

**DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS
FOR
TAYLOR BRIDGE ESTATES NORTH**

THIS DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS FOR Taylor Bridge Estates North (the "Declaration") is made and entered by, American Southland LLC (hereinafter collectively referred to as "Declarants" and each singularly as a "Declarant").

WHEREAS, Declarants are the owners of certain real property in Johnson County, Texas, which is described in Exhibit "A" and incorporated herein by reference for all purposes (the "Property"); and

WHEREAS, Declarants intend that the Property be developed as a high-quality, exclusive residential community and that the Property, and any such other land as may be added thereto, be subject to the covenants, conditions, and restrictions set forth in this Declaration in order to establish a plan for the development, improvement, and use of the Property with architectural, landscaping, and maintenance controls; and

WHEREAS, Declarant intends to create the Association (as herein after defined) to have and to exercise the rights and duties, and to perform on behalf of, and as agent for, the Owners (as herein after defined), the functions set forth in this Declaration, including, but not limited to, the maintenance of certain portions of the Property, the reviewing of plans for improvements to be constructed on the Property and the assessing, collecting, and disbursing of the Assessments (as herein after defined) provided for herein; and

NOW, THEREFORE, Declarant declares that the Property shall be held, sold, and conveyed subject to the covenants, conditions, restrictions, limitations, easements, liens, and equitable servitudes created by or imposed in accordance with the provisions hereof, which shall be deemed to be covenants running with the land and imposed on and intended to benefit and burden each Lot (as defined herein) and other portions of the Property in order to maintain within the Property a planned community of high standards. Such covenants shall be binding on all parties having any right, title, or interest therein or any part thereof, their respective heirs, personal representatives, successors, and assigns, and shall inure to the benefit of each owner thereof.

**ARTICLE 1
DEFINITIONS**

Unless otherwise defined in this Declaration, the following words when used in this Declaration (unless the context shall otherwise clearly indicate or prohibit) shall have the following meanings:

1.1. "Architectural Control Committee" shall have the meaning set forth in Section 9 hereof.

1.2. "Assessment" or "Assessments" shall have the meaning set forth in Section 3 hereof.

1.3. "Assessment Lien" shall have the meaning set forth in Section 3.8 hereof.

1.4. "Association" shall mean and refer to the non-profit association or corporation created under the laws of the state of Texas under the name, TAYLOR BRIDGE ESTATES NORTH HOMEOWNERS ASSOCIATION, INC.

1.5. "Board" shall mean the Board of Directors of the Association.

1.6. "Builder" shall mean and refer to any residential building company or contractor acquiring Lots from the Declarant for the purpose of constructing a dwelling thereon for sale to another person or performing any Improvement to a Lot or the Property.

1.7. "City" shall mean the city of Burleson, Texas located in Johnson County.

1.8. "Class A Members" shall have the meaning set forth in Section 2.4 hereof.

1.9. "Class B Members" shall have the meaning set forth in Section 2.4 hereof.

1.10. "Common Area" shall mean and refer to any portion of the Property conveyed to the Association for the use, enjoyment, or benefit of the Owners, whether improved or unimproved, real or personal, or any easement, use, right, maintenance obligation, or other property right or obligation therein, including and without limitation to:

(a) The Entry Area (as hereinafter defined) and any land near or adjacent to the Subdivision (as hereinafter defined) entrance at County Road 602, and any land in the Property adjacent to such road, on which Declarant and/or the Association is granted or reserved any easement for any purposes whatsoever, including but not limited to installing and maintaining guardhouse or gatehouse structures and other system components, any controlled access such as entry and exit gates, entry monitoring devices, entry signage, and screening and retaining walls for the Subdivision;

(b) The Street (as hereinafter defined) and any street lighting designs (and all elements thereof);

(c) Any and all landscaping, walls, planters, pillars, entry ways, walkways, ledges, sprinkler systems, tree wells, retaining walls (if any), signs, wood structures, markers, lights, lighting systems, poles, flags, water features, fountains, and any other improvements installed by Declarant or the Association on the Street or any other Common Areas, and all equipment, accessories, utilities, and machinery used in the operation or maintenance of any of the Common Areas;

(d) Any and all greenbelt areas, lakes and ponds, landscape and/or pedestrian easements, floodways, creeks, drainage ways, open spaces or other similar areas as shown on the Plat (as hereinafter defined) of the Subdivision, whether within or surrounding or along the boundaries of the Property;

(e) Any other property or improvements, for which Declarant and/or the Association have or may hereafter become obligated to maintain, improve or preserve;

(f) Any other fixtures, structures, or improvements installed by Declarant or the Association on any Lots within the Subdivision and which are not expressly made the responsibility of the Lot Owners pursuant to the provisions of this Declaration.

1.11. "Common Expense" shall have the meaning set forth in Section 3.2 hereof.

1.12. "Common Maintenance Area" shall mean and refer to the Common Areas and any entrance monuments, drainage facilities, detention ponds, right-of-way landscaping, and such other areas lying within dedicated public easements or right-of-way that the Board of Directors of the Association deems it necessary or appropriate to maintain for the common benefit of the Owners.

1.13. "Common Service" or "Common Services" shall mean such services provided from time to time by Declarant or the Association, or obtained by the Association on behalf of, and for the common benefit of, the Owners that have been approved by the Board and/or by the Members (as hereinafter defined) at a meeting at which a quorum was present as provided in Section 2.5 hereof.

1.14. "County" shall mean Johnson County, Texas.

1.15. "Declarant" shall mean and refer to the Declarant as defined in the preamble above and its successors and any assignee of the Declarant to whom Declarant, by instrument recorded in the Real Property Records of Johnson County, Texas, expressly assigns all of Declarant's rights and obligations as Declarant under this Declaration.

1.16. "Declaration" shall mean and refer to this Declaration of Covenants, Conditions and Restrictions and any amendments, annexations and supplements thereto made in accordance with its terms.

1.17. "Easement Areas" shall mean all easements as shown on the Plat.

1.18. "Entry Area" shall mean those Common Areas as shown on the Plat or as described in Subsection (a) of Section 1.10 along, near or adjacent to the Subdivision entrance at County Road 602.

1.19. "Improvement" shall mean every structure and all appurtenances thereto of every type and kind, including but not limited to buildings, outbuildings, storage sheds, patios, tennis courts, swimming pools, pool equipment, garages, storage buildings, fences, screening walls, retaining walls, stairs, decks, landscaping, poles, signs, exterior air conditioning, water softener fixtures or equipment, antennas, towers, and any facilities used in connection with water, sewer, gas, electric, telephone, regular or cable television, or other utilities.

1.20. "Lot" shall mean and refer to any of the plots of land indicated upon any recorded subdivision map of the Property or any part thereof creating single family home sites, with the exception of the Common Area and areas deeded to a governmental authority or utility, together with all improvements thereon.

1.21. "Member" or "Members" shall mean each Owner of a Lot.

1.22. "Member in Good Standing" or "Members in Good Standing" shall have the meaning set forth in Section 2.3 hereof.

1.23. "Notice of Unpaid Assessments" shall have the meaning set forth in Section 3.8 hereof.

1.24. "Owner" or "Owners" shall mean and refer to the record owner, whether one or more persons or entities, of a fee simple title to any Lot. Owner shall not include persons having an interest merely as security for the performance of an obligation.

1.25. "Person" or "Persons" shall mean any natural person, corporation, partnership, trust or other legal entity.

1.26. "Plans" shall mean the documents designed to guide or control the constructions or erections of any Improvement, including but not limited to those indicating location, size, shape, configuration, materials, site plans, excavation and grading plans, foundation plans, drainage plans, landscaping and fencing plans, elevation drawings, floor plans, specifications on all building products and construction techniques, sample of exterior colors, plans for utility services, and all other documentation or information relevant to such Improvement.

1.27. "Plat" shall mean the Final Plat of Taylor Bridge Estates North.

1.28. "Property" shall mean and refer to the real property described in Exhibit A, and such additions thereto as may be brought within the jurisdiction of the Association and be made subject to this Declaration.

1.29. "Regular Assessments" shall have the meaning set forth in Section 3.2 hereof.

1.30. "Special Member Assessments" shall have the meaning set forth in Section 3.4 hereof.

1.31. "Special Purpose Assessments" shall have the meaning set forth in Section 3.3 hereof.

1.32. "Street" shall mean the area shown on the Plat and road known as North Bridge Drive, together with all pavement, curbs, street lights, signs and related facilities installed thereon.

1.33. "Street Improvements" shall have the meaning set forth in Section 5.3 hereof.

1.34. "Subdivision" shall mean the Property as shown on the Plat, to be commonly known as "Taylor Bridge Estates North".

1.35. "System" shall have the meaning set forth in Section 5.4 hereof.

1.36. "Unit" shall mean and refer to any residential dwelling situated upon any Lot.

1.37. "Violation Fine" shall have the meaning set forth in Section 11.9 herein.

ARTICLE II MEMBERSHIP AND VOTING RIGHTS

2.1. Governing Body. The Association shall be the governing body for all Owners with respect to the management, administration, maintenance, repair, and replacement of the Property, as provided by this Declaration and any related documents.

2.2. Membership. Every Owner (including Declarant) shall automatically be and must remain a Member of the Association so long as such Person is an Owner. Membership shall be appurtenant

to and shall not be separated from ownership of any Lot. The membership of a Person in the Association shall terminate automatically whenever such Person ceases to be an Owner, except that such termination shall not release or relieve such Person from any liability or obligation arising under this Declaration during such Person's period of ownership. Any transfer of title to a Lot shall operate automatically to transfer membership in the Association appurtenant to such Lot to the new Owner of such Lot. There shall be two (2) classes of membership, as described in Section 2.4 hereof.

2.3. Member in Good Standing. A Member shall be considered a "Member in Good Standing" (herein so called) and eligible to vote on Association related matters if such Member:

- (a) has at least ten (10) days prior to the taking of any vote by the Association, fully paid all Assessments or other charges levied by the Association, as such Assessments or charges are provided for hereunder;
- (b) does not have a Notice of Unpaid Assessments filed by the Association against the Lot owned by such Owner; and
- (c) has discharged all other obligations to the Association as may be required of Members hereunder or under the Association documents.

The Board shall have the right and authority, in the Board's sole and absolute discretion, to waive the ten (10) day prior payment requirement in Section 2.3 (a) hereof and require only that such payment be made at any time before such vote is taken if the Board shall determine, in the Board's sole and exclusive judgment, that extenuating circumstances exist which have prevented prior payment. Any Member not conforming with the provisions of this Section shall be declared by the Board not to be a Member in Good Standing and any such Member shall not be entitled to vote on matters before the Association until such time as Member in Good Standing status is attained and so declared by the Board.

2.4. Voting Rights. The Association shall have the two (2) classes of voting membership:

- (a) Class A. "Class A Members" shall be all Members with the exception of the Declarants and shall be entitled to one (1) vote for each Lot owned. When more than one person holds an interest in any Lot, all Persons shall be members, but the vote for such Lot shall be exercised as they among themselves determine, and in no event shall more than one (1) vote be cast with respect to any Lot.
- (b) Class B. "Class B Members" shall be the Declarant who shall be entitled to three (3) votes for each unoccupied Lot owned. The Class B membership shall cease at such time as Declarant and Declarant's affiliates together cease to own at least one (1) Lot. Thereafter, Declarant shall continue to maintain its rights under this Declaration but shall not be a voting Member.

All voting rights of an Owner or Declarant shall be suspended if they are not a Member in Good Standing or is otherwise in default hereunder or under the Bylaws or Rules and Regulations of the Association and such suspension shall apply to the proxy authority of the voting representative, if any.

2.5. Quorum, Notice, and Voting Requirements. Except as otherwise specifically provided in this Declaration, any action requiring the vote or approval of the Members or the Owners shall require the majority vote of the Members in Good Standing (both classes together), represented at a duly called meeting of the Members in person or by legitimate proxy in form provided in the Association documents or otherwise approved by the Board, at which a quorum is present. Written notice of any meeting called for purposes of taking any action authorized herein shall be sent to all Members, or delivered to their residences, not less than fifteen (15) days nor more than forty-five (45) days in advance of the meeting. At any such meeting called, the presence of Members or of proxies or voting representatives entitled to cast two-thirds (2/3) of all the votes of each class of membership shall constitute a quorum. If the required quorum is not present, another meeting may be called subject to the same notice requirement, and the required quorum at such subsequent meeting shall be two-thirds (2/3) of the quorum requirement for such prior meeting. The association may call as many subsequent meetings as may be required to achieve a quorum (the quorum requirement being reduced for each meeting). No such subsequent meeting shall be held more than sixty (60) days following the preceding meeting. No action requiring a vote may be taken at a meeting on any matter that is not described in the applicable meeting notice as being on the agenda for such meeting. Notwithstanding anything herein to the contrary, to the extent permitted by applicable law and in the Association documents from time to time, any action may be taken by written consent of the Members in lieu of formal meetings.

ARTICLE III ASSESSMENTS

3.1. Covenants for Assessments. Each Owner, by acceptance of a deed or other conveyance or transfer of legal title to a Lot, whether or not it shall be so expressed in any such deed or other conveyance or transfer, shall be deemed to have covenanted and agreed to pay to the Association, the following assessments (collectively, the "Assessments"):

- (a) Regular Assessments as provided in Section 3.2 hereof;
- (b) Special Purpose Assessments as provided in Section 3.3 hereof; and
- (c) Special Member Assessments as provided in Section 3.4 hereof.

All Assessments shall remain the property of the Owner making payment of such Assessments but shall be controlled and expended by the Association on behalf of the Owners only for the specified purposes provided or approved pursuant to this Declaration. No profit, gain, or other benefit is to be derived by the Association from the Assessments, but instead, such funds shall be expended only as agent for the Owners. All services contemplated to be paid from Assessments shall be obtained by the Association on behalf of the Owners. Upon termination of the Association (and not before), all Assessments held at that time by the association shall be allocated and returned to the Owners that paid such Assessments. No Assessments shall be levied against the Street or other Common Areas, or the unoccupied Lots owned by Declarant; provided, however that Declarant shall pay the amounts, if any, expressly agreed herein to be paid by Declarant.

3.2. Regular Assessments. "Regular Assessments" (herein so called) shall be determined, assessed and expended on a calendar year basis, which shall be the fiscal year of the Association. Regular Assessments shall be used exclusively for the following purposes (collectively, the "Common Expenses"):

- (a)** improving and maintaining the Common areas subject to the limitations set forth in Section 4.2 hereof;
- (b)** the payment of taxes and insurance (if any) in connection with the Common Areas and the Common Services;
- (c)** developing and maintaining replacement and working capital reserves for the Association (including, without limitation, the maintenance reserve fund as provided for in Section 5.3 hereof);
- (d)** providing the Common Services;
- (e)** paying any indemnity costs or costs of other functions of the Board or the Association pursuant to this Declaration;
- (f)** meeting and carrying out all contractual obligations of the Association, including, without limitation, the Common Services and any maintenance agreement obligations; and
- (g)** carrying out the duties of the Board and the Association as set forth in this Declaration.

The Regular Assessment for each lot shall be One thousand dollars (\$1000.00) per calendar year for lots 1-23 payable to TAYLOR BRIDGE ESTATES NORTH HOMEOWNERS' ASSOCIATION at closing and zero (\$0.00) per calendar year for lots 24,26, and 27. The amount will be prorated for the current year and due in full each January for then forth. From time to time, the amount of the Regular Assessment may need to be adjusted, in which case the Board shall set the amount of the Regular Assessments to be levied for the next calendar year, taking into consideration (i) the Common Expenses for the then current year, (ii) expected increases in such expenses during such next calendar year, (iii) a contingency amount of the anticipated expenditures for such next year, (iv) amounts needed for the Street or any reserve fund as determined by the Board if applicable, and (v) the number of Lots subject to full and partial Assessments. The Regular Assessments for each calendar year shall be set by the Board on or about November 1 of the preceding year or as soon thereafter as such determination reasonably can be made by the Board. The Regular Assessment amount shall then be determined by the Board such that the sum of the Regular Assessment amount payable for each Lot subject to payment thereof equals the aggregate Regular Assessments required as set by the Board. The full amount of the Regular Assessment amount shall be payable for each Lot which has been conveyed to (i) a builder or contractor Owner that intends to construct a single-family residence thereon for sale to an Owner purchasing the completed residence, and (ii) an Owner who has, or intends to have, a single-family residence constructed thereon for such Owner's occupancy, in each case whether or not such residence is actually constructed or occupied by such Owner. Notwithstanding anything therein to the contrary, no Regular Assessments shall be payable for unoccupied Lots owned by Declarant (whether now owned or hereafter acquired or reacquired), and such Regular Assessments shall commence and become payable (in whole or in part as provided above) immediately upon the conveyance (or reconveyance in the case of any Lot which is reacquired by Declarant) of any Lot by Declarant. Should any excess surplus (exclusive of amounts in any reserve fund) exist at the end of any calendar year, the Board may, but shall not be obligated to, reduce the amount required for the next year's Regular Assessments by an amount equal to such surplus.

3.3. Special Purpose Assessments. Subject to the provisions of Section 3.5 hereof, the Board, from time to time, may levy "Special Purpose Assessments" (herein so called) for the purpose of paying any capital improvements and other unanticipated expenses that normally would have been paid out of Regular Assessments but which were not included in that year's budget for Regular Assessments. Such Special Purpose Assessments shall be assessed on a per Lot basis in the same manner as the Regular Assessments are assessed as set forth in Section 3.2 hereof.

3.4. Special Member Assessments. The Board may levy a "Special Member Assessment" (herein so called) on any Member, to the extent any directly related insurance proceeds (if any) paid to the Association are not sufficient to pay all such costs, for the purpose of:

(a) Paying the cost of any damage or loss requiring maintenance, repairs or replacement of Common Areas, which damage or loss has been determined by the Board to have been caused, either directly or indirectly, by the act(s) of such Member, or such Member's agent, employee, occupant or visitor; and/or

(b) Paying the maintenance costs, construction delay damages and Violation Fines referenced in Section 8.8, Section 8.21, and Section 11.9 hereof or as otherwise set forth herein, respectively.

3.5. Special Provision Regarding Assessments.

(a) The Board shall set the amount of the annual Regular Assessment to be assessed to Lots in the Subdivision as provided herein.

(b) The Board may establish a maximum annual Regular Assessment for each Lot, and/or that the maximum annual Regular Assessment may not be increased more than a certain percentage above the Regular Assessment for the previous year unless approved by the Members of the Association as provided in Section 2.5 hereof. Notwithstanding the foregoing, in the event that the Board determines that due to unusual circumstances, the maximum annual Regular Assessment, even as increased by such allowed percentage, will be insufficient to enable the Association to pay the Common Expenses, then in such event, the Board shall have the right to increase the maximum annual Regular Assessment by the amount necessary to provide sufficient funds to cover the Common Expenses without the approval of the Members as provided herein; provided, however, the Board shall only be allowed to make one (1) such increase per calendar year without obtaining approval of the Members as provided in Section 2.5 hereof.

(c) If any Assessment remains unpaid at the expiration of thirty (30) calendar days from and after the due date established by the Board, a late charge, in an amount determined by the Board to offset administrative costs of the Association resulting from such delinquency, shall be assessed against the non-paying Owner for each month, or portion thereof, that any portion of an Assessment remains unpaid. In addition, the delinquent amount shall bear interest from the due date until paid in full at the rate of ten percent (10%) per annum, but in no event in excess of the maximum rate allowed by Texas law. A service charge of Twenty-five Dollars (\$25.00) or such other amount established by the Board (but in no event exceeding the maximum lawful amount) shall be charged for each check that is returned because of insufficient funds. The amount of late charges, interest and service charges may

be adjusted, from time to time, by the Board, and shall in no event exceed the amounts permitted under applicable law.

(d) Any Special Purpose Assessments for the purpose of paying the cost of the construction of capital improvement or for the provision of Common Services shall require the affirmative approval of the Members as provided in Section 2.5 hereof.

3.6. Due Date of Assessments. The Regular Assessments provided for herein shall be payable annually within thirty (30) days after an invoice is delivered by the Association to an Owner; provided, however, the Board shall have the right to require payment of Regular Assessments at other intervals if the Board deems appropriate in the Board's sole and exclusive discretion (but with payment thereof not required any earlier than thirty (30) days after delivery of any such invoice). The due date of any Special Purpose Assessment or Special Member Assessment shall be fixed in the notice to the Owner or Owners providing for any such Assessment, but will not be sooner than thirty (30) days after such notice is delivered to the Owner or the Owners thereof. The initial Regular Assessment amount as established by the Board shall be payable, in whole or in part (as applicable), simultaneously with the sale and conveyance of each Lot by Declarant, and such applicable amount shall be prorated over the remainder of the calendar year for the date of such conveyance.

3.7. Personal Obligation for Payment of Assessments. The Assessments provided for herein shall be the personal obligation of the Owner or Owners of the Lot with respect to which such Assessment is made. The covenants for the payment of Assessments as provided in this Declaration touches and concerns each Lot, are covenants running with the land and specifically bind the Owners and their heirs, successors, devisees, personal representatives and assigns. Except for Declarant as expressly provided herein, no Owner, for any reason, may exempt itself from liability for Assessments. In the event that any Assessment (or any part thereof) is not paid when due, the Owner or Owners of such Lot shall be obligated to pay interest on any such unpaid Assessment from such date together with the charges made as authorized in Section 3.5 (c) hereof and all costs and expenses of collection thereof, including, but not limited to, reasonable attorneys' fees. The Board shall have the right to reject any partial payment of any Assessment and demand full payment thereof, or the Board may, in the Board's sole and exclusive discretion, elect to accept any such partial payment on account only, without in so doing waiving any rights established hereunder with respect to any remaining balance due. The obligation of any Owner to pay an Assessment with respect to a Lot made for any period of time that an Owner owns the Lot shall remain such Owner's personal obligation (notwithstanding any future sale or conveyance of such Owner's Lot) and shall also pass to the purchaser(s) of such Lot. However, any lien against a Lot for any unpaid Assessments shall be unaffected by any sale of such Lot and shall continue in full force and effect. In the event of a sale of a Lot, it shall be the obligation of the then Owner of such Lot to disclose to any buyer, assignee, title company designated to handle such transaction, financing entity or any other party to such sale any unpaid Assessments, such notice to be given in writing to all parties to the intended transaction at least fifteen (15) days before the date at which such transaction is to be consummated. A copy of any such notice shall be sent to the Association at the same time. A former Owner shall not be liable for Assessments due with respect to a Lot for periods after such Person no longer is the Owner of such Lot.

3.8. Assessment Lien.

THE OBLIGATION TO PAY ASSESSMENTS IN THE MANNER PROVIDED FOR IN THIS ARTICLE, TOGETHER WITH INTEREST FROM SUCH DUE DATE, THE CHARGES MADE AS AUTHORIZED IN SECTION 3.5 HEREOF, ALL VIOLATION FINES AND THE COSTS OF COLLECTION, INCLUDING, BUT NOT LIMITED TO, REASONABLE ATTORNEYS' FEES, ARE SECURED BY A CONTINUING CONTRACTUAL LIEN ("THE ASSESSMENT LIEN") AND CHARGE ON THE LOT COVERED BY SUCH ASSESSMENT, WHICH SHALL BIND SUCH LOT AND THE OWNERS THEREOF AND THEIR HEIRS, SUCCESSORS, DEVISEES, PERSONAL REPRESENTATIVES AND ASSIGNEES.

The aforesaid continuing contractual Assessment Lien shall attach to the Property and all of the Lots as of the date of the recording of this Declaration in the Real Property Records of Johnson County, Texas, and such Assessment Lien shall not encumber or attach to the Common Areas. The Association shall have the right to subordinate the aforesaid Assessment Lien to any other lien. The exercise of such right shall be entirely discretionary with the Board. Except for a conveyance to a purchaser at a foreclosure sale pursuant to a lien to which the Assessment Lien is subordinate as provided herein or in Section 3.10 hereof, all Lots are conveyed to, and accepted and held by, the Owner thereof subject to the Assessment Lien provided for in this Section. To evidence any unpaid Assessments, the Association may prepare a Notice of Unpaid Assessments (the "Notice of Unpaid Assessments") setting forth the amount of the unpaid indebtedness, the name of the Owner of and describing the affected Lot. Such notice shall be signed by one (1) of the officers of the Association and may, at the Board's sole and exclusive discretion, be recorded in the Real Property Records of Johnson County, Texas. The association shall record an appropriate release of any recorded Notice of Unpaid Assessments when the amounts referenced therein have been paid. The Association may bring an action at law against the Owner personally obligated to pay the Assessments, or foreclose the lien retained herein against such Owner's property. No Owner may waive or otherwise escape liability for the Assessments provided for herein by non-use of the Common Areas or abandonment of such Owner's property. Furthermore, the Association shall have such other rights and remedies as permitted or allowed by applicable law. In any foreclosure proceeding, whether judicial or non-judicial, or in any suit or the action against, or pertaining to unpaid assessments, the Owner shall be required to pay all costs, expenses and reasonable attorneys' fees incurred by the Association. The Association shall have the right and power to buy the Lot at foreclosure or the legal sale and to acquire, hold, lease, mortgage, convey or otherwise deal with the same.

3.9. Certificate. Upon request by an Owner, the Association shall furnish a certificate setting forth the unpaid Assessments owed by an Owner. Upon the written request of any Mortgagee holding a lien on a Lot, the Association shall report to any said Mortgagee any Assessments which are delinquent and unpaid at the time of the report.

3.10. Subordination of the Assessment Lien. The Assessment Lien provided for herein on a Lot shall be subordinate and inferior to the lien or liens granted by the Owner of such Lot to secure the repayment of a loan made for the purpose of providing purchase money funds for such Lot, funds used at any time to install or construct improvements on such Lot or funds used to pay ad valorem taxes on such Lot; provided, however, that such subordination shall apply only to Assessment Liens which have become due and payable prior to the foreclosure sale, whether public or private, of such Lot pursuant to the terms and conditions of any such mortgage or deed of trust lien. Such foreclosure sale shall not relieve such Lots from any Assessment Lien for Assessments thereafter becoming due.

ARTICLE IV GENERAL POWERS AND DUTIES OF THE BOARD OF DIRECTORS

4.1. Board of Directors. The affairs of the Association shall be conducted by the Board. The Board shall be elected by the Members of the Association, and the Board shall, by majority rule, conduct all of the business of the Association, except when membership votes are required pursuant to this Declaration or pursuant to the Certificate of Formation or Bylaws of the Association. Each member of the Board of Directors shall hold office until such time as he or she has resigned or another Owner has been elected by the Association.

4.2. Powers and Duties. The Board, for the benefit of the Common Areas and the Owners, shall provide, and shall pay for (if applicable), from Assessments, the following, if and to the extent such have been or are hereafter provided by or contracted for by the Association or the Board, as the Board determines in the Board's sole and exclusive discretion:

(a) Care, maintenance, repair, and preservation of the Common Areas, including, without limitation, the Street and the obligations pursuant to any maintenance agreement, and the furnishing and upkeep and any desired personal property for use in the Common Areas;

(b) The Common Services;

(c) Taxes, insurance, and utilities that pertain to the Common Areas;

(d) The services of a Person or Persons 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 Association or by a manager designated by the Board;

(e) Legal, accounting, and other professional services;

(f) A policy or policies of insurance insuring the Association against any liability to the public or to the Owners (and/or invitees) incidental to the operation of the Association in any amount or amounts as determined by the Board, including a policy or policies of insurance as provided herein in Section 4.4;

(g) Any other materials, supplies, furniture, labor, services, maintenance, repairs, structural alteration, taxes or assessments which the Board is required to obtain or pay for pursuant to the terms of this Declaration or which in the Board's sole and exclusive opinion shall be necessary or proper for the operation or protection of the Association or for the enforcement of this Declaration; and,

The Board shall have the following additional exclusive rights, powers, and duties:

(h) To execute all declarations of ownership for tax assessment purposes with regard to any of the Common Areas owned by the Association;

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

(j) To perform any of the Board's duties under this Declaration by contracting with third parties, to enter into other contracts, to maintain one (1) or more bank accounts and, generally, to have all the powers necessary or incidental to the operation, functions, and management of the Association;

(k) To protect or defend the Common Areas from loss or damage by suit or otherwise, to sue or defend in any court of law on behalf of the Association and to provide adequate reserves for repairs and replacements;

(l) To make reasonable rules and regulations for the operation and use of the Common Areas and the Common Services 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 Owners constituting a majority of the votes of the Association, or with respect to a rule applicable to less than all of the Common Areas, by the Owners in the portions affected;

(m) To make available to each Owner , upon request, within sixty (60) days after the end of the year, an annual report and to make all books and records of the Association available for inspection by Owner at reasonable times and intervals;

(n) To adjust the amount, collection and use of 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 Owners in proportionate amounts to cover deficiency;

(o) To enforce the provisions of this Declaration and any rules made hereunder and, in the sole and exclusive discretion of the Board, to enjoin and seek damages from any Owner for violation of any such provisions or rules;

(p) To collect all assessments and enforce all penalties for non-payment including the filing of liens and institution of legal proceedings;

(q) To perform such other duties and functions as are necessary to carry out the rights and obligations of the Board and the Association under this declaration or applicable laws of the State of Texas.

(r) To appoint members of the Architectural Control Committee as described in, and subject to the provisions of, Article 9 hereof.

4.3. Affiliated Contracts. The Board, acting on behalf of the Association, shall have the full power and authority to contract with any Owner or other person or entity for the performance of services which the Association is obligated or authorized to obtain, such contracts to be at competitive rates then prevailing for such services and upon such other terms and conditions, and for such consideration as the Board may deem advisable in the Board's sole and exclusive discretion and in the best interest of the Association.

4.4. Insurance. The Association shall have the right and option to purchase, carry, and maintain in force, insurance covering any or all portions of the Common Areas, any improvements thereon or appurtenances thereto and the Common Services for the interest of the Association and of all Members thereof, in such amounts and with such endorsements and coverage as shall be

considered good sound insurance coverage by the Board. Such insurance may include, but need not be limited to, the following:

- (a) Insurance against loss or damage by fire and hazards covered by a standard extended coverage endorsement in an amount which shall be equal to the maximum insurable replacement value, excluding foundation and excavation costs as determined annually by the insurance carrier;
- (b) Public liability and property damage insurance on a broad form basis;
- (c) Fidelity bond for all officers and employees of the Association having control over the receipt and disbursement of funds; and
- (d) Officers', directors' and Architectural Control Committee members' liability insurance.

The Association and the Members shall use the net insurance proceeds to repair and replace any damage or destruction of property, real or personal, covered by such insurance. Any balance from the proceeds of insurance paid to the Association remaining (after satisfactory completion of repair or replacement) shall be retained by the Association as part of a general reserve fund for repair and replacement of the Common Areas. If the insurance proceeds are insufficient to repair or replace any such loss or damage, the Association may levy Special Purpose Assessment(s) (if applicable) to cover such deficiency.

4.5. Liability Limitations. Neither Declarant nor any Member, director, officer or representative of the Association, the Board, or the Architectural Control Committee shall be personally liable for the debts, obligations or liabilities of the Association. The directors and officers of the Association shall not be liable for any mistake of judgment, whether negligent or otherwise, except for their own individual willful misfeasance or malfeasance, misconduct, bad faith, intentional wrongful acts or as otherwise expressly provided in the Association Documents. Declarant and such director, officers, and Architectural Control Committee members shall have no personal liability with respect to any contract or other commitment made by them, in good faith, on behalf of the Association, and the Association, as a Common Expense of the Association, shall indemnify and hold Declarant, such directors, officers, and members of the Architectural Control Committee harmless from any and all expenses, loss or liability to others on account of any such contract or commitment (to the extent not covered by insurance proceeds). In addition, each director, each officer of the Association and each member of the Architectural Control Committee shall be indemnified and held harmless by the Association, as a Common Expense of the Association, from any expense, loss or liability to others (to the extent not covered by insurance proceeds) by reasons of having served as such director, officer or Architectural Control Committee member and against all expenses, loss, and liabilities, including, but not limited to, court costs, and reasonable attorney's fees, incurred by or imposed upon such director, officer or Architectural Control Committee member in connection with any proceeding to which such Person may be a party or have become involved by reason of being such director, officer or Architectural Control Committee member at the time any such expenses, losses or liabilities are incurred subject to any provisions regarding indemnity contained in the Association Documents, except in cases wherein the expenses, losses, and liabilities arise from a proceeding in which such director, officer or Architectural Control Committee member is adjudicated guilty of willful misfeasance or malfeasance, misconduct or bad faith in the performance of such Person's duties or intentional wrongful acts of any act expressly specified in the association Documents as an act for which any limitation of liability set forth in the Association

Documents is not applicable; provided, however, this indemnity does cover liabilities resulting from such director's, officer's or Architectural Control Committee member's negligence. Any right to indemnification provided herein shall not be exclusive of any other rights to which a director, officer or Architectural Control Committee member, or former director, officer or Architectural Control Committee member, may be entitled. The Association shall have the right to purchase and maintain, as a Common Expense, directors', officers', and Architectural Control Committee members' insurance on behalf of any Person who is or was a director or officer of the Association or an Architectural Control Committee member against any liability asserted against any such Person and incurred by any such Person in such capacity, or arising out of such Person's status as such.

ARTICLE V RIGHTS IN THE COMMON AREAS

5.1. Title to the Common Properties. The Association holds record fee simple title or enforceable easement right, as applicable, in and to all Common Areas. Declarant or the Association shall have the right to execute any open space declarations applicable to the Common Areas owned by, or dedicated to, the Association which may be permitted by law in order to reduce property taxes.

5.2. Use of the Street and Entry Areas. Each Owner and the occupants of the residence on such Owner's Lot shall have the private right and easement, and may authorize such Owner's guests and invitees, to use the Street for the sole and exclusive purpose of providing ingress and egress from such Owner's Lot to other Lots and to County Road 602. Other permitted uses for the Street are set forth in Article 5 hereof. The portions of the Street and Common Areas comprising the Entry Areas located at or near the entrances to the Subdivision may be used for installation and construction of one (1) or more guardhouses or gatehouses and/or a controlled access System as the Board may elect in the Board's sole and exclusive discretion, subject to the provisions hereof regarding same.

5.3. Street. The Street is a private street, and are and shall be owned by either Declarant or the Association upon transfer thereof by Declarant to the Association. The following special provisions are applicable to the Street:

(a) The Association shall, and has the sole responsibility to, maintain the Street in a condition not less than the minimum standards required for public streets in the City, and shall make any repairs to the Street reasonably deemed necessary by the Association to ensure emergency access. Such maintenance and repairs of, and any improvements to, the Street shall be referred to as the "Street Improvements." The City, so long as the Street is private and owned by the Declarant or the Association, shall have no obligation or right to maintain the Street or Street Improvements, or to provide any street cleaning services.

(b) The Association will establish and maintain a maintenance reserve fund to pay future maintenance costs of the Street, to be budgeted in association budgets and collected from the Owners through Assessments as provided herein. Following expenditure of any such amounts from said maintenance reserve fund for such maintenance requirements or restoration, the amount thereof shall be reestablished within a time and in an amount consistent with the purposes thereof.

(c) Declarant and the Association, pursuant to this Declaration, grant to the County and the City a permanent easement to enter onto and use the Street for the provision of police and

fire protection, and code enforcement, and for any other purpose relating to the delivery of governmental service or governmental function provided by such entity, and to remove any vehicle or obstacle on the Street that impairs emergency access.

(d) The County, City, and all public utility entities providing utility service to the Subdivision shall have the right to use the Street to construct, install, maintain, operate, inspect, remove, and reconstruct the facilities, equipment, and systems that serve the Subdivision, but the County, City and such utility companies shall repair any damage to the pavement or other improvements on the Street resulting from any such installation, maintenance, reconstruction or such other work.

(e) The Association shall maintain mechanism(s) to control access to the Street and Subdivision in good operating condition so as to allow twenty-four (24) hour access to the Street by the County, the City, and the providers of utility services to the Subdivision.

(f) Each Owner agrees to release and hold harmless Declarant and the Association from claims for damages to property and injury to persons (including death) that arise out of the use of the Street or Street Improvements by the Owner, its assigns, any other party (excluding gross negligence,) and that are caused by the failure of Declarant, the Association, or the City to design, construct or maintain the Street or Street Improvements in accordance with this Declaration.

5.4. Limited Access System. Declarant or the Association will install a mechanical system that limits vehicular access to the Street from public streets (the "System"). By accepting a deed to a Lot, each Owner acknowledges and agrees to the following:

(a) Neither Declarant nor the Association is responsible for providing security to the Owners or their family members, guests, invitees or their property. The purpose of the System will be to provide some degree of restriction of vehicular access onto the Street. However, there is absolutely no guarantee or assurance whatsoever that the presence of the System will in any way increase the personal security or safety of any Owner or their family members, guests, invitees or their property. Each Owner's Lot and personal property security is that Owner's own responsibility;

(b) The County and the City will have access to the Property for law enforcement and other purposes. Each Owner must look to the City for the provision of law enforcement and police protection; provided, however, it is not intended hereby that the County or City law enforcement or police will make routine patrols, enforce traffic or parking ordinance or prepare accident reports in the Property;

(c) The System is not intended to replace or to serve in lieu of individual alarm systems or other measures to provide security at or within any Lot or Lots. Each Owner is encouraged to install such Owner's own personal security devices to the same extent that would be prudent if the System did not exist;

(d) The System will be installed based upon the representations of vendors regarding the operational and performance capabilities of the components of the System. Declarant disclaims any and all representations and warranties, express or implied, and Declarant makes no representations or warranties of any nature whatsoever regarding the System,

including, without limitation, any implied warranty of merchantability or fitness for the purpose for which it was designed. Declarant does not expressly or impliedly guarantee that the System will avert or prevent occurrences or consequences which the System is designed to avert or prevent;

(e) The System shall be owned by the Association. Maintenance and operation of the System shall be the responsibility of the Association. Declarant shall not be required to operate or maintain the System. Costs of operation and maintenance of the System will be paid by the Owners through Assessments. Each residence constructed on a Lot must be connected into the System, and each Owner is responsible for using the System in the proper manner and within the rules and regulations relating thereto as may be adopted from time to time by the Association.

ARTICLE VI EASEMENTS

6.1. Entry Easement. In the event that the Owner fails to maintain the Lot as required herein, or in the event of emergency, the Association shall have the right to enter upon the Lot to make emergency repairs and to do other work reasonably necessary for the proper maintenance and operation of the Property. Entry upon the Lot as provided herein shall not be deemed a trespass, and the Association shall not be liable for any damage so created unless such damage is caused by the Association's willful misconduct or gross negligence. Any and all emergency costs incurred by the Association to fulfill the duties in this Section shall be the sole responsibility of the Owner(s) of the Lot(s) affected. Any and all maintenance costs incurred by the Association to fulfill the duties in this Section shall be the sole responsibility of the Owner(s) of the Lot(s), plus an additional Thirty-Five Dollar (\$35) service charge to the Association.

6.2. Temporary Completion Easement. All Lots shall be subject to easement of ingress and egress for the benefit of Declarants, their employees, subcontractors, successors and assigns, over and upon the front, side and rear yards of the Property as may be expedient or necessary for the construction, servicing, and completion of dwellings and landscaping upon Lots adjacent to the Property, provided that such easement shall be terminated twelve (12) months after the date such Lot is conveyed to the Owner by a Declarant.

6.3. Corner Easements. Easements are hereby reserved for the benefit of the Declarants and the Association for the erection, maintenance, repair and replacement of walls, fences, signs, monuments or similar structures marking the entrance to the Property on County Road 602. The Owners of any adjacent Lots to this entry shall not remove or relocate any structure erected within said easements by the Declarant or the Association without the written consent of the Board of Directors of the Association.

6.4. Owners' Easement of Enjoyment. Every Owner shall have a right and easement in and to the Common Areas and a right and easement of ingress and egress to, from and through said Common Areas, and such easement shall be appurtenant to and shall pass with title to every Lot, subject to the following provisions:

(a) The right of the Association to establish and publish rules and regulations governing the use of the Common Areas affecting the welfare of Association members;

(b) The right of the Association to suspend the right of use of the common areas and the voting rights of an Owner for any period during which any assessment against his/her Lot remains unpaid; and for a period not to exceed sixty (60) days for any infraction of its published rules and regulations;

(c) The right of the Association, subject to the provisions hereof, to dedicate or transfer all or any part of the Common Areas, if any, to any public agency, authority or utility for such purposes and subject to the conditions as may be agreed by the Association. No such dedication or transfer shall be effective unless an instrument signed by Owners entitled to cast two-thirds (2/3) of the votes of each class of membership has been recorded agreeing to such dedication or transfer;

(d) All easements herein described are easements appurtenant to and running with the land; they shall at all times insure to the benefit of and be binding upon the Owners, and all of their grantees, and their respective heirs, successors, personal representatives, and assigns, perpetually and in full force.

6.5. Other Easements. Declarant and the Association shall have the right and easement to use the surface (and below the surface) of the Easement Areas or other Common Areas for the purposes set forth on the Plat, or pursuant to applicable law. In addition, the Association shall have an easement on each Lot for the purpose of erecting street lights or street signs, as well as for access to, and ingress and egress from, all Common Areas for maintenance and other necessary or appropriate purposes. Any such entry by Declarant or the Association upon a Lot shall be made with as much minimum inconvenience to the affected Owner as practical.

6.6. Condemnation. In the event of condemnation or a sale in lieu thereof of all or any portion of the Common Areas, the funds shall be used by the Association to purchase additional Common Areas to replace that which has been condemned or to take whatever steps are as a result of the condemnation. In the event that the Board determines that the funds cannot be used in such manner due to lack of available land for additional Common Areas or for whatever reason, any remaining funds may be distributed to each Owner on a pro rata basis.

ARTICLE VII PROPERTY RIGHTS

7.1. General. Each Owner, occupant or other user of any portion of the Property, shall at all times comply with this Declaration and with any and all laws, ordinances, policies, rules, regulations, and orders of all federal, state, county, and municipal governments or their agencies having jurisdictional control over the Property, specifically including, but not limited to, applicable zoning restrictions placed upon the Property as they exist from time to time.

IN SOME INSTANCES, THE MANDATORY REQUIREMENTS OF ANY GOVERNMENTAL ENTITY HAVING VALID JURISDICTION OVER THE SUBJECT MATTER OF THIS DECLARATION (THE "GOVERNMENTAL REQUIREMENTS") MAY BE MORE OR LESS RESTRICTIVE THAN THE PROVISIONS OF THIS DECLARATION. IN THE EVENT A CONFLICT EXISTS BETWEEN ANY GOVERNMENTAL REQUIREMENT AND ANY REQUIREMENT OF THIS DECLARATION, THE MOST RESTRICTIVE REQUIREMENT SHALL PREVAIL, EXCEPT IN CIRCUMSTANCES WHERE COMPLIANCE WITH A MORE RESTRICTIVE PROVISION OF THE DECLARATION WOULD RESULT IN VIOLATION OF AN APPLICABLE GOVERNMENTAL REQUIREMENT, IN WHICH EVENT SUCH

GOVERNMENTAL REQUIREMENT SHALL APPLY. COMPLIANCE WITH GOVERNMENTAL REQUIREMENTS WILL NOT RESULT IN THE BREACH OF THIS DECLARATION EVEN THOUGH SUCH COMPLIANCE MAY RESULT IN NONCOMPLIANCE WITH PROVISIONS OF THIS DECLARATION. WHERE A GOVERNMENTAL REQUIREMENT DOES NOT CLEARLY CONFLICT WITH THE PROVISIONS OF THIS DECLARATION, BUT PERMITS ACTIONS THAT IS DIFFERENT FROM THAT REQUIRED BY THIS DECLARATION, THE PROVISIONS OF THIS DECLARATION SHALL PREVAIL AND CONTROL.

All Lots shall be developed in accordance with this Declaration, as this Declaration may be amended or modified from time to time as herein provided. The provisions of this Article set forth certain requirements that, in addition to the other provisions of this Declaration, shall apply with respect to the development and use of the Property.

7.2. Residential Use. All Lots shall be used and occupied for single-family residential purposes only. No building or structure on any Lot shall exceed two (2) stories in height. No Lot or improvement shall be used for business, professional, commercial, or manufacturing purposes of any kind. No activity, whether for profit or not, shall be conducted which is not related to single-family residential purposes; provided, however, that nothing herein shall prohibit a Lot Owner's use of a residence for quiet, inoffensive activities such as tutoring or giving art lessons, so long as such activities do not materially increase the number of cars in and out of the Property, or parked on the Street, or interfere with adjoining Lot Owners' use and enjoyment of their Lots. Any such activity shall not be visible from the Street or any neighboring property. Excessive or offensive noise, fumes, odors, excessive traffic, and unsightly conditions are expressly prohibited in order to protect neighboring property values and enjoyment of rural living.

7.3. Subdivision Prohibited. No Lot shall be subdivided without the express consent of the Association and Declarants (as long as such Declarant owns any Lot subject to this Declaration), which may be withheld in Declarants' and/or the Association's sole discretion. Any Declarant or the Association may enforce this covenant by obtaining an injunction against any unapproved subdivision at the expense of the enjoined party.

7.4. Combining Lots. Any Person owning two (2) or more adjoining Lots, after first obtaining Declarant's prior written consent, may consolidate such Lots into a single building location for the purpose of constructing one (1) residential structure thereon and such other improvements as are permitted herein; provided, however, any such consolidation must comply with the rules, ordinances and regulations of the City. In the event of any consolidation, the consolidated building lot shall be treated as one (1) Lot for purposes of applying the provisions of this Declaration. Combining of portions of Lots into a single building lot is prohibited.

ARTICLE VIII USE RESTRICTIONS

8.1. Nuisances. No noxious or offensive activity shall be carried on upon any Lot, nor shall anything be done which may be or may become an annoyance or nuisance to the neighborhood.

8.2. Development Activity. Notwithstanding any other provision herein, Declarants and their successors and assigns (including Builders) 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 dwelling units on the Property.

8.3. Temporary Structures. No structures of a temporary character, including, without limiting the generality thereof, any trailer, tent, shack, garage, barn, motor home or other outbuilding, and no prefabricated or relocated structures, shall be used on any Lot at any time as a residence, either temporarily or permanently.

8.4. Signs and Picketing. No sign or emblem of any kind may be kept or placed upon any Lot or mounted, painted or attached to any Unit, fence or other improvement upon such Lot so as to be visible from public view or mounted on any vehicle or trailer parked or driven in the Subdivision or carried by any person or by any other means displayed within the Subdivision except the following:

(a) an Owner may erect one (1) "For Sale" sign 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 the ground advertising the Property for sale or such other signs that Board may approve;

(b) development related signs owned or erected by Declarant shall be permitted;

(c) one (1) political sign may be erected upon a Lot by the Owner of such Lot advocating the election of one or more political candidates or the sponsorship of a political party, issue or proposal provided that such signs shall be erected no more than ninety (90) days in advance of the election to which pertain and are removed within fourteen (14) days after the election;

(d) with prior approval of the Architectural Control Committee, an Owner may display farm/ranch emblems, logos, brands, and/or other signage on or about its primary gate or entrance feature;

(e) a builder, contractor, or supplier, during the applicable initial construction and sales period, may utilize one (1) professional sign (not to exceed nine (9) square feet in size) per Lot for advertising and sales purposes, provided that such sign first shall have been approved in writing by the Architectural Control Committee. No such sign shall be allowed after occupancy;

(f) signs displaying the name of a security company shall be permitted, provided that such signs are (i) ground mounted, (ii) limited to two (2) in number per Lot [one (1) in the front yard and one (1) in the back yard], and (iii) of a size not in excess of two (2) square feet in size.

In addition to the foregoing, to protect the safety and harmony of the community, no person shall engage in picketing on any Lot, easement, right-of-way or Common Area within or adjacent to the Property, nor shall any vehicle parked, stored or driven in or adjacent to the Property bear or display any signs, slogans, symbols, words, or decorations intended to create controversy, invite ridicule or disparagement, or interfere in any way with the exercise of the property rights, occupancy or permitted business activities of any Owner or Declarant.

8.5. Vehicles. No campers, commercial vehicles, motorcycles, boats, boat trailers, mobile homes, motor homes, recreational vehicles, motorized vehicles, trailers or any other types of non-passenger vehicles, equipment implements or accessories may be kept on any Lot unless the same are fully enclosed within the garage located on such Lot and/or said vehicles and accessories are screened from view by a screening structure or fencing and said vehicles and accessories are in an

operable condition. The Association shall have the absolute authority to determine from time to time whether a vehicle and/or accessory is operable and adequately screened from public view. Approval of the type screening shall be at the sole discretion of the Association. Notwithstanding the above, motor homes and boats may be kept on a Lot for a maximum of two (2) consecutive days both before and after use, not to exceed once every thirty (30) days.

8.6. Parking. All vehicles within the Property must be parked in the appropriate Owner's driveway. No vehicles, trailers, implements or apparatus may be parked on North Bridge Court. On-street parking is restricted to deliveries, pick-up or short-term guests and invitees, as well as same-day maintenance vehicles (such as lawn maintenance, pool maintenance, etc.) and shall be subject to such reasonable rules and regulations as shall be adopted from time to time by the Board. No vehicles, trailers, implements or apparatus may be driven or parked in the Common Area or on any easement unless in use for maintaining such Common Area. In the event that, after written notice and Violation Fine, an Owner is still found to be in violation of this provision, the Association shall have the right to have the vehicle(s) in violation towed at Owner's expense.

8.7. Garbage. No rubbish, trash, ashes, sawdust, waste, or other offensive or unsightly material of any kind shall be used, stored or otherwise permitted on any Lot. Trash, garbage or other waste shall not be kept except in sanitary containers. No cans, bags, containers or receptacles for the storing or disposal of trash, garbage, refuse, rubble, or debris shall be stored, kept, placed or maintained on any Lot where visible from any street except solely on a day designated for removal of garbage and rubbish and on which days only such cans, bags, containers, and receptacles may be placed in front of a residence and beside the Street for removal but shall be removed from view before the following day.

During construction, all construction debris and waste shall be completely contained in a waste container as may be approved from time to time by the Architectural Control Committee. No concrete washout shall occur on any Lot, Street, Common Area, or undeveloped parcels in the area at any time.

8.8. Exterior Maintenance. Each Owner shall maintain the exterior appearance of the improvements on such Owner's Lot and shall keep all landscaping, water features, and sprinkler systems on such Owner's Lot in a neat, orderly and well-maintained condition. The grass of each improved Lot shall not exceed eight (8) inches in height and the grass of each unimproved Lot shall not exceed ten (10) inches in height. The Board shall have no duty to police the Property for violations of this Section. However, if at any time, and from time to time, an Owner shall fail to control weeds, grass or unsightly growth exceeding eight (8) inches in height, Declarant or the Board shall have the authority and right to go onto such Lot, or direct a third (3rd) party service to go onto such Lot, for the purpose of mowing and cleaning such Lot and shall have the authority and right to assess and collect from the Owner of such Lot a Violation Fine, as well as the amount necessary to reimburse the Association for costs incurred for any such mowing or cleaning. Any such Assessments shall be Special Member Assessments. Notwithstanding the above, any Lot that backs up against the Tributary of Quill Miller Creek shall be allowed to keep a natural screening of trees and/or brush at the back of the Lot, so long as the vast majority of the backyard is still maintained according to the guidelines of this Section.

8.9. Construction in Place. All Units constructed on the Property shall be built in place on the Lot and the use of prefabricated materials other than trusses and wall panels shall be allowed only with the prior written approval of the Architectural Control Committee.

8.10. Unfinished Structures. No structure shall remain unfinished for more than three hundred sixty five (365) days after construction has commenced.

8.11. New Materials. Only new materials shall be utilized in construction of any structures situated upon a Lot, unless approved by the Architectural Control Committee.

8.12. No Window Units. No window units or wall type air conditioner which is visible from any street shall be permitted to be used, placed or maintained on or in any building in any part of the Property.

8.13. Pets, Livestock, and Poultry. No swine or fowl shall ever be kept upon any Lot nor shall any part of any Lot ever be used for a commercial feed lot for livestock or fowl or dog or cat kennel. All livestock, or dogs kept on any Lot for other purposes must be restricted and contained within appropriate fencing and housing solely as approved by the Architectural Control Committee on the subject property and shall not be allowed to run free outside of any Lot line of a Lot. No Lot Owner shall harbor more than four (4) adult dogs, four (4) adult cats, or four (4) adult dogs or cats in any combination. No Owner shall harbor more than one (1) litter of puppies or one (1) litter of kittens at any given time.

8.14. Garage Sales. Garage sales, sidewalk sales, and other similar endeavors tending to invite or solicit expressly or impliedly, persons who are not Owners onto the Property or portions thereof are expressly prohibited without the prior written consent of the Board.

8.15. Building Standards. No building shall be erected or maintained on any Lot unless it complies with all governmental ordinances and codes as well as all of the provisions and regulations of this Declaration and such provisions and regulations set forth from time to time by the Architectural Control Committee.

8.16. Detached Buildings. No detached accessory buildings, including, but not limited to, detached garages, barns, storage buildings, gazebos, pool pavilions, trellises, greenhouses or other similar structures shall be erected, placed or constructed upon any Lot without the prior written approval of the Architectural Control Committee. All structures shall match the house and use the same building restrictions.

8.17. Fencing. All fencing must be approved in advance by the Architectural Control Committee. All fences fronting on or adjacent to public or private road frontages shall be pipe-and-cable type construction or pipe and pipe type or wrought iron or $2\frac{5}{8}$ top rail and post type construction and of materials and colors designated or approved by the Architectural Control Committee, except for retaining or decorative walls installed by Declarant, or retaining walls or decorative walls approved by the Architectural Control Committee. No other fences may be built or maintained on any Lot without the written consent of the Architectural Control Committee.

8.18. Antennas, Satellite Dishes, and Solar Collectors. All television antennas and other antennas and aerials shall be located inside the attic of the residence constructed on the Lot, and is screened from public view in a manner acceptable to the Architectural Control Committee. Furthermore, no Owner may erect or maintain a satellite dish with a diameter greater than thirty inches (30"), solar collector panel, or similar apparatus or equipment on any Lot without the prior

written consent of the Architectural Control Committee; a satellite dish with a diameter of thirty inches (30") or less shall be permitted so long as same is installed and/or screened out of view from any road or other Lot. Towers of any kind are not permitted.

8.19. "In-Law" Residences. One primary single-family residence and one guest, or "in-law" residence and incidental out-buildings shall be constructed or permitted on any Lot. No guest or "in-law" residence shall be constructed until after the completion of the primary single-family residence. No out-buildings located on any Lot shall ever be used for a residence.

8.20. Construction. No Improvements shall hereafter be constructed upon any of the Property without the prior written consent of the Architectural Control Committee. In the case of single-family residences to be constructed on a Lot, the Architectural Control Committee may limit its review to a review of a typical floor plan for the proposed residence, and upon the Architectural Control Committee's approval of such floor plan, residences may be constructed consistent with the approved floor plans without the requirement of further review or approval by the Architectural Control Committee, anything herein to the contrary withstanding. No main dwelling shall be constructed unless the design meets with the requirements of what is commonly known as frame construction or better, unless otherwise approved by the Architectural Control Committee. All out-buildings, to the extent not of "frame" construction, shall be built in accordance with such other construction requirements as may be approved in advance by the Architectural Control Committee. The primary single-family residence placed upon a Lot shall be of new construction, with a minimum of eighty five percent (85%) rock or brick veneer exterior or stucco or EIFS. All home builders or General Contractors in all construction home building and the like needs to be approved by the Architecture Control Committee. Any builder constructing improvements on any Lot may conduct such builder's construction operations and activities and do all things reasonably necessary as required to expeditiously commence, continue and diligently complete construction of any such improvements. All construction activities, temporary structures, storage of materials and equipment, all construction-related parking and temporary security fences shall be confined entirely on such Lot. Each Owner is responsible for, and shall cause, through appropriate contractual provisions, all costs of cleaning up any debris or waste improperly disposed of anywhere on the Property. Each Owner and such Owner's contractors must maintain an attractive, clean, nuisance-free environment during the period of construction. Each Owner of a Lot on which improvements are being constructed shall keep the Street reasonably clear of mud and dirt left by construction vehicles for each Lot. Once commenced, all construction on a Lot shall be continued with due diligence and good faith until completion. All Lots under construction shall have at Builder's or Lot Owner's expense a portable bathroom facility located on site before foundation forms are set and until final building inspection. All Builders shall maintain a clean work site secure from wind. All trash must be securely contained within a temporary storage area to be emptied out bi-weekly. No staging, concrete washout, or similar activities are allowed on vacant Lots or Street. Excess soil or material shall not be placed on vacant Lots.

Additionally, each Builder must purchase and obtain a permit from the Architectural Control Committee in the amount of (0,000.00) in order to commence construction of Improvements on any Lot. This permit is intended to spell out and make clear the expected construction period and to track incoming subcontractors.

8.21. Construction Completion Time. Construction of the primary single-family residence shall commence no later than thirty-six (36) months from the date of the closing of the Lot. All residential construction (with the exception of fencing and well construction) shall be completed

within three hundred and sixty-five (365) days from the issuance of a building permit. If a residence is not completed on any Lot on or before three hundred and sixty-five (365) days from the date of the issuance of a building permit with respect to such Lot, the Board shall have the authority to renew a six month extension to the permit for \$1,000.00 to be collected from the Owner or builder of such Lot.

8.22. Exterior Lighting. Upon being given notice by the Architectural Control Committee that any exterior lighting is objectionable, as determined by the Architectural Control Committee in its sole and exclusive discretion, the Owner of the Lot on which same is located shall immediately remove any such lighting or shield the same in such a way that it is no longer objectionable to the Architectural Control Committee.

8.23. Chimneys. All fireplaces, flues, smokestacks, and space arrestors shall be completely enclosed of materials architecturally compatible with the principal finish material of the exterior walls of the dwelling or otherwise approved by the Architectural Control Committee.

8.24. Clothes Hanging Devices. Exterior clothes hanging devices shall not be permitted.

8.25. Limitations on Square Footage and Height. The minimum square footage of Units, exclusive of open porches and/or garages erected shall be three thousand (3,000) square feet. The maximum height of Units is two (2) stories.

8.26. Roof. Unless otherwise approved in advance in writing by the Architectural Control Committee, roofs shall consist of (i) fire-rated, fire-retardant wood shingles; (ii) dimensional fiberglass asphalt or composition shingles of a weight equal to two hundred (200) pounds or more per one hundred (100) square feet; or (iii) standing-seam metal or otherwise as approved by the Architectural Control Committee. Metal roofing to be approved by the Architectural Control Committee. Any other type of roof must be approved by the Architectural Control Committee. The Architectural Control Committee shall have the authority to approve roof treatments and materials when in its determination such treatments and materials, in the form utilized, will not be a detriment to the quality of the neighborhood. The roofs of all structures other than the main dwelling shall be subject to the prior written approval of the Architectural Control Committee. The roof pitch of any structure shall be a minimum of ten (10) feet by twelve (12) feet, unless otherwise approved in writing by the Architectural Control Committee.

8.27. Building Frontages. Main residential structure must comply with set lot lines of 40' from edge of pavement with a maximum of 10' variant. Lot lines must be approved by Architecture Control Committee before construction begins. All residential buildings shall present a proper frontage to the Street. No building on any Lot shall have direct access to County Road 602 except lot facing County Road 602 specifically lots 24, 26 and 27 on exhibit A. No garage shall directly face North Bridge Rd unless the garage doors are hidden by the residential structure such as a port a cache.

8.28. Athletic and Recreational Facilities. Outdoor athletic and recreational facilities such as basketball goals, swing sets and sport courts of either a permanent or temporary nature may be placed between the rear property line of the Lot and the back of the house building line constructed thereon, unless prior written approval is obtained from the Architectural Control Committee. Tennis court lighting and fencing shall be allowed only with the prior written approval of the Architectural Control Committee.

8.29. Window Treatment. No aluminum foil, reflective film or similar treatment shall be placed on window or glass doors.

8.30. Exterior Surfaces. All siding, etc. must be painted or stained in a compatible color approved by the Architectural Control Committee.

8.31. Subdividing. No Lot shall be further divided or subdivided, and no easements or other interests therein less than the whole shall be conveyed by Owner thereof; provided, however, that when a Declarant is the Owner thereof, such Declarant may further divide and subdivide any Lot and convey any easement or other interest less than the whole, with the approval of the other Declarants.

8.32. Repair of Buildings. All Improvements upon any of the Property shall at all times be kept in good condition and repair and adequately painted or otherwise maintained by the Owner thereof.

8.33. Hazardous Activities. No activities shall be conducted on the Property and no Improvements shall be constructed on the Property which are or might be unsafe or hazardous to any person or property.

8.34. Composite Building Site. Any Owner of one or more adjoining Lots may consolidate such Lots into one single family residence building site and may place or construct Improvements on such site with the prior written approval of the Architectural Control Committee. In cases of such consolidation of Lots, setback lines shall be measured from the two side Lot lines existing after consolidation, rather than from the Lot lines shown on the Plat. The Owner may not thereafter resubdivide the consolidated Lots.

8.36. Mineral Exploration. No mining, quarrying, tunneling, excavation or drilling for exploration or removal of any minerals including oil, gas, gravel, rocks, earth or earth substances of any kind shall be permitted within the Property.

8.37. Vehicles All motor vehicles operated within the Property shall have mufflers installed in good condition which limits the exhaust noise to no more than eighty (80) decibels, ten (10) feet from the end of the exhaust pipe.

8.38. Pools and Pool Equipment. No above ground pools are permitted. All pools shall be appropriately maintained and cleaned on a routine basis. All pool service equipment shall be located in the side or rear yard unless other placement is specifically approved in writing by the Architectural Control Committee. All pool service equipment, wherever located, shall be appropriately screened according to standards promulgated by the Architectural Control Committee from time to time. Without limiting the generality of the foregoing, all such equipment must be screened by a solid masonry wall of the same material as the primary dwelling on such Lot or board-on-board wood fences of a height equal to the height of the tallest pool equipment to be screened.

8.39. Driveways. Each Lot must be accessible to the Street by a concrete driveway or other dust free material. Approval of driveway materials shall be at the sole discretion of the Architectural Control Committee. Driveway culverts shall be of reinforced concrete or corrugated metal pipe. All

culverts shall have concrete or masonry headwalls subject to approval of the Architectural Control Committee

8.40. Garages. Each single-family residential dwelling erected on any Lot shall provide garage space for a minimum of two (2) automobiles. Each garage shall open only to the rear or side of the Lot so as not to directly face the Street unless otherwise approved in writing by the Architectural Control Committee. Any garage entry constructed adjacent to open space or Common Properties shall be required to provide screening as necessary in the discretion of the Architectural Control Committee.

8.41. Mailboxes. Mailboxes shall be installed according to the materials and specifications submitted to and approved by the Architectural Control Committee. Mailboxes shall be of a monument type, utilizing materials consistent and/or complimentary with those of the residence.

8.42. Multiple Ownership. No lots or dwellings may be sold under any time-sharing, time-interval, or similar right-to-use programs.

8.43. Traffic Regulations. All vehicular traffic on the Street shall be subject to the provisions of the laws of the State of Texas, Johnson County, and any other governmental body having jurisdiction, concerning operation of motor vehicles on public streets. The Association is hereby authorized to promulgate, administer, and enforce reasonable rules and regulations governing vehicular and pedestrian traffic, including reasonable safety measures and speed limits and including modification of those in force on public streets, within the Property. The Association shall be entitled to enforce same by establishing such enforcement procedures, as it deems appropriate, including levying fines for the violation thereof. In the event of a conflict between such provisions of the laws of the State of Texas and Johnson County or other governmental jurisdiction, and such rules and regulations promulgated by the Association, the more restrictive rules and regulations shall govern. Only drivers licensed to operate motor vehicles by the State of Texas or any other state in the United States may operate any type of motor vehicle within the Property. All vehicles of any kind and nature which are operated on the Street in the Property will be operated in a careful, prudent, safe, and quiet manner and with due consideration for the rights of all the residents of the Property.

8.44. Drones. The use of drones during reasonable hours and within the Property is restricted to the specific Owner's Lot to which the drone's Owner resides. The applicable Owner is responsible for any drone activity that takes place within the Property, and for any drone activity by that Owner's guests or invitees, whether they are the owner of the drone or not. Drone use outside the boundaries of the drone owner's Lot is strictly prohibited unless prior written consent has been given by the Board. Additionally, while a drone may be operating in an approved area of the Property, the use of drones to view or record any portion of another Owner's Lot or property is strictly prohibited. The owner of the drone is fully responsible for any and all damage caused by the drone. If the Board, in its sole and exclusive discretion, determines that a drone is violating any of the provisions herein, then the Board shall have the right to revoke any and all drone activity for that Owner, as well as levy a Violation Fine against the Owner responsible for the drone. In addition to any Violation Fine or Special Member Assessments, the operator of the drone may face additional consequences, such as civil penalties, or certain other actions resulting from the violation of the provisions herein.

8.45. Owner's Enjoyment of Common Areas. The use of any Common Area by any Owner for personal activity or event must have prior written approval from the Board. Upon such approval, detailed notice must be given to all Owners in advance of such approved activity.

ARTICLE IX ARCHITECTURAL CONTROL COMMITTEE

9.1. Membership. Declarant shall appoint an initial Architectural Control Committee to consist of not fewer than three (3) Members in Good Standing. Declarant shall have the sole and exclusive right to appoint, remove and replace members of the Architectural Control Committee for so long as Declarant owns at least one (1) unoccupied Lot. Thereafter, the Architectural Control Committee shall be appointed, removed and replaced by the Board. Declarant may delegate in whole or in part its right to appoint, remove, and replace members of the Architectural Control Committee to the Board by written instrument.

9.2. Terms. Each member of the Architectural Control Committee shall hold office until such time as he or she has resigned or has been removed or his or her successor has been appointed, as provided herein.

9.3. Purpose of the Architectural Control Committee. A function of the Architectural Control Committee is to review and approve or disapprove Plans for improvements proposed to be constructed or modified on Lots and otherwise perform the duties set forth in this Declaration. No improvements shall be erected, constructed, placed, altered, remodeled, demolished or permitted to remain on a Lot until Plans, in such form and detail as the Architectural Control Committee may deem necessary, shall have been submitted to the Architectural Control Committee and approved by it in writing. The process of reviewing and approving Plans and specifications is one which of necessity requires that the Architectural Control Committee is called upon from time to time to make subjective judgements on items for which specific standards or guidelines are not expressly set forth in this Declaration. The Architectural Control Committee is given full power and authority to make any such subjective judgments and to interpret the intent and provisions of this Declaration in such manner and with such results as the Architectural Control Committee, in its sole and exclusive discretion, may deem appropriate. Unless expressly stated otherwise herein, the Architectural Control Committee shall have the right to grant variances or waivers from the requirements of this Declaration as it, in its sole and exclusive judgment, deems appropriate. The Architectural Control Committee shall have the sole and exclusive discretion to determine whether Plans submitted to it for approval are acceptable, and the Architectural Control Committee, Declarant or the Association shall be entitled and empowered to enjoin or remove any construction undertaken pursuant to Plans or other plans that have not been approved in writing by the Architectural Control Committee. Any costs incurred by the Association for the enforcement of this provision shall be the sole responsibility of and payable by the Owner of such Lot in violation and may be assessed through Special Member Assessments and Violation Fines.

9.4. Action by Architectural Control Committee. The Architectural Control Committee may, by resolution unanimously adopted in writing, designate any of its members or an agent acting on its behalf to take any action or perform any duties for and on behalf of the Architectural Control Committee. In the absence of such designation, the vote of a majority of all voting members of the Architectural Control Committee, which may be taken without a meeting, shall constitute an act of the Architectural Control Committee.

9.5. Adoption of Rules. The Architectural Control Committee may adopt such procedural and substantive rules, not in conflict with this Declaration, as it may deem necessary or proper for the performance of its duties, including but not limited to a building code, fire code, a housing code, architectural guidelines, landscaping guidelines, and other similar codes or guidelines as it may deem necessary and desirable.

9.6. Design Review Application. Except as otherwise specifically provided herein, prior to the commencement of any construction of any Improvement on the Property or any portion thereof, the builder or contractor shall submit a Design Review Application and review fee, and the Plans and specifications to the Architectural Control Committee. Construction thereof may not commence unless and until the Architectural Control Committee has approved such Plans and specifications in writing.

9.7. Review of Plans. The Architectural Control Committee shall have the right whenever its approval is required under this Declaration to consider all of the Plans and specifications for the Improvement or proposal in question and all other facts and information which in its sole discretion are relevant. The Architectural Control Committee, in its sole judgment, shall have the authority to disapprove any proposed Improvement that is not in compliance with this Declaration, is incomplete, is not in the best interest of the Property and/or the neighborhood, or if the Architectural Control Committee determines that such Plans are deficient for any reason. The decision of the Architectural Control Committee shall be final and binding so long as it is made in good faith. The Architectural Control Committee shall be available on a reasonable basis to meet with an Owner or such Owner's representatives to discuss and answer questions concerning proposed improvements and their compliance with this Declaration. Upon written request, the Architectural Control Committee may waive the requirement of such Plans for any Lot if the Builder uses plans previously approved by the Architectural Control Committee for another Lot. There shall be no material revisions made to the approved plans without resubmittal to and approval by the Architectural Control Committee of the revised plans. The Architectural Control Committee may postpone review of any Plans submitted for approval pending its receipt of any information or document deemed necessary by it. Once a Design Review Application and review fee has been received, and complete Plans are properly submitted to the Architectural Control Committee, the Architectural Control Committee shall review and provide its written approval or disapproval with any comments or reasons for disapproval within thirty (30) days of the receipt of all submission criteria, unless prior to the end of the thirty (30) day period, the Architectural Control Committee shall have notified the Owner submitting such Plans in writing that an additional time period, not to exceed fifteen (15) days, is needed for further inspection and review. Approval of the Plans shall be based upon a determination by the Architectural Control Committee as to whether or not in its judgement, such Plans adequately meet objectives established for the Subdivision with regard to aesthetic quality as well as meeting the requirements created by this Declaration. Approval of any Plans with regard to certain improvements shall not be deemed a waiver of the Architectural Control Committee's right, in its sole and exclusive discretion, to disapprove similar Plans, or any of the features or elements included therein, for any other improvements or to refrain from granting similar variances. If any submission of Plans is deemed not complete by the Architectural Control Committee or does not include all data required by this Declaration, the Architectural Control Committee, within thirty (30) days after such submission, shall notify the Owner of such deficiencies, and such Plans shall not be considered to have been submitted until such deficiencies have been corrected. An Owner may prepare detailed plans and specifications that do not vary from or modify the Plans that have been approved by the Architectural Control Committee. Improvements may be constructed or installed on a Lot only in conformance with such approved

Plans. If work is not commenced within six (6) months from the date of Architectural Control Committee approval of the Plans, then the approval given by the Architectural Control Committee pursuant to this Article shall be deemed revoked by the Architectural Control Committee, unless the Architectural Control Committee extends in writing the time for commencing such work.

9.8. Variance. The Architectural Control Committee may grant variances from compliance with any of the provisions of this Declaration when, in its opinion and its sole and absolute discretion, such variance will not impair or detract from the high-quality development of the Property and/or is justified due to aesthetic considerations or unusual circumstances. Each request for a variance submitted hereunder shall be reviewed separately and apart from other such requests. Each such written request for variance must identify and set forth in detail the specific restriction or standard from which a variance is sought and describe in complete detail the exact nature of the variance sought. Any grant of a variance by the Architectural Control Committee must be in writing and must identify both the standard from which a variance is being sought and the specific variance being granted. The failure of the Architectural Control Committee to act on a variance request within any particular period of time shall not constitute the granting or approval of any such variance request. The granting of such variance shall not operate to waive or amend off of the terms and provisions of this Declaration applicable to the Lots for any purpose except as to the particular property and the particular matter covered by the variance, and such variance shall not be considered to establish a precedent or future waiver, modification or amendment of the terms and provisions hereof.

9.9. Inspections. The Architectural Control Committee, or its designees, shall have the right during reasonable business hours to enter upon and inspect any Lot or improvements then under construction to determine whether or not the Plans thereof have been approved by the Architectural Control Committee. If the Architectural Control Committee shall determine that such Plans have not been approved or that the Plans which have been so approved are not being substantially complied with, the Architectural Control Committee may, in its sole and exclusive discretion, give the Owner of such Lot and improvements written notice to such effect, and, thereafter, the Board, Declarant, or the Architectural Control Committee, on behalf of the Association, shall be entitled to enjoin further construction at the builder's or Lot Owner's expense (as applicable) and to require the removal or correction of any work in place that does not comply with the approved Plans. If any improvements shall be altered or replaced on any Lot otherwise than in substantial conformity with the approved Plans thereof, such action shall be deemed to have been undertaken without requisite approval of the Architectural Control Committee and to be in violation of this Declaration; and the Board, Declarant or the Architectural Control Committee, on behalf of the Association, shall be entitled to take action as permitted under this Declaration with respect thereto.

9.10. Interior Alterations. An Owner may make improvements and alterations within the interior of such Owner's residence without first obtaining Architectural Control Committee approval, provided such interior improvements and interior alterations do not change the exterior appearance of any improvements, including, without limitation, changes in window locations, window design, etc.

9.11. No Waiver of Future Approvals. The approval or consent of the Architectural Control Committee to any Plans and specifications shall not be deemed to constitute a waiver of any right to withhold approval or consent as to any Plans and specifications or other matter whatever subsequently or additionally submitted for approval or consent by the same or a different Person.

9.12. Limitation on Liability. Declarant, the Association, the Board (or any of its members) and the Architectural Control Committee (or any of its members), shall not, individually or in combination, be liable in damages (or otherwise) to any Person submitting plans or specifications for approval or to any Owner of any portion of the Property, by reason of subjective decisions, mistake in judgment, negligence or nonfeasance arising out of, or in connection with, the approval or disapproval or failure to approve or to disapprove any plans submitted; provided, however, this provision does not apply to willful misfeasance or malfeasance, misconduct, bad faith, or intentional wrongful acts. Declarant, the Association, the Board (or any of its members) and the Architectural Control Committee (or any of its members) shall not, individually or in combination, be liable in damages (or otherwise) in connection with any construction, design, engineering or defect associated with any improvement (or otherwise) constructed on the Property.

APPROVAL OF PLANS BY THE ARCHITECTURAL CONTROL COMMITTEE DOES NOT CONSTITUTE ANY WARRANTY OR REPRESENTATION OF ANY KIND OR CHARACTER THAT SUCH PLANS COMPLY WITH GOVERNMENTAL REQUIREMENTS OR GOOD AND PRUDENT DESIGN, ENGINEERING, AND CONSTRUCTION PRACTICES. IT IS THE SOLE AND EXCLUSIVE RESPONSIBILITY OF THE OWNER TO DETERMINE AND SEE THAT SUCH OWNER'S PLANS AND SPECIFICATIONS COMPLY WITH ALL SUCH REQUIREMENTS AND PRACTICES.

9.13. Address. Plans and specifications shall be submitted to the address of the President of the Board of the Association.

ARTICLE X ANNEXATION

10.1. Annexation by Declarants. At any time during the initial term of this Declaration, Declarants, may, at their collective option, annex additional property to this Declaration to be subject to the terms hereof to the same extent as if originally included herein and subject to such other terms, covenants, conditions, easements and restrictions as may be imposed thereon by Declarants.

10.2. Declaration of Annexation. Annexation shall be evidenced by a written Declaration of Annexation executed by Declarants setting for the legal description of the property being annexed and the restrictive covenants to be applied to such annexed property. Declarants shall submit a written request for approval of any annexation under this Section to the Federal Housing Administration ("FHA") and the Veterans Administration ("VA") accompanied by a copy of the Declaration of Annexation. If neither FHA nor VA notifies a Declarant of objections to the annexation within fifteen (15) days of the date of a Declarant's request for approval, such approval shall be deemed to have been granted.

10.3. Annexation by Actions of Members. At any time, the Board of Directors of the Association may request approval of the membership for the annexation of additional property into the Association to be subject to all of the terms of this Declaration to the same extent as if originally included herein. No such annexation shall be effective unless approved in writing by members entitled to cast two-thirds (2/3) of the votes in each class of membership, and by FHA and VA as set forth in Subsection 10.2 above. Any property that is contiguous to existing property to this Declaration may be annexed hereto according to the foregoing requirements, provided however, that no such annexation shall be effective without the consent and joinder of the owners of the

property to be annexed. Such annexation must be evidenced by a Declaration of Annexation as set forth in Subsection 10.2 above and executed by the parties herein described.

10.4. No Duty to Annex. Nothing herein contained shall establish any duty or obligation on the part of a Declarant or any member to annex any property to this Declaration and no owner of the property excluded from the Declaration shall have any right to have such property annexed thereto.

10.5. Effect of Annexation on Class B Membership. In determining the number of Lots owned by a Declarant for the purpose of Class B Membership status according to Section 2.4 hereof, the total number of Lots covered by this Declaration, including all Lots annexed thereto, shall be considered. If Class B Membership has previously lapsed but annexation of additional property restores the ratio of Lots owned by a Declarant to the number required for Class B Membership, such Class B Membership shall be reinstated until it expires pursuant to the terms of Section 2.4.

ARTICLE XI GENERAL

11.1. Remedies. In the event of any default by any Owner under the provisions of the Declaration, Bylaws or rules and regulations of the Association, the Association and any Owner shall have each and all of the rights and remedies which may be provided for in this Declaration, the Bylaws and said rules and regulations, and those which may be available at law or in equity, and may prosecute any action or other proceedings against such defaulting Owner and/or others for enforcement of any lien, statutory or otherwise, including foreclosure of such lien and the appointment of a receiver for the Lot and ownership interest of such Owner, or for damages or injunction, or specific performance, or for judgment for the payment of the money and collection thereof, or for any combination of the remedies, or for any other relief. No remedies herein provided or available at law or in equity shall be deemed mutually exclusive or any other such remedy. All expenses of the Association in connection with any such actions or proceedings, including court costs and attorney's fees and other fees and expenses, and all damages liquidated or otherwise, together with the interest thereon at the maximum rate permitted by law but, with reference to any Lots financed by FHA insured loans, not in excess of the maximum rate of FHA loans at the time of delinquency, from the due date until paid, shall be charged to and assessed against such defaulting Owner, and shall be added to and deemed part of respective maintenance assessment (to the same extent as the lien provided herein for unpaid assessments), upon the Lot and upon all of the additions and improvements thereto, and upon all of the personal property upon the Lot. Any and all of such rights and remedies may be exercised at any time and from time to time, cumulatively or otherwise, by the Association or any Owner. Fines may be assessed to Owners or Builders for violation of the rules and regulations that may be adopted by the Architectural Control Committee. In the sole discretion of the Architectural Control Committee, builders who do not conform to the construction rules and regulations as approved from time to time by the Architectural Control Committee may be fined, denied "Approved Builders Status", and may be banished from future construction within the Property.

11.2. Term and Amendments. The covenants and restrictions of this Declaration shall run with and bind the land for a term of thirty (30) years from the date this Declaration is recorded, after which time they shall be automatically extended for successive periods of ten (10) years, unless seventy-five percent (75%) of the votes outstanding shall have voted to terminate the covenants and restrictions of this Declaration upon the expiration of the initial thirty (30) year period or any extension thereof, which termination shall be by written instrument signed by seventy-five percent

(75%) of the voting Owners and properly recorded in Johnson County, Texas. This Declaration may be amended during the first thirty (30) year period by an instrument signed by not less than ninety percent (90%) of the Owners and by the Declaration if the Class B membership has not theretofore terminated, and thereafter by an instrument signed by not less than seventy-five percent (75%) of the voting Owners. Any amendment must be recorded. Declarant further reserves, per the closing of the sales of all of the Property, all rights which may be necessary to deal with the Property.

11.3. Severability. Invalidation of any one of these covenants or restrictions by judgment or court order shall in no way affect any other provisions, which shall remain in full force and effect.

11.4. Rights and Obligations. The provisions of this Declaration and the Certificate of Formation and Bylaws and the rights and obligations established thereby shall be deemed to be covenants running with the land and shall inure the benefit of, and be binding upon, each and all of the Owners and their respective heirs, representatives, successors, assigns, purchasers, grantees and mortgages. By the recording or the acceptance of a deed conveying a Lot to any ownership interest in the Lot whatsoever, the person to whom such Lot or interest is conveyed shall be deemed to accept and agree to be bound by and subject to all of the provisions of this Declaration and the Certificate of Formation and Bylaws, whether or not mention thereof is made in said deed.

11.5. Miscellaneous Provisions. Any provisions of this Declaration or of the Certificate of Formation and Bylaws to the contrary notwithstanding, the following provisions shall control:

(a) The following actions will require notice to all institutional holders of first mortgage liens:

(i) abandonment or termination of the Association; or

(ii) material amendment to this Declaration.

(b) Upon the request of any first mortgagee of a dwelling on a Lot, the Association shall furnish to such mortgagee a written notice of any default by the Owner of such dwelling in the performance of such Owner's obligations under this Declaration or the Bylaws or Association rules and regulations which is not cured within thirty (30) days. Any first mortgagee of a dwelling who comes into possession of such dwelling pursuant to the remedies provided in the Mortgage, a foreclosure of the mortgage, or deed (assignment) in lieu of foreclosure, shall take such property free of any claims for unpaid assessments or charges in favor of the Association against the mortgaged dwelling which accrued prior to the time such holder comes into possession of the dwelling.

(c) Unless at least seventy-five percent (75%) of the first mortgagees (based upon one vote for each mortgage) have given their prior written approval, neither the Association nor the Owners shall be entitled to;

(i) by act or omission seek to abandon, partition, encumber, or transfer the Common Areas, if any, or any portion thereof of interest therein; (the granting of easements for public utilities or other public purposes consistent with the intended use of such property shall not be deemed a transfer within the meaning of this clause.)

(ii) substantially change the method of determining the obligations, assessments, dues or other charges which may be levied against an Owner by the Association;

(iii) by act or omission change, waive, or abandon any scheme of regulations or enforcement thereof pertaining to the architectural design or the exterior appearance of the dwellings or maintenance of the dwellings or Lots;

(iv) fail to maintain liability and extended coverage insurance on insurable property comprising a part of the Common Areas on a current replacement cost basis in an amount not less than one hundred percent (100%) of the insurable value (based on current replacement costs.)

(d) All personal pronouns used in this Declaration, whether used in the masculine, feminine or neutral gender, shall include all other genders; the singular shall include the plural, and vice versa.

11.6. Headings. The headings contained in this Declaration are for reference purposes only and shall not in any way affect the meaning or interpretation of the Declaration.

11.7. Conflicts. In the event of conflict between the terms of this Declaration and the Bylaws, rules, regulations or Certificate of Formation of the Association, this Declaration shall control.

11.8. Interpretation. In all cases, the provisions set forth or provided for in this Declaration shall be construed together and given that interpretation or construction which, in the sole and exclusive opinion of the Board, will best affect the intent of Declarant's general plan of development as reflected in this Declaration. The Board shall have the right, power and authority to determine all questions arising under or in connection with this Declaration and to construe and interpret the provision thereof, and any determination, construction or interpretation made by the Board, in the absence of an adjudication by a court of competent jurisdiction that any such action was an abuse of discretion, shall be binding on the Owners.

11.9. Violation Fines. In the event that any Person fails to cure (or fails to commence and proceed with diligence to complete the work necessary to cure) any violation of this Declaration within ten (10) days after receipt of written notice from the Board designating the particular violation, the Board shall have the power and authority to impose upon that Person a fine for any such violation (herein referred to as a "Violation Fine") not to exceed Five Hundred Dollars (\$500). There shall be no limit to the number or the aggregate amount of Violation Fines which may be levied against a Person for the same violation. The Violation Fines, together with interest at the default rate of interest and any costs of collection, including, but not limited to, reasonable attorneys' fees, shall be part of any such Violation Fine. A specific fee structure may be published by the Board from time to time indicating escalating Violation Fine amounts for consistent non-conformance of the violation. Violation Fines shall be Special Member Assessments.

IN WITNESS WHEREOF, Declarants have caused this instrument to be executed on its behalf, attested, and its corporate seal to be hereunto affixed as of _____.

DECLARANTS:

Bryan Tennison, American Southland LLC

Richard Van Weezel, American Southland LLC

STATE OF TEXAS §

COUNTY OF JOHNSON §

Before me, the undersigned authority, a Notary Public in and for the State of Texas, personally appeared Bryan Tennison, known to me to be the person whose name is subscribed to the foregoing instrument, and acknowledged to me that she executed the same for the purpose and considerations therein expressed and under the oath stated that the statements in the foregoing certificate are true.

Given under my hand and seal of office, this ____ day of _____, 2021.

Notary Public in and for the State of Texas

STATE OF TEXAS §

COUNTY OF JOHNSON §

Before me, the undersigned authority, a Notary Public in and for the State of Texas, personally appeared Richard Van Weezel, known to me to be the person whose name is subscribed to the foregoing instrument, and acknowledged to me that she executed the same for the purpose and considerations therein expressed and under the oath stated that the statements in the foregoing certificate are true.

Given under my hand and seal of office, this ____ day of _____, 2021.

Notary Public in and for the State of Texas

