feet overhang on the eaves and a minimum of one (1) foot overhang on the gable; (viii) may not be constructed prior to construction of the Dwelling Unit unless the Accessory Building is not visible from the road, the Accessory Building is on four (4) acres or more, and construction of the Dwelling Unit will begin within two (2) years; and (ix) the exterior finish is compatible with Dwelling Unit or painted in earth tones. Metal buildings must have bonded coating warranted for a minimum of twenty (20) years from fading, chipping or peeling.

7.11 Fences.

(a) No fence, wall or hedge shall be erected, placed or altered on any Home Site without the approval of the Architectural Committee.

(b) The Architectural Committee shall promulgate specific Development Guidelines governing the composition and location of fences and hedges to be located upon Home Sites.

(c) The foregoing restrictions shall not be applicable to the construction or erection of any fence, wall or hedge on any Home Site or the Common Areas by Declarant.

7.12 Antennas and Satellite Dishes.

(a) Except as otherwise expressly approved by the Architectural Committee in writing, or as otherwise expressly permitted by applicable architectural guidelines or by law, no antenna or satellite dish system of any kind is permitted upon any Lot, or the residence or other improvement thereon, except one dish antenna, one meter or less in diameter or diagonal measurement which is designed to receive direct broadcast satellite or to receive or transmit "fixed wireless signals" (as defined by the Federal Communications Commission), and one television antenna to the extent necessary for reception of local television broadcasts, either or both of which must be installed so as not to be visible from any street.

(b) In no event shall any antenna, "dish" or other device be used for transmitting electronic signals of any kind except as to fixed wireless signal transmission as above provided. Antenna and similar devices of any type used for citizen band ("CB") radio, amateur ("HAM") radio, AM/FM radio, or Digital Audio Radio Service ("DARS"), are prohibited and shall not be erected, placed or permitted to remain on any Lot, on any improvement located on any Lot, or elsewhere in the Community. Without limitation as to the authority of the Architectural Committee to grant variances, the Architectural Committee is specifically authorized to (but shall not in any event be required to) grant variances as to prohibited antenna, and the Architectural Committee may condition granting of any such variance upon placement of the applicable antenna in the attic of a residence.

7.13 Chimneys. All fireplace flues, smoke stacks and spark arrestors shall be completely enclosed and concealed from public view in finished chimneys of materials architecturally compatible with the principal finish material of the exterior walls of the Dwelling Unit or as otherwise approved in writing by the Architectural Committee.

7.14 Clotheslines. No clotheslines shall be erected or installed and no clothesline, linens or other material shall be aired or dried so as to be visible from the street.

7.15 Window Treatment. No aluminum foil, reflective film, signs or similar treatment shall be placed on windows or glass doors. No window air conditioning units are permitted that are visible from the street in front of the Home Site.

7.16 Temporary Structures. No temporary structure of any kind shall be erected or placed upon any Home Site. No trailer, mobile, modular or prefabricated home, tent, shack, barn or any other structure or building, other than the residential structure to be built thereon, shall be placed on any Home Site, either temporarily or permanently, and no residence house, garage or other structure appurtenant thereto, shall be moved upon any Home Site from another location; except, however, that Declarant reserves the exclusive right to erect, place and maintain, and to permit builders and Owners to erect, place and maintain such facilities in and upon the Property as in its sole discretion may be deemed necessary or convenient during the period of and in

connection with the sales of Home Sites, construction and selling of residential structures and constructing other improvements on the Property. Such facilities may include, but not necessarily be limited to, a temporary office building, storage area, signs, portable toilet facilities and sales office. Declarant and builders of residential structures on Home Sites shall also have the temporary right to use a residence situated on a Home Site as a temporary office or model home during the period of and in connection with construction and sales or leasing operations on the Property, but in no event shall a builder have such right for a period in excess of one (1) year from the date of substantial completion (as defined by the American Institute of Architects) of the builder's last residential structure on the Property.

7.17 Trash Receptacles and Collection. All trash receptacles shall be stored so as not to be generally visible by the public, unless otherwise approved by the Architectural Committee in writing. Each and every Owner shall observe and comply with any and all regulations or requirements promulgated by the applicable governmental authority, and/or the Association, in connection with the storage and removal of trash receptacles and garbage. All Home Sites shall at all times be kept in a healthful, sanitary and attractive condition. No Home Site shall be used or maintained as a dumping ground for garbage, trash, junk or other waste matter. All trash, garbage, or waste matter shall be kept in adequate containers which shall be constructed of metal, plastic or masonry materials, with tightly-fitting lids, and which shall be maintained in a clean and sanitary condition. No Home Site shall be used for open storage of any materials whatsoever, except that new building materials used in the construction of improvements erected on any Home Site may be placed upon such Home Site at the time construction is commenced and may be maintained thereon for a reasonable time, so long as the construction progresses without unreasonable delay, until completion of the improvements, after which these materials shall either be removed from the Home Site, or stored in a suitable enclosure on the Home Site. No garbage, trash, debris, or other waste matter of any kind shall be burned on any Home Site. All woodpiles, yard equipment and other similar items shall be concealed from view of neighboring Dwelling Units, and property located adjacent to the Home Site. All rubbish, trash, and garbage shall be stored in appropriate containers and shall regularly be removed from the Property and shall not be allowed to accumulate thereon.

7.18 Swimming Pools. All swimming pools must be approved by the Architectural Committee in accordance with the Development Guidelines.

7.19 Truck Weight Limit. Trucks with tonnage in excess of one ton shall not be permitted to park overnight on any street or on any Home Site.

7.20 Utilities. All telephone, electric, cable or other service lines shall be installed underground and shall meet all requirements of the applicable governmental authority.

7.21 Paint. All painted improvements and other painted structures on each Home Site shall be repainted by the Owner thereof at the Owner's sole cost and expense as often as is reasonably necessary to ensure the attractiveness and aesthetic quality of such Home Site or Dwelling Unit. The approval of the Architectural Committee otherwise required for improvements under Article IX, shall not be required for such repainting so long as neither the color scheme nor the arrangement of the colors of any improvements, nor the color of any paint thereon is altered.

7.22 Basketball Goals or Backboards. All basketball goals, backboards, or any other similar sporting equipment of either a permanent or temporary nature must be approved by the Architectural Committee in accordance with the Development Guidelines.

7.23 Quiet Enjoyment. No portion of the Property shall be used, in whole or in part, for the storage of any property or thing that will cause it to appear to be in an unclean or untidy condition or that will be obnoxious to the eye; nor shall any substance, thing, or material be kept upon any portion of the Property that will emit foul or obnoxious odors or that will cause any noise or other condition that will or might disturb the peace, quiet, safety, comfort, or serenity of the occupants of surrounding property.

No noxious, illegal, or offensive activity shall be carried on upon any portion of the Property, nor shall anything be done thereon tending to cause embarrassment, discomfort, annoyance, or nuisance to any person using any portion of the Property. There shall not be maintained any plants or animals or device or thing of any sort whose activities or existence in any way is noxious, dangerous, unsightly, unpleasant, or of a nature as may diminish or destroy the enjoyment of the Property. No outside burning of wood, leaves, trash, garbage or household refuse shall be permitted within the Property. The use and discharge of firecrackers and other fireworks is prohibited within the Property.

7.24 Lighting. Except for traditional holiday decorative lights, which may be displayed for two (2) months prior to and one (1) month after any commonly recognized holiday for which such lights are traditionally displayed, all exterior lights must be approved by the Architectural Committee. LED soffit lighting must remain illuminated in white unless during the approved holiday period.

7.25 Artificial Vegetation, Exterior Sculpture, and Similar Items. No artificial vegetation shall be permitted on the exterior of any portion of the Property. No exterior sculpture, fountains, flags and birdhouses, birdbaths, other decorative embellishments or similar items shall be permitted unless approved by the Architectural Committee.

7.26 Business Use. No garage sale, moving sale, rummage sale or similar activity and no trade or business may be conducted in or from any Home Site, except that an Owner or occupant residing in a Unit may conduct business activities within the Home Site so long as: (a) the existence or operation of the business activity is not apparent or detectable by sight, sound or smell from outside the Home Site; (b) the business activity conforms to all zoning requirements for the Property; (c) the business activity does not involve persons coming onto the Property who do not reside in the Property or door-to-door solicitation of residents of the Property; and (d) the business activity is consistent with the residential character of the Property and does not constitute a nuisance, or a hazardous or offensive use, or threaten the security or safety of other residents of the Property, as may be determined in the sole discretion of the Board.

The terms “business” and “trade”, as used in this provision, shall be construed to have their ordinary, generally accepted meanings, and shall include, without limitation, any occupation, work or activity undertaken on an ongoing basis which involves the provision of goods or services to

persons other than the provider's family and for which the provider receives a fee, compensation, or other form of consideration, regardless of whether: (i) such activity is engaged in full or part-time; (ii) such activity is intended to or does generate a profit; or (iii) a license is required therefor. Notwithstanding the above, the leasing of a Dwelling Unit shall not be considered a trade or business within the meaning of this Section. This Section shall not apply to any activity conducted by the Declarant or conducted by a builder with approval of the Declarant, with respect to its development and sale of the Property or its use of any Dwelling Units, which it owns within the Property, including the operation of a timeshare or similar program.

7.27 Traffic Sight Areas. All Homes located at street intersections shall be landscaped so as to permit safe sight across street corners. No fence, wall, hedge, or shrub planting shall be placed or permitted to remain where this would create a traffic or sight problem.

7.28 Mineral Production. No oil drilling, oil development operations, refining, quarrying or mining operations of any kind shall be permitted upon any Home Site, nor shall oil wells tanks, tunnels, mineral excavations or shafts be permitted upon any Home Site. No derrick or other structure designed for use in boring for oil or natural gas shall be permitted upon any Home Site.

7.29 Exterior Noise. No horns, whistles or bells (except security devices used exclusively to protect the Home Site and improvements situated thereon) shall be placed or used upon any Home Site. Exterior speakers and patio intercoms shall be permitted. The audio volume for exterior speakers and patio speakers shall be set at a low level such that it will not disturb other Owners.

7.30 Firearms. No Owner shall use or discharge or permit the use, discharge, on or from the Owner's Home Site or elsewhere on the Property, of any pistol, rifle, shotgun, or other firearm or any bow and arrow, or any other device capable of killing or injuring.

7.31 Fires. No Owner shall build or permit to be built any open fires on the Owner's Home Site; provided, however, that this paragraph shall not be construed as precluding the use by any Owner of an interior fireplace or of a small and safe outdoor cooking facility such as a charcoal or gas grill.

7.32 Clothes Drying. Outdoor drying of clothes or other items shall not be permitted nor shall any material or object be placed upon, in or over any rail, fence or window.

7.33 Religious Items. An Owner may display or attach one or more religious items to their Dwelling Unit. Such religious items may include anything related to any faith that is motivated by the resident's sincere religious belief or tradition. Approval from the other Owners is not required for displaying religious items in compliance with the following:

- (a) Individually or in combination with each other, the items at any entry may not exceed 25 square inches total in size.
- (b) The items may only be displayed on or attached to the entry door or frame and may not extend beyond the outside edge of the door frame.

- (c) To the extent allowed by the Texas state constitution and the United States constitution, any such displayed or affixed religious items may not: (i) threaten public health or safety; (ii) violate any law; or (iii) contain language, graphics or any display that is patently offensive to a passerby.

7.34 Flags. The following shall apply with respect to displaying the flag of the United States, the flag of the State of Texas or the official flag of any branch of the United States armed forces:

- (a) The flag of the United States shall be displayed in accordance with 4 U.S.C. Sections 5-10. The flag of the State of Texas shall be displayed in accordance with Chapter 3100, Government Code of the State of Texas.
- (b) A flagpole attached to a dwelling or a freestanding flagpole shall 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.
- (c) The display of a flag, or the location and construction of the supporting flagpole shall comply with applicable zoning ordinances, easements, and setbacks of record.
- (d) A displayed flag and the flagpole on which it is flown shall be maintained in good condition and that any deteriorated flag or deteriorated or structurally unsafe flagpole shall be repaired, replaced, or removed.
- (e) There shall be no more than one flagpole per site that is (i) not more than 20 feet in height and, subject to applicable zoning ordinances, easements, and setbacks of record, is located in the front yard of the Lot; or (ii) attached to any portion of a Dwelling Unit. If the front yard set back line is less than fifteen feet (15'), then no flagpole shall be allowed.
- (f) The size of a displayed flag shall not exceed three feet (3') x five feet (5').
- (g) The external halyard of a flagpole shall not cause noise that creates a nuisance for the neighbors.
- (h) An Owner shall not display flag or erect a flagpole on property that is on a street.

7.35 Solar Devices. A "Solar Device" shall mean a solar energy device system or series of mechanisms, as defined by Texas law and 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. Any such Device must be installed on a Site or a Dwelling Unit of an Owner. No portion of a Solar Device may encroach on adjacent properties. Solar Devices may only be installed in the following locations: (a) on the roof of the main residential dwelling; or (b) on the roof of any other approved structure; or (c) within a

fenced yard or patio. For Solar Devices mounted on a roof, the Solar Device must have no portion of the Solar Device higher than the roof section to which it is attached.

7.36 Rainwater Recovery Systems. Rainwater Recovery Systems (“RRS”) may be installed on a Site however no portion of the RRS may encroach on adjacent properties. Other than gutters and downspouts conventionally attached to a dwelling or appurtenant structure, all components of the RRS, such as tanks, barrels, filters, pumps, motors, pressure tanks, pipes and hoses, must be substantially screened from public view from any street. Screening may be accomplished by: (a) placement behind a solid fence, a structure or vegetation; or (b) by burying the tanks or barrels. A rain barrel may be placed in a location visible from public view from any street only if the configuration of the guttering system on the structure precludes screening as described above with the following restrictions: (a) the barrel must not exceed 55 gallons; and (b) the barrel must be installed in close proximity to the structure on a level base with the guttering downspout leading directly to the barrel inlet at a substantially vertical angle; and (c) the barrel must be fully painted in a single color to blend with the adjacent home or vegetation; and (d) any hose attached to the barrel discharge must be neatly coiled and stored behind or beside the rain barrel in the least visible position when not in use. Overflow lines from the RRS must not be directed onto or adversely affect adjacent properties. Inlets, ports, vents and other openings must be sealed or protected with mesh to prevent children, animals and debris from entering the barrels, tanks or other storage devices. Open top storage containers are not allowed. Harvested water must be used and not allowed to become stagnant or a threat to health. Any RRS must be maintained in good repair. Any unused RRS should be drained and disconnected from the gutters. Any unused RRS in public view must be removed from public view from any street.

7.37 Play Equipment/Structures. No play equipment or structures shall be visible from the street.

ARTICLE VIII

ARCHITECTURAL AND CONSTRUCTION RESTRICTIONS

8.1 Type of Residence. Only one Dwelling Unit, not more than four stories shall be built or permitted on each Home Site. No structure shall be moved from another location onto any Home Site. All Home Sites and all improvements thereon including, but not limited to Dwelling Units, fences, mail boxes, the sidewalks must be kept in good repair and must be painted when necessary to preserve their attractiveness. Any change in the color of the paint on a Dwelling Unit or elsewhere on a Home Site must be approved by the Architectural Committee.

8.2 Location of Dwelling Unit on Home Site. The location of each Dwelling Unit on a Home Site will be approved by the Architectural Committee with its approval of the site plan and the final working plans and specifications. No building shall be located on any Home Site nearer to a street than the minimum building setback lines shown on the Plat and no Dwelling Unit shall be located on any utility easement. For the purposes of this section, eaves, steps and open porches or shall not be considered as a part of a Dwelling Unit.

8.3 Wall Materials. Front exterior walls shall be finished in brick or stucco; or combination of the two. Rear walls facing Fountain Lake Drive, Executive Drive and Diary Ashford shall be at least 25% brick or stucco, with Hardiplank or Hardiboard being the alternative material for the remaining 75%. Rear walls that do not face a street are permitted to be Hardiplank or Hardiboard. No vinyl or aluminum siding is permitted. Trim shall be wood or Hardiplank or Hardiboard.

8.4 Roof Material. All Homes will be roofed with composition shingles and the roof color must be consistent throughout the Property. Any roof replacement shall require Architectural Committee approval.

8.5 Maximum Height. All applicable ordinances, regulations, and statutes with respect to the maximum height of buildings and structures shall, at all times, be complied with.

8.6 Garages/Carports. No garage shall be permanently enclosed for living space or any other use. Carports are not permitted.

ARTICLE IX

ARCHITECTURAL COMMITTEE AND STANDARDS

9.1 Architectural Committee. The Board of Directors shall establish an Architectural Committee to consist of at least three (3) and no more than five (5) persons, all of who shall be appointed by, and shall serve at the discretion of, the Board of Directors. As long as the Declarant has the power hereunder to appoint the members of the Board of Directors, a minimum of one (1) member of the Architectural Committee shall be, at the discretion of Declarant, an individual designated by the Declarant. Members of the Architectural Committee may include architects or similar professionals who are not Members of the Association. The Architectural Committee shall have exclusive jurisdiction over modifications, additions, or alterations made on any Home Site or to any Dwelling Unit and the open space, if any, appurtenant thereto; provided, however, the Architectural Committee may delegate this authority to the Board or other committee of the Association. Such delegation may be revoked and jurisdiction reassumed at any time by written notice.

The Architectural Committee shall promulgate detailed standards and procedures governing its areas of responsibility. In addition thereto, the following shall apply: plans and specifications showing the nature, kind, shape, color, size, materials, and location of such modifications, additions, or alterations, shall be submitted to the Architectural Committee for approval as to quality of workmanship and design and as to harmony of external design with existing structures, location in relation to surrounding structures, topography, and finish grade elevation. Nothing contained herein shall be construed to limit the right of an Owner to remodel the interior of a Dwelling Unit, or to paint the interior of a Dwelling Unit any color desired; provided, modifications or alterations to the interior of screened porches, patios and similar portions of a Dwelling Unit visible from outside the Dwelling Unit shall be subject to approval hereunder. In the event that the Architectural Committee fails to approve or to disapprove such

plans or to request additional information reasonably required within forty-five (45) days after submission, the plans shall be deemed approved.

9.2 Approval Required; Procedures.

(a) No structure shall be placed, erected or installed upon any Home Site, no construction (which term shall include within its definition staking, clearing, excavation, grading, and other site work), no exterior alteration or modification of existing improvements, and no plantings or removal of plants, trees, or shrubs shall take place except in strict compliance with this Article, until the requirements below have been fully met, and until the approval of the Architectural Committee has been obtained pursuant to this Article nor shall any exterior addition to or change or alteration therein be made (including, without limitation, painting or staining of any exterior surface), unless and until two (2) copies of the plans and specifications and related data showing the nature, color, type, shape, height, materials, and location of the same shall have been submitted to and approved in writing by the Architectural Committee as to the compliance of such plans and specifications with the Development Guidelines as may be published by the Architectural Committee from time to time including the harmony of external design, location, and appearance in relation to surrounding structures and topography. One copy of such plans, specifications, and related data so submitted shall be retained in the records of the Architectural Committee, and the other copy shall be returned to the Owner marked "approved," "approved with conditions as noted," or "disapproved." Notwithstanding the foregoing, no permission or approval shall be required to paint in accordance with an originally-approved color scheme, or to rebuild in accordance with the originally-approved plans and specifications. The Architectural Committee shall have the sole discretion to determine whether plans and specifications submitted for approval are acceptable to the Association.

(b) Following approval of any plans and specifications by the Architectural Committee, representatives of the Architectural Committee shall have the right, but not the obligation during reasonable hours to enter upon and inspect any Home Site with respect to which construction is underway to determine whether or not the plans and specifications therefor have been approved and are being complied with. In the event the Architectural Committee shall determine that such plans and specifications have not been approved or are not being complied with, the Architectural Committee shall be entitled to enjoin further construction and to require the removal or correction of any work in place which does not comply with approved plans and specifications. In the event the Architectural Committee fails to approve or disapprove in writing any proposed plans and specifications within forty-five (45) days after such plans and specifications shall have been submitted, such plans and specifications will be deemed to have been expressly approved, provided the proposed improvements are generally in harmony with this Declaration. Upon approval of plans and specifications, no further approval under this Article shall be required with respect thereto, unless such construction has not substantially commenced within six (6) months of the approval of such plans and specifications (e.g. clearing and grading, pouring of footings, etc.) or unless such plans and specifications are materially altered or changed. Disapproval of plans and specifications by the Architectural Committee may be based upon

any ground which is consistent with the objectives and purposes of this Declaration as defined in Development Guidelines which shall be promulgated by the Architectural Committees from time to time, including purely aesthetic considerations, so long as such grounds are not arbitrary or capricious.

(c) The Board of Directors or the Architectural Committee may establish reasonable fees to be charged by the committees on behalf of the Association for review of applications hereunder and may require such fees to be paid in full prior to review of any application. All Dwelling Units constructed on any portion of the Property shall be designed by and built in accordance with the plans and specifications of a licensed architect or licensed building designer. This Article shall not apply to the activities of the Declarant, nor to construction or improvements or modifications to the Common Areas by or on behalf of the Association. The Board of Directors shall have the authority and standing, on behalf of the Association, to enforce in courts of competent jurisdiction, decisions of the Architectural Committee. This Article may not be amended without the Declarant's written consent so long as the Declarant owns any land subject to this Declaration or subject to annexation to this Declaration. Because architectural trends, design trends, neighborhood character and general standards of taste change with the times, the Architectural Committee shall not be bound by prior decisions of the Committees. The granting of approval on prior occasions is no assurance that the same or similar plans will be approved on future requests.

9.3 No Waiver of Future Approvals. The approval of the Architectural Committee of any proposals or plans and specifications or drawings for any work done or proposed, or in connection with any other matter requiring the approval and consent of such Committee, shall not be deemed to constitute approval for similar proposals, plans and specifications, drawings, or matters, whenever subsequently or additionally submitted for approval or consent.

9.4 Variance. The Architectural Committee may authorize variances from compliance with any of its guidelines and procedures when circumstances such as topography, natural obstructions, hardship, or aesthetic or environmental considerations require, but only in accordance with duly adopted rules and regulations. Such variances may only be granted, however, when unique circumstances dictate and no variance shall (a) be effective unless in writing, (b) be contrary to the restrictions set forth in the body of this Declaration, or (c) stop the Committee from denying a variance in other circumstances. For purposes of this Section, the inability to obtain approval of any governmental agency, the issuance of any permit, or the terms of any financing shall not be considered a hardship warranting a variance. No request for a variance shall be considered if it affects the rights of adjoining Owner, unless affected Owner has granted written consent to the requested variance. Additionally, the Architectural Committee shall not be obligated to grant a similar variance as a result of granting the same or similar variance in the past.

9.5 Development Guidelines. The Architectural Committee is authorized and empowered to consider all aspects of dwelling construction, construction of other improvements and the location, quality and quantity of landscaping on the Home Sites, and may disapprove aspects

thereof which may, in the reasonable opinion of the Architectural Committee, adversely affect the living enjoyment of one or more Owners or the general value of the Properties. Also, the Architectural Committee is permitted to consider technological advances in design and materials and such comparable or alternative techniques, methods or materials may or may not be permitted, in accordance with the reasonable opinion of the Architectural Committee. The Architectural Committee may, from time to time, publish and promulgate Development Guidelines, which shall be fair, reasonable and uniformly applied and shall carry forward the spirit and intention of this Declaration. The Development Guidelines shall supplement this Declaration and are incorporated herein by reference. The Architectural Committee shall have the authority to make final decisions in interpreting the general intent, effect and purpose of this Declaration. It is the intent of Declarant that this Declaration and any Development Guidelines issued by the Architectural Committee promote harmonious design throughout the Properties. However, approval of the plans and specifications by the Architectural Committee and compliance with the Development Guidelines does not insure compliance with the building code and other restrictions imposed by applicable governmental authorities.

9.6 Landscaping Approval. To preserve the aesthetic appearance of the Property, no landscaping, grading, excavation, or filling of any nature whatsoever shall be implemented and installed on a Home Site by any Owner unless and until the plans therefor have been submitted to and approved in writing by the Architectural Committee. The provisions of the Article regarding time for approval of plans, right to inspect, right to enjoin and/or require removal, and so forth shall also be applicable to any proposed landscaping, clearing, grading, excavation, or filling.

9.7 NO LIABILITY. NO APPROVAL OF PLANS AND SPECIFICATIONS AND NO PUBLICATION OF DEVELOPMENT GUIDELINES SHALL BE CONSTRUED AS REPRESENTING OR IMPLYING THAT SUCH PLANS, SPECIFICATIONS, OR DEVELOPMENT GUIDELINES WILL, IF FOLLOWED, RESULT IN PROPERLY DESIGNED IMPROVEMENTS. SUCH APPROVALS AND DEVELOPMENT GUIDELINES SHALL IN NO EVENT BE CONSTRUED AS REPRESENTING OR GUARANTEEING THAT ANY DWELLING UNIT OR OTHER IMPROVEMENT BUILT IN ACCORDANCE THEREWITH WILL BE BUILT IN A GOOD AND WORKMANLIKE MANNER. REVIEW AND APPROVAL OF ANY APPLICATION PURSUANT TO THIS ARTICLE IS MADE ON THE BASIS OF AESTHETIC CONSIDERATIONS ONLY AND THE ARCHITECTURAL COMMITTEE SHALL NOT BEAR ANY RESPONSIBILITY FOR ENSURING THE STRUCTURAL INTEGRITY OR SOUNDNESS OF APPROVED CONSTRUCTION OR MODIFICATIONS, NOR ENSURING COMPLIANCE WITH BUILDING CODES AND OTHER GOVERNMENTAL REQUIREMENTS. NEITHER THE DECLARANT, THE ASSOCIATION, THE BOARD OF DIRECTORS, ANY COMMITTEE, OR MEMBER OF ANY OF THE FOREGOING, SHALL BE HELD LIABLE FOR ANY INJURY, DAMAGES OR LOSS ARISING OUT OF THE APPROVAL OR DISAPPROVAL OF OR NON-COMPLIANCE WITH ANY PLANS OR SPECIFICATION, THE MANNER OR QUALITY OF APPROVED CONSTRUCTION OR MODIFICATIONS TO ANY DWELLING UNIT.

ARTICLE X

MAINTENANCE OF HOME SITES AND DWELLING UNITS BY OWNERS

10.1 Duty of Maintenance. The Owner of each Home Site shall, at the Owner's sole cost and expense, keep the Owner's Home Site and Dwelling Unit in a well-maintained, safe, neat, clean, attractive and first-class condition at all times, except to the extent it is not reasonably possible to do so during the period of construction of Dwelling Units, and then only during the period reasonably necessary for the construction thereof. Such maintenance includes, but is not limited to, the following:

- (a) Prompt removal of all litter, trash, refuse and waste;
- (b) Keeping exterior lighting and maintenance facilities in working order;
- (c) Complying with all government health and police requirements;
- (d) Exterior painting and repair of exterior damages to improvements;
- (e) Maintain all grass, flowers, shrubs, bedding material and organic materials;
and
- (f) Clean landscaped areas lying between right-of-way lines and the Home Site, unless such areas are expressly designated to be maintained by the Association, applicable governmental authorities or others.

10.2 Enforcement. If, in the opinion of the Association, any Owner has failed in any of the foregoing duties or responsibilities, then the Association may give such Owner written notice of such failure and such Owner must within ten (10) days after receiving such notice, perform the care or make arrangements with the Association for making the repairs and maintenance required. Should any such Owner fail to fulfill this duty and responsibility within such period, then the Association, through its authorized agent or agents, shall have the right and power to enter onto the premises and perform such care and maintenance without any liability for damages for wrongful entry, trespass or otherwise to any person. The Owner of any Home Site on which such work is performed shall be liable for the cost of such work (such costs constituting a default assessment as specified in Section 4.1 hereof) and shall promptly reimburse the Association for such cost. If such Owner shall fail to reimburse the Association within thirty (30) days after receipt of a statement for such work from the Association, the said indebtedness shall be a debt of said Owner, and shall constitute a lien against the Home Site on which said work was performed. Such lien shall have the same attributes as the lien for Assessments as set forth in this Declaration, and the Association shall have identical powers and rights in all respects, including but not limited to the right of foreclosure.

ARTICLE XI

GENERAL PROVISIONS

11.1 **Power of Attorney.** Each and every Owner and Member hereby makes, constitutes and appoints Declarant as the Owner's true and lawful attorney-in-fact, coupled with an interest and irrevocable, for Owner and in Owner's name, place and stead and for Owner's use and benefit, to do the following; provided, however, to the extent this Declaration requires the assent of a certain number of the Members as a condition to such action, such assent has been obtained:

- (a) To exercise, do or perform any act, right, power, duty or obligation whatsoever in connection with, arising out of, or relating to any matter whatsoever involving this Declaration and the Property;
- (b) To sign, execute, acknowledge, deliver and record any and all instruments which modify, amend, change, enlarge, contract or abandon the terms within this Declaration, or any part hereof, with such clause(s), recital(s), covenant(s), agreement(s) and restriction(s) as Declarant shall deem necessary, proper and expedient under the circumstances and conditions as may be then existing; and
- (c) To sign, execute, acknowledge, deliver and record any and all instruments which modify, amend, change, enlarge, contract or abandon the Plat or any part thereof, with any easements and rights-of-way to be therein contained as the Declarant shall deem necessary, proper and expedient under the conditions as may then be existing.

The rights, powers and authority of said attorney-in-fact to exercise any and all of the rights and powers herein granted shall commence and be in full force upon recordation of this Declaration in the Montgomery County Clerk's Office and shall remain in full force and effect thereafter until all Home Sites owned by Declarant have been sold and conveyed by Declarant to Class A Members.

11.2 **Duration.** This Declaration shall run with and bind the land subject to this Declaration, and shall inure to the benefit of and be enforceable by the Association and/or the Owner of any land subject to this Declaration, their respective legal representatives, heirs, successors and assigns, for an original fifty (50) year term expiring on the fiftieth (50th) anniversary of the date of recordation of this Declaration, after which time this Declaration shall be automatically extended for successive periods of ten (10) years unless an instrument is signed by the Owners of at least fifty-one percent (51%) of all Home Sites within the Property and recorded in the Deed Records of Montgomery County, Texas, which contains and sets forth an agreement to abolish this Declaration; provided, however, no such agreement where approved by less than seventy-five percent (75%) of the Owners of all Home Sites within the Property to abolish shall be effective unless made and recorded one (1) year in advance of the effective date of such abolishment.

11.3 Amendments. This Declaration is expressly subject to change, modification and/or deletion by means of amendment at any time and from time to time as provided herein. This Declaration may be amended and/or changed in part as follows:

(a) Declarant shall have and reserves the right at any time and from time to time, without the joinder or consent of any other party, to amend this Declaration by any instrument in writing duly signed, acknowledged, and filed for record for the purpose of correcting any typographical or grammatical error, ambiguity or inconsistency appearing herein, provided that any such amendment shall be consistent with and in furtherance of the general plan and scheme of development as evidenced by this Declaration, and shall not impair or affect the vested property or other rights of any Owner or such Owner's mortgagee.

(b) In response to any governmental or quasi-governmental suggestion, guideline, checklist, requisite or requirement, particularly with respect to those entities or agencies directly or indirectly involved in, or having an impact on, mortgage financing, mortgage insurance and/or reinsurance, Declarant shall have the complete and unrestricted right and privilege to amend, change, revise, modify or delete portions of this Declaration, and each and every Owner and Member specifically and affirmatively authorizes and empowers Declarant, utilizing the attorney-in-fact status set forth above, to undertake, complete and consummate any and all such amendments, changes, revisions, modifications or deletions as Declarant (in their sole and absolute discretion) shall deem reasonable and appropriate.

(c) With the assent of a Two-Thirds Members Vote.

Any and all amendments shall be recorded in the Office of the County Clerk of Montgomery County, Texas.

11.4 Enforcement. Each Owner of each Home Site shall be deemed, and held responsible and liable for the acts, conduct and omission of each and every Resident, Member, guest and invitee affiliated with such Home Site, and such liability and responsibility of each Owner shall be joint and several with their Resident(s), Member(s), guests and invitees. The lien created hereby on each Home Site shall extend to, cover and secure the proper payment and performance by each and every Resident, Member, guest and invitee affiliated with each Owner. Unless otherwise prohibited or modified by law, all parents shall be liable for any and all personal injuries and property damage proximately caused by the conduct of their children (under the age of 18 years) within the Property to the same extent as if the parent was directly responsible for the action of their child. Enforcement of this Declaration may be initiated by any proceeding at law or in equity against any person or persons violating or attempting to violate them, whether the relief sought is an injunction or recovery of damages, or both, or enforcement of any lien created by this Declaration, but failure by the Association or any Owner to enforce any Covenant herein contained shall in no event be deemed a waiver of the right to do so thereafter. The Association, each Owner and the applicable governmental authority are each specifically authorized (but not obligated) to enforce this Declaration. With respect to any litigation hereunder, the prevailing party shall be

entitled to recover all costs and expenses, including reasonable attorneys' fees, from the non-prevailing party.

11.5 Validity. Violation of or failure to comply with this Declaration shall not affect the validity of any mortgage, bona fide lien or other similar security instrument, which may then be existing on any Home Site. Invalidation of any one or more of the provisions of this Declaration, or any portions thereof, by a judgment or court order shall not affect any of the other provisions or covenants herein contained, which shall remain in full force and effect. In the event any portion of this Declaration conflicts with mandatory provisions of any ordinance or regulation promulgated by the applicable governmental authority (including, without limitation, any comprehensive zoning ordinance), then such governmental requirement shall control.

11.6 No Warranty of Enforceability. While Declarant has no reason to believe that any of the terms and provisions of this Declaration are in any respect invalid or unenforceable, Declarant makes no warranty or representation as to the present or future validity or enforceability of any such terms or provisions. Any Owner acquiring a Home Site assumes all risks of the validity and enforceability of the terms and provisions of this Declaration.

11.7 Headings. The headings contained in this Declaration are for reference purposes only and shall not in any way affect the meaning or interpretation of this Declaration. Words of any gender used herein shall be held and construed to include any other gender, and words in the singular shall be held to include the plural and vice versa, unless the context requires otherwise. Examples, illustrations, scenarios and hypothetical situations mentioned herein shall not constitute an exclusive, exhaustive or limiting list of what can or cannot be done.

11.8 Registration with the Association. Each and every Owner, Member and Resident shall have an affirmative duty and obligation to originally provide, and thereafter revise and update, within fifteen (15) days after a material change has occurred, the following information: (a) the full name and address of each Owner, Member and Resident, (b) the business address, occupation and telephone numbers of each Resident; (c) the description and license plate number of each automobile owned or used by a Resident and brought within the Property; and (d) such other information as may be reasonably requested from time to time by the Association. In the event any Owner, Member or Resident fails, neglects or refuses to so provide, revise and update such information, then the Association may, but is not required to, use whatever means it deems reasonable and appropriate to obtain such information and the offending Owner, Member and Resident shall become automatically jointly and severally liable to promptly reimburse the Association for all reasonable costs and expenses incurred in so doing.

11.9 Notices to Resident/Member/Owner. Any notice required to be given to any Resident, Member or Owner under the provisions of this Declaration shall be deemed to have been properly delivered when (i) deposited in the United States Mail, postage prepaid, addressed to the last known address of the person who appears as the Resident, Member or Owner on the records of the Association at the time of such mailing, or when (ii) delivered by hand or by messenger to the last known address of such person within the Property; or when (iii) posted on the Association's bulletin board for at least thirty (30) consecutive calendar days.

11.10 Attorneys' Fees. All attorneys' fees incurred by the Association or the Declarant in the enforcement of this Declaration, and all future amendments shall be the obligation of the Owner; and Owner agrees to pay all such attorneys' fees incurred by the Association and/or Declarant.

11.11 Arbitration. ANY CONTROVERSY OR CLAIM ARISING OUT OF OR RELATING TO THIS DECLARATION, UPON THE WRITTEN REQUEST OF ANY OWNERS OR THE ASSOCIATION, SHALL BE SUBMITTED TO ARBITRATION. ANY SUCH ARBITRATION SHALL BE ADMINISTERED BY EITHER THE AMERICAN ARBITRATION ASSOCIATION OR THE JUDICIAL ARBITRATION AND MEDIATION SERVICES. IF THE PARTIES CANNOT AGREE ON WHICH ARBITRATION SERVICE SHALL APPLY, THEN THE PARTY WHO DOES NOT REQUEST THE ARBITRATION SHALL SELECT ARBITRATION SERVICE. JUDGMENT MAY BE RENDERED UPON ANY AWARD MADE BY THE ARBITRATOR(S) IN ANY COURT WITH COMPETENT JURISDICTION.

11.12 Safety And Security. NEITHER THE DEVELOPER, NOR THE ASSOCIATION, THEIR DIRECTORS, OFFICERS, MANAGERS, EMPLOYEES, AND ATTORNEYS, ("ASSOCIATION AND RELATED PARTIES") SHALL IN ANY WAY BE CONSIDERED AN INSURER OR GUARANTOR OF SAFETY OR SECURITY WITHIN THE PROPERTY. THE ASSOCIATION AND RELATED PARTIES SHALL NOT BE LIABLE FOR ANY LOSS OR DAMAGE BY REASON OF FAILURE TO PROVIDE ADEQUATE SECURITY OR THE INEFFECTIVENESS OF SECURITY MEASURES UNDERTAKEN, IF ANY, INCLUDING THE ENTRANCE AND/OR THE PERIMETER FENCE. OWNERS, LESSEES AND OCCUPANTS OF ALL LOTS, ON BEHALF OF THEMSELVES, AND THEIR GUESTS AND INVITEES, BY ACCEPTANCE OF A DEED TO A LOT ACKNOWLEDGE THAT THE ASSOCIATION AND RELATED PARTIES DO NOT REPRESENT OR WARRANT THAT ANY FIRE PROTECTION, HOME ALARM SYSTEMS, ACCESS CONTROL SYSTEMS, PATROL SERVICES, SURVEILLANCE EQUIPMENT, MONITORING DEVICES, OR OTHER SECURITY SYSTEMS (IF ANY ARE PRESENT) WILL PREVENT LOSS BY FIRE, SMOKE, BURGLARY, THEFT, HOLD-UP OR OTHERWISE, NOR THAT FIRE PROTECTION, HOME ALARM SYSTEMS, ACCESS CONTROL SYSTEMS, PATROL SERVICES, SURVEILLANCE EQUIPMENT, MONITORING DEVICES OR OTHER SECURITY SYSTEMS WILL IN ALL CASES PROVIDE THE DETECTION OR PROTECTION FOR WHICH THE SYSTEM IS DESIGNED OR INTENDED. OWNERS, LESSEES, AND OCCUPANTS OF LOTS ON BEHALF OF THEMSELVES, AND THEIR GUESTS AND INVITEES, ACKNOWLEDGE AND UNDERSTAND THAT THE ASSOCIATION AND RELATED PARTIES ARE NOT INSURERS AND THAT EACH OWNER, LESSEE AND OCCUPANT OF ANY LOT AND ON BEHALF OF THEMSELVES AND THEIR GUESTS AND INVITEES ASSUME ALL RISKS FOR LOSS OR DAMAGE TO PERSONS, TO RESIDENCE OR LOT AND TO THE CONTENTS OF THEIR RESIDENCE OR LOT AND FURTHER ACKNOWLEDGE THAT THE ASSOCIATION AND RELATED PARTIES HAVE MADE NO REPRESENTATIONS OR WARRANTIES NOR HAS ANY OWNER OR LESSEE ON BEHALF OF THEMSELVES AND THEIR GUESTS OR INVITEES RELIED UPON ANY REPRESENTATIONS OR WARRANTIES, EXPRESSED OR IMPLIED, INCLUDING ANY WARRANTY OF

MERCHANTABILITY OR FITNESS FOR ANY PARTICULAR PURPOSE, RELATIVE TO ANY FIRE PROTECTION, HOME ALARM SYSTEMS, ACCESS CONTROL SYSTEMS, PATROL SERVICES, SURVEILLANCE EQUIPMENT, MONITORING DEVICES OR OTHER SECURITY OF SYSTEMS RECOMMENDED OR INSTALLED OR ANY SECURITY MEASURES UNDERTAKEN WITHIN THE PROPERTY.

Witness the hand of an authorized representative of Declarant on the acknowledgment date noted below.

DECLARANT:

3PM DEVELOPMENT MAGNOLIA, LLC
a Texas limited liability company

By: 

Jacob S. Polatsek, Manager

By: 

Aaron Polatsek, Manager

By: 

David Polatsek, Manager

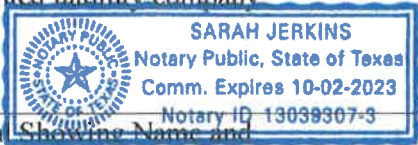
By: *B. Medetsky*

Ben Medetsky Manager

ACKNOWLEDGMENT

THE STATE OF TEXAS §
§
COUNTY OF HARRIS §

This instrument was acknowledged before me on this the 8th day of June, 2022, by Jacob S. Polatsek, as Manager of 3PM DEVELOPMENT MAGNOLIA, LLC, a Texas limited liability company



Seal Showing Name and Commission Expiration

Sarah Jerkins
Notary Public in and for the State of Texas

ACKNOWLEDGMENT

THE STATE OF TEXAS §
§
COUNTY OF HARRIS §

This instrument was acknowledged before me on this the 8 day of June, 2022, by Aaron Polatsek, as Manager of 3PM DEVELOPMENT MAGNOLIA, LLC, a Texas limited liability company.



Seal Showing Name and Commission Expiration

Zina Corpus
Notary Public in and for the State of Texas