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For
The Estates of Fannett

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DECLARATION OF RESTRICTIONS, COVENANTS, AND CONDITIONS FOR THE ESTATES OF FANNETT

THIS DECLARATION (the "Declaration") is made this 2nd day of March, 2000 by SUMMERFIELD DEVELOPMENT, LTD., a Texas limited partnership ("Declarant")

RECITALS:

A. Declarant is the owner of certain real property situated in Jefferson County, Texas, as more particularly described on the "Plat" (as hereinafter defined), such real property, together with additions thereto as may be made subject to the terms of this Declaration by any Supplemental Declaration of Covenants executed and filed, from time to time, by Declarant in the Deed Records of Jefferson County, Texas, are herein collectively called the "Property". Declarant desires to create on the Property a residential community with residential lots and improvements, including, without limitation, streets, entry gates, irrigation system, street lighting, bridges, gazebos, landscaping, perimeter fences and walls, cluster or other mailboxes, open spaces, and other facilities and improvements for the mutual benefit of the "Owners," as hereinafter defined.

B. For the benefit of Declarant and each successive owner of the Property and each parcel thereof and to provide for the efficient preservation of the values and enjoyment of the amenities within the Property and for the maintenance of Common Property, as a part of the general plan of development, Declarant desires to impose upon the Property the covenants, conditions, restrictions, easements, charges, and liens contained in this Declaration and to create a nonprofit corporation to which will be delegated and assigned the power of maintaining and administering the Property and Common Property (and related facilities) in accordance with the terms of this Declaration.

C. Declarant has caused, or will cause, to be incorporated under the Nonprofit Corporation Act of the State of Texas (the "Act") a nonprofit corporation known as The Estates of Fannett Homeowners Association, Inc (the "Association").

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

ARTICLE I
DEFINITIONS

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

"Architectural Committee" means the Architectural Committee, or the New Construction Committee or the Modifications Committee, which is applicable, as described in Article IX of this Declaration

"Assessments" means and refers to the regular annual assessments, the special assessments, and the default assessments levied for the Association as determined by the Board of Directors.

"Association" means and refers to The Estates of Fannett Homeowners Association, Inc, a Texas nonprofit corporation, its successors and assigns.

"Board of Directors or Board" means the governing body of the Association, the elections and procedures of which are set forth in the Articles of Incorporation and the Bylaws of the Association.

"Builder" means and refers to any person or entity undertaking the construction of a Dwelling Unit on a Lot.

"Common Property" means and refers to all rights, titles, interests, properties, and improvements, real or personal, tangible or intangible, owned or held by the Association for the common use and enjoyment of the Members of the Association, including, without limitation, any mailboxes, gazebos, irrigation system,

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easements, restricted reserves, perimeter fences, walls, securitized entry gates, landscaping, and monument signs.

"Declarant" means and refers to Summerfield Development, Ltd. and its successors and assigns.

"Dwelling Unit" means and refers to any building or portion of a building situated upon the Property which is designated and intended for use and occupancy as a residence by a single person, a couple, a family, or a permitted family-size group of persons.

"Institutional Mortgage" means a mortgage or deed of trust creating a first lien on a Lot which is held by a third party institutional lender.

"Lot" or "Lots" means, with respect to any property for which a subdivision map or plat (including the Plat) has been recorded in the Map or Plat Records of Jefferson County, Texas, each lot shown on such recorded subdivision map or plat which is or is to be improved with a Dwelling Unit.

"MC" refers to the Modifications Committee as described in Article IX of the Declaration.

"Member" means and refers to each Owner as provided herein in Article II of this Declaration.

"NCC" means and refers to the New Construction Committee as described in Article IX.

"Owner(s)" means and refers to the record owner (including Builders), whether one or more persons or entities, of the fee simple title of any Lot but, not withstanding any applicable theory of mortgages or other security devices, does not mean or refer to any mortgagee or trustee under a mortgage or deed of trust unless and until such mortgagee or trustee has acquired title pursuant to foreclosure or any conveyance in lieu of foreclosure.

"Plat" means that plat of the Property filed in the Map or Plat Records of Jefferson County, Texas, under Jefferson County Clerk's File No 9807617.

"Property" has the meaning given to it in paragraph "A" of the introductory statement above.

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

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

ARTICLE II
MEMBERSHIP AND VOTING RIGHTS IN THE ASSOCIATION: ADDITIONS TO THE PROPERTY

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

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

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2.03 Classes of Membership The Association has two classes of voting membership:

CLASS A. Class A Members are all Members with the exception of Declarant. Class A Members are entitled to one (1) vote for each Lot in which they hold the interest required for membership. When more than one (1) person or entity holds such interest or interests in any Lot, all such parties are Members, and the vote for such Lot may be exercised as they, among themselves, determine, but in no event can more than one (1) vote be cast with respect to any such Lot.

CLASS B. The Class B Member is the Declarant. The Class B Member is entitled to five (5) votes for each Lot owned by the Class B Member. However, at such times as the total number of Lots owned by the Class A Members equals or exceeds five (5) times the total number of Lots owned by the Class B Member, the Class B Member is, during the time such equality or excess continues, entitled to only one (1) vote for every Lot owned by it.

2.04. Additions to the Property Additional tracts of land, together with the improvements situated thereon, may become subject to this Declaration and added to the Property in any of the following manners:

(a) Declarant may, without the consent of any Owner and at its sole option, at any time and from time to time within ten (10) years from the date or recordation of this Declaration, add to the Property and to the concept of this Declaration, all or any portion of any other real property (the "Additional Property"), by filing of record, one or more Supplemental Declarations of Covenants, Conditions, and Restrictions, which extends the coverage and/or concept of the covenants, conditions, and restrictions of this Declaration to such property. Any such Supplement Declaration may contain such complementary additions and modifications of the covenants, conditions, and restrictions contained in this Declaration as may be necessary to reflect the different character, if any, of the added Property and as are not inconsistent with the concept of this Declaration. In no event, however, shall such Supplemental Declaration modify or add to the covenants established by this Declaration for the Property existing prior to the filing of any such Supplemental Declaration unless such modifications and additions are approved by a Two-Third Member vote. Declarant may make any such addition even though at the time such addition is made Declarant is not the Owner of any portion of the Property. Each Supplemental Declaration shall designate the number of separate plots or tracts comprising the Additional Property which are to constitute lots, and each such separate plot or tract shall constitute a "Lot" within the meaning of this Declaration. All or any part of the Additional Property and improvements located thereon owned by Declarant or any interest held by Declarant in the Property may be conveyed, transferred, or assigned to the Association and designated as Common Property by the Declarant at its sole discretion and without the approval, assent, or vote of the Association or of its Members, provided that any property so conveyed must be free and clear of any and all mechanics' and materialmens' liens and that all taxes and governmental assessments against any such property which are then due and payable have been paid prior to the date of such conveyance. Notwithstanding any other provision hereof, nothing contained herein shall be deemed to require Declarant to add any Additional Property to the Property. Moreover, Declarant reserves the right to subject any Additional Property or any part thereof to the plan or one or more separate declarations of covenants, conditions, and restrictions which subjects the real property to the functions, powers, and jurisdiction of an association or other entity with powers and obligations similar to the Association and which may or may not be subject to the provisions of this Declaration.

(b) The annexations of Additional Property authorized by this Declaration can be accomplished by Declarant executing and filing of record in the office of the County Clerk of Jefferson County, Texas, a Supplemental Declaration or similar instrument, with respect to any Additional Property which shall extend the plan of this Declaration to such real property. Any such Supplemental Declaration contemplated above may contain such additions, deletions, and/or tax modifications of the covenants, conditions, restrictions, easements, liens, and charges contained in this Declaration as may be necessary to reflect the different character, if any, of such Additional Property and as are not substantially inconsistent with the plan of this Declaration. In no event, however, sha1l any such of the covenants, conditions, restrictions, easements, liens and charges contained in this Declaration as may be necessary to reflect the different character, if any, of such Additional Property and as are not substantially inconsistent with the plan of this Declaration. In no event, however, shall any such Supplemental Declaration, or any merger or consolidation revoke, modify, or add to the covenants, conditions, restrictions, easements, liens, or charges established by this Declaration, as same relate to and affect that portion of the Property previously subject to this Declaration. Further, the method of determining Assessments for the Additional Property shall not result in an Assessment substantially less than that affecting the Property unless such Additional Property and the Owners thereof do not enjoy substantially all of the benefits enjoyed by Owners of other Property previously subject to this Declaration. Any annexation, merger, or consolidation

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made pursuant to this Declaration, when made, automatically extends the functions, powers, and jurisdiction of the Association to the real property so added. Upon the filing of any Supplemental Declaration, each Owner of a Lot within the portion of the Additional Property added to the Property (other than Declarant) shall become a Class A Member, as herein defined, and becomes liable for assessments as provided for herein. Declarant shall continue to be the Class B Member with the number of votes per Lot (including any new Lots added pursuant to a Supplemental Declaration) as provided for in this Article II.

(c) Upon written approval by a Two- Thirds Member Vote, the owner of any property who desires to add it to the concept of this Declaration and to subject it to the jurisdiction of the Association, may file of record a Supplemental Declaration of Covenants, Conditions, and Restrictions as described in paragraph (a) of this Article. Any additions made pursuant to paragraphs (a), (b), or (c) of this Section 2.04, when made, automatically extends the jurisdiction, functions, duties, and membership of the Association to the Property added. Upon acceptance in writing by the Association following approval by a Two-Thirds Member Vote, any person may convey, transfer, or assign real property, improvements located thereon, or an interest therein to the Association and designate the same as Common Property.

(d) Declarant or the Association, upon the written approval or assent of sixty-seven percent (67%) of the outstanding votes of Members, has the right and option to cause the Association to merge or consolidate with any similar association or associations. Upon a merger or consolidation of the Association with another association, the Property, rights, and obligations of the Association, may, by operation of law or otherwise, be transferred to the surviving or consolidated association or, alternatively, the Property, rights, and obligations of another association may, by operation of law or otherwise, be added to the Property, rights, and obligations of the Association as a surviving corporation pursuant to a merger. The surviving or consolidated association shall administer the covenants, conditions, restrictions, easements, liens, and charges established by this Association within the Property, together with the Covenants established upon any other real property as one plan.

ARTICLE III
PROPERTY RIGHTS IN THE COMMON PROPERTY

3.01 Members' Easements of Enjoyment Subject to the provisions of Section 3.03 of this Article, every Member and every Resident has a right and easement of use and enjoyment in and to the Common Property and such easement is an appurtenance to the Property and passes with the title to every Lot, provided, however, such easement does not give such person the right to make alterations, additions, or improvements to the Common Property.

3.02 Title to the Common Property The Declarant shall convey to the Association, by Special Warranty Deed, fee simple title to the Common Property, or in the case where easements constitute part of the Common Property, Declarant shall assign and transfer such easements to the Association; in each case free and clear of all encumbrances and liens, other than the lien of current taxes and assessments not in default, utility easements, pipelines, setback lines, mineral interests, and other matters filed in the public records of Jefferson County, Texas.

3.03 Extent of Members' Easement The rights and easements of enjoyment created hereby are subject to the following:

(a) The right of the Association to prescribe regulations governing the use, operation, and maintenance of the Common Property (including limiting the number of guests of Members);

(b) Following the approval by a Two-Thirds Member Vote, the right of the Association, in accordance with its Articles, to borrow money for the purpose of improving the Common Property and facilities and in aid thereof to mortgage the Common Property;

(c) The right of the Association to take such steps as are reasonably necessary to protect the Common Property against foreclosure;

(d) The right of the Association, as may be also provided in its Bylaws, to suspend the voting rights of any Member and to suspend the right of any individual to use any of the Common Property for any period during which any assessment against a Lot owned by such Member or resided upon by such individual remains unpaid, and for any period not to exceed sixty (60) days for an infraction of its rules and regulations;

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(e) The right of the Association to charge reasonable admission and other fees for the use of recreational facilities (if any) on the Common Property; and

(f) Following approval by a Two-Thirds Member Vote, the right of the Association to dedicate or transfer all or any part of the Common Property to any public agency, authority, or utility for such purposes and upon such conditions as the Board of Directors of the Association may determine.

ARTICLE IV
COVENANT FOR MAINTENANCE ASSESSMENTS

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

4.02 Purpose of Assessments The Assessments levied by the Association are to be used (i) for the purpose of promoting the recreation, health, safety, and welfare of the residents of the Property, and in particular for the improvement and maintenance of private streets, jogging paths, walkways, recreation and landscaped areas or other property, services and facilities devoted to this purpose and directly related to the use and enjoyment of the Common Property including, but not limited to, the payment of taxes on and insurance in connection with the Common Property and the repair, replacement, and additions thereto; (ii) for paying the cost of labor, equipment (including the expense of leasing any equipment) and materials required for, and management and supervision of, the Common Property; (iii) for carrying out the duties of the Board of Directors of the Association as set forth in Article V hereafter, including, but not limited to, the payment by the Association of all assessments and charges payable in connection with electricity, gas, sewer, water, and garbage pick-up services, and the installation, maintenance, and operation of lighting for the Common Property, (iv) for paying the cost of maintenance of all perimeter fences, securitized access gates and facilities, landscaping and monument sign(s) for the Property, and (v) for carrying out the purpose of the Association as stated in its Articles of Incorporation. The Board may at any time ratably increase or decrease the amount of the annual assessments in accordance with this Declaration to such level as is reasonably necessary in the judgment of the Board to cover obligations of the Association under this Declaration, including maintenance of reasonable cash reserves. The Board is obligated to maintain assessments at a level sufficient to enable payment of all costs which are the Association's obligation.

4.03 Basis and Amount of Assessments

(a) Until the year beginning January 1, 2000, the maximum annual assessment shall be FOUR HUNDRED DOLLARS ($400.00) for each Lot not owned by Declarant, and an amount equal to not more than twenty-five percent (25%) of such annual assessment for each Lot owned by Declarant at the time of each such annual assessment. Any Builder shall pay an amount equal to fifty percent (50%) of the annual assessment. The Board of Directors may fix the annual assessment at any amount less than such maximum. A Two-Thirds Member Vote may fix the annual assessment at any amount more than such maximum if the costs and expenses of operating the Association for the year 2000 are reasonably projected by Declarant to require such adjustment to cover such costs and expenses.

(b) Beginning January 1, 2000, and each year thereafter, the maximum annual assessment for the following year shall be set at the annual meeting of the Board. The maximum assessment for each Lot owned by Declarant, at the time of annual assessment, shall be an amount equal to twenty-five percent (25%) of the maximum amount assessed against each Lot owned by Members other than Declarant or Builder, unless a Lot owned by Declarant is improved with a

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Dwelling Unit that is occupied, in which event the maximum assessment for such Lot shall be an amount equal to the maximum amount assessed against each Lot owned by other Members. The maximum annual assessment for each Lot owned by a Builder at the time of annual assessment shall be an amount equal to fifty percent (50%) of the maximum amount assessed against each Lot owned by Members other than Declarant or Builder, unless a Lot owned by a Builder is improved with a Dwelling Unit that is occupied, in which event the maximum assessment for such Lot shall be an amount equal to the maximum amount assessed against each Lot owned by other Members.

(c) Provided that the Board has received approval by a Two-Thirds Member Vote, the maximum annual assessment for each Lot may exceed the maximum amounts set forth in Section 4.03 (a) or (b) above, but will commence on June 1st of the year following the vote .

4.04 Special Assessments for Capital Improvements In addition to the annual Assessments authorized by Section 4.03 above, in any year the Association may levy in any year a special Assessment, applicable to that year only, for the purpose of defraying, in whole or in part, the costs of any construction or reconstruction, unexpected repair or replacement of any capital improvement upon the Common Property, including the necessary fixtures and personal property thereto, provided that any such Assessment for capital improvements must be approved by a Two-Thirds Member Vote.

4.05 Date of Commencement of Assessments' Due Date The annual assessments provided for herein shall commence of the earlier of (i) the 1st day of January, 2000, or (ii) when the first resident/purchaser of a Lot/Dwelling Unit actually closes the purchase of such Lot/Dwelling Unit from a Declarant. The first annual assessment shall be made for the balance of the concerned year. The amount of the annual assessment levied for the balance of the first year of assessment shall be an amount which bears the same relationship to the annual assessments as the remaining number of months in that year bear to twelve. The due date or dates, if it is to be paid in installments, of any special assessments under Section 4.04 or of any default assessment under Section 4.01, shall be fixed in the respective resolution authorizing such assessment. Unless otherwise noted in a resolution, the due date for all annual assessments shall be January 1st of the calendar year. Notwithstanding anything contained in the contrary in this section, it is hereby understood that the Board of Directors of the Association shall have the right to establish a payment date and payment period that is different from the monthly payment date provided herein.

4.06 Duties of the Board with Respect to Assessments

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

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

(c) The Board shall, upon an Owner's written request and payment of any reasonable fee previously set by the Board, furnish to any Owner liable for each Assessment a certificate in writing signed by an officer of the Association setting forth whether or not such Assessment has been paid. Each such certificate shall be conclusive evidence of payment of any Assessment therein stated to have been paid. A reasonable charge may be made by the Board for the issuance of such certificates.

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

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

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(b) In furtherance of the Lien provided in Section 4.07 (a), and to secure the full and timely payment of all Assessments and other amounts payable by each Owner hereunder, each Owner, by his acceptance of a deed or other conveyance of the Lot and regardless of whether or not such deed or other conveyance expressly contains such a provision, does hereby grant and convey unto the President (from time to time) of the Board of Directors (or its designated representative) in trust as Trustee (the "Trustee"), for the benefit of the Association, the Lot(s) owned by such Owner, subject to all easements and other encumbrances affecting such Lot; provided, that each such grant shall be subordinated to the lien of any mortgage or deed of trust only to the extent provided in Section 4.08; and for these purposes the provisions of this Section 4.07 (b) shall be deemed to have created a deed of trust (the "Deed of Trust") lien covering all of the Lots with a power of sale granted to the Trustee in accordance with the provisions of Chapter 51 of the Texas Property Code (the "Code") and as it may be amended from time to time. The Deed of Trust created hereby shall be upon the same terms and conditions, and shall provide to the Association all of the rights, benefits and privileges of the Deed of Trust promulgated by the State Bar of Texas for use by lawyers, and all amendments, modifications, and substitutions thereof, which form is hereby incorporated by reference for all purposes hereof. The Association, acting through its president or any vice president, shall have the right in its sole discretion at any time, and from time to time, to appoint in writing a substitute or successor trustee-representative who shall succeed to all rights and responsibilities of the then acting Trustee.

(c) Without limitation of the remedies available to the Association and to the other Owners upon the occurrence of a default by any Owner in the payment of any Assessment or other amount due and payable hereunder, the Association may, at its election and by and through the Trustee, sell or offer for sale the Lot owned by the defaulting Owner to the highest bidder for cash at public auction in accordance with the provisions of the Code. The Association may, at its option, accomplish such foreclosure sale in such manner as permitted or required by the Code or by any other present or subsequent laws relating to the same. After the sale of any Lot in accordance with the provisions of this Section 4.07 (c), the Owner of such Lot shall be divested of any and all interests and claims thereto, and the proceeds of any such sale shall be applied in the following order of priority (i) to the payment of the costs and expenses of taking possession of the Lot, (ii) to the payment of reasonable Trustee's fees, (iii) to the payment of costs of advertisement and sale, (iv) to the payment of all unpaid Assessments and other amounts payable by such Owner to the Association hereunder, and (v) to the defaulting Owner or to any other party entitled thereto. The Association shall have the right to be credited on the amount of its bid therefore all of the Assessment due and owing by the defaulting Owner to the Association as of this date of such sale.

(d) If any Assessment or part thereof is not paid within thirty (30) days after the delinquency date, the unpaid amount of such Assessment shall bear interest from the date of delinquency at the lesser of eighteen percent (18%) per annum or the maximum legal rate of interest then prevailing and the Association may, at its election, bring an action at law against the Owner personally obligated to pay the same in order to enforce payment and/or to foreclose the lien against the property subject thereto. There shall be added to the amount of such Assessment the costs of preparing and filing the complaint (including reasonable attorney's fees) in such action, and in the event a judgment is obtained, such judgment shall include interest on the Assessment as above provided and a reasonable attorney's fee to be fixed by the court, together with the costs of the action.

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

(a) Bona fide mortgage or deed of trusts liens for purchase and/or home improvement loan (and refinances thereof) purposes placed upon a Lot, including, without limitation, Institutional Mortgages, in which event the Association’s lien shall automatically become subordinate and inferior to such first lien,

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

(c) Such other liens about which the Board may, in the exercise of its reasonable discretion, elect to voluntarily subordinate the Association’s lien;

provided, however, such subordination shall apply only to the Assessments which have been due and payable prior to the foreclosure sale (whether public or private) of such Lot pursuant to the terms and conditions of

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any such first mortgage or deed of trust or tax lien. Such sale shall not relieve such Lot and its Owner from liability for the amount of any Assessment thereafter becoming due nor from the lien of any such subsequent Assessment. Furthermore, such subordination shall not apply where the first mortgage or deed of trust or tax lien is used as a device, scheme or artifice to evade the obligation to pay Assessments and/or to hinder the Association in performing its function hereunder.

4.09 Exempt Property The following property subject to this Declaration shall be exempt from the Assessments, charge, and lien created herein:

(a) All Property dedicated to and accepted by the local public authority and devoted to public use;

(b) All Common Property.

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

ARTICLE V
GENERAL POWERS AND DUTIES OF BOARD OF DIRECTORS OF THE ASSOCIATION

5.01 Power and Duties

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

(i) Care, preservation, and maintenance of the Common Property, including, without limitation, the purchase and upkeep of any desired personal property used in connection with the maintenance of the Common Property, maintenance of grounds, including care and replacement of trees, shrubs, and grass, lighting systems, and any installed sprinkler systems on the Common Property, the maintenance of all entry monuments, and payments of utility usage charges and taxes, assessments, and other charges properly assessed against the Common Property, provided, however, in the event the need for maintenance or repair is caused through the willful or negligent act of any Owner, the Owner's family, a Resident, or any of their respective guests or invitees, the cost of such maintenance or repairs shall be added to and become a part of the Assessment attributable to such Owner's respective Lot(s);

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

(iii) Legal and accounting services;

(iv) If deemed appropriate by the Board, a policy or policies of insurance insuring the Association and the Board against any liability to the public or to the Owners (and/or invitees, guests, or tenants), incidents to the operation of the Association, in an amount not less than $250,000 to indemnify against the claim of one person, $500,000 against the claims of two or more persons in any one occurrence, which policy or policies shall contain an endorsement providing that the rights of the named insured shall not be prejudiced with respect to actions against other named insureds;

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

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

(vii) Any other materials, supplies, insurance, furniture, labor, services, maintenance, repairs, taxes, or assessments (including taxes or assessments assessed against an individual Owner) which the Board is required to obtain or pay for pursuant to the terms

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of this Declaration or by law or which in its opinion shall be necessary or proper for the operation or protection of the Association or for the enforcement of this Declaration.

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

(i) To execute all replats of the Property and to execute all declarations of ownership for tax assessment purposes with regard to the Common Property on behalf of all Owners;

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

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

(iv) To protect or defend the Common Property from loss or damage by suit or otherwise, and to provide adequate reserves for replacements;

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

(vi) To make available to each Owner upon written request within sixty (60) days after the end of each year an annual report;

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

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

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

5.03 Rules and Regulations The Association, through its Board of Directors, may make and enforce reasonable rules and regulations governing the use of the Common Property, which rules and regulations shall be consistent with the rights and duties established by this Declaration. Sanctions for violations of this Declaration, the Bylaws, or such rules and regulations may include reasonable monetary fines, suspension of the right to vote, the right to use any recreational facilities on the Common Property, and the right to hold any office or appointed position in the Association or Committee. In addition, the Association shall have the right to exercise self-help to cure violations, and shall be entitled to suspend any services provided by the Association to any Owner or such Owner's Dwelling Unit in the event that such Owner is more than thirty (30) days delinquent in paying any assessment or other charge due to the Association after written notice of the violation, or for the actual costs to the Association for curing the violation. The Board shall also have the power to seek relief in any court for violations or to abate nuisances. Imposition of sanctions shall be as provided in the Bylaws of the Association.

ARTICLE VI
EASEMENTS

6.01 Easement Reserved for the Association The Association has full rights of ingress and egress at all times over and upon each Lot and the Property for the carrying out by the Association of its rights, functions, duties, and obligations hereunder, provided, that any such entry by the Association upon any Lot shall be made with as minimum inconvenience to the Owner as practical, and any damage caused thereby shall be repaired by the Association.

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

6.03 Rights Reserved to Governmental Authorities and Utility Companies Declarant and any governmental authority having jurisdiction over the property, and any utility company which provides utilities to the Property, has full rights of access at all times over any dedicated easement for the installation, operation, maintenance, repair, or removal of any utility, together with the right to remove any obstruction that may be placed in such easement that would constitute interference with the use of such easement, or with the use, maintenance, operation, or installation of such utility. All claims for damages, if any, arising out of the construction, maintenance, and repair of utilities or on account of temporary or other inconvenience caused hereby are waived by each Owner and the Association. Declarant further reserves the right to alter, redesign, or discontinue any street, avenue, or way shown on the subdivision plat not necessary for ingress or egress to and from an Owner's Lot, subject to the written approval of the applicable government authority, if required.

6.04 Universal Easement Each Lot and its Owner is hereby declared to have an easement, and the same is hereby granted to Declarant, over all adjoining Lots and Common Areas for the purpose of accommodating any minor encroachment (other than slab or foundation encroachments which shall not be deemed minor) due to engineering error, errors in original construction, settlement, or shifting of the building, or any other cause. There shall be easements for the maintenance of any minor encroachment, settling or shifting. In the event a structure on any Lot is partially or totally destroyed and then repaired or rebuilt, the Owners of each Lot agree that minor encroachments over adjoining Lots shall be permitted and there shall be easements for the maintenance of any encroachments so long as they exist. Each of the easements referred to in this section shall be deemed to be established upon the recordation of this Declaration and shall be appurtenant to the Lot being serviced and shall pass with each conveyance of said Lot. Notwithstanding the foregoing, in no event shall an easement for encroachment be created in favor of an Owner or Owners if said encroachment occurred due to the willful misconduct of said Owner or Owners.

6.05 Underground Electric Service An underground electric distribution system has been installed in the Property, designated herein as "Underground Electric System," which underground service area embraces all the Lots which are platted in the subdivisions at the time of the execution of the agreement between Energy Company ("Company") and Declarant. This electrical distribution system consists of overhead primary feeder circuits constructed on wood or steel poles, single or three phase as well as underground primary and secondary circuits, pad mounted or other types of transformers, junction boxes, and such other appurtenances as shall be necessary to make underground service available. The Owner of each Lot containing a single Dwelling Unit shall, at the Owner's cost, furnish, install, own, and maintain (all in accordance with the requirements of local governing authorities and the National Electric Code) the underground service cable and appurtenances from the point of the Company's metering at the structure to the point of attachment at such company's installed transformers or energized secondary junction boxes, such point of attachment to be made available by the Company at a point designated by such Company at the property line of each Lot. The Company furnishing service shall make the necessary connections at such point of attachment and at the meter Declarant has, either by designation on the plats of the subdivisions or by separate instrument(s), granted necessary easement to the Company providing for the installation, maintenance, and operation of its electric distribution system and has also granted to each Owner of a Lot reciprocal easements providing for the access to the area occupied by and centered on the service wires of the various Owners to permit installation, repair, and maintenance of each Owner's owned and installed service wires. In addition, the Owner of each Lot containing a single Dwelling Unit shall, at the Owner's cost, furnish, install, own and maintain a meter loop (in accordance with the then current standards and specifications of the Company furnishing service) for the location and installation of the meter of such Company for each Dwelling Unit involved. For so long as underground service is maintained in the Underground Electric System, the electric service to each Dwelling Unit therein shall be underground, uniform in character, and exclusively of the type known as single phase, 120/140 volt, three wire, 60 cycle, alternating current. The Company has installed the underground electric distribution system in the Underground Electric System at no cost to Declarant (except for certain conduits, where applicable, and

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except as hereinafter provided) upon Declarant's representation that the Underground Electric System is being developed for Dwelling Units, all of which are designed to be permanently located where originally constructed (such category of Dwelling Units expressly to exclude mobile homes) and which are built for sale or rent. Should the plans of the Declarant or the Lot Owners in the Underground Electric System be changed so as to permit the erection therein of one or more mobile homes, Company shall not be obligated to provide electric service to any such mobile home unless (a) Declarant has paid to the Company an amount representing the excess in cost for the entire Underground Electric System, of the underground distribution system over the cost of equivalent overhead facilities to serve such System, or (b) the Owner of such affected Lot, or the applicant for service to any such mobile home shall pay to the Company the sum of (1) 1 75 per front Lot foot, it having been agreed that such amount reasonably represents the excess in cost of the underground distribution system to serve such Lot or Dwelling Unit over the cost of equivalent overhead facilities to serve such Lot or Dwelling Unit, plus (2) the cost of rearranging, and adding any electric facilities serving such Lot, which arrangement and/or addition is determined by Company to be necessary. The preceding provisions also apply to any future residential development in Reserve(s) shown on the Plat, as such Plat exists at the execution of the agreement for underground electric service between the Company and Declarant or thereafter. Specifically, but not by way of limitation, if a Lot Owner in a former Reserve undertakes some action which would have invoked the above per front Lot foot payment, if such action had been undertaken in the Underground Electric System, such Owner or applicant for service shall pay the Company $1 75 per front Lot foot, unless Declarant has paid the Company as above described. The preceding provisions do not apply to any future nonresidential development in such Reserve(s).

ARTICLE VII
PROTECTIVE COVENANTS

7.01 Residential Purposes Only Each Lot and Dwelling Unit must be used exclusively for only single-family residential purposes. No building or structure can be used for or adapted to business, commercial, or industrial purposes, and no apartment house or condominiums, duplex, triplex, fourplex, lodging house, rooming house, or other multiple-family dwelling shall be erected, placed, permitted, or maintained on any Lot, or on any part thereof. No improvement or structure whatever, other than a private Dwelling Unit, fences and walls, swimming pool, and customary outbuildings, such as a garage, servants' quarters, or guest house, may be erected, placed, or maintained on any Lot. All parking spaces shall be used exclusively for the parking of passenger vehicles, except as expressly permitted in Section 7.06.

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

7.03 Animals No animals, reptiles, livestock, poultry, or birds of any kind shall be raised, or kept on any Lot, except that dogs, cats, other household pets, and one (1) horse per acre of each acre comprising a Lot may be kept on a Lot, not to exceed a total of two (2) dogs or cats, provided that none of such permitted animals are kept, bred, or maintained for any commercial purpose. The foregoing limitation on number of pets shall not apply to hamsters, small birds, fish, or other constantly caged animals, nor shall it apply to require the removal of any litter born to a permitted pet prior to the time that the animals in such litter are three (3) months old. Reptiles, goats, sheep, hogs, pigs, monkeys, chickens, ducks, peacocks, pigeons, and guinea fowl shall not be deemed as household pets and are expressly prohibited. Notwithstanding the foregoing, however, no individual dogs or other animals deemed by the Board in its sole discretion to be dangerous to property, persons, or other animals shall be raised, bred, or kept on any Lot.

7.04 Development Activity Notwithstanding any other provision herein, Declarant and its successors and assigns (including any Builder) shall be entitled to conduct on the Property all activities normally associated with and convenient to the development of the Property as a residential subdivision and the construction and sale of Lots within the Property.

7.05 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 Dwelling Unit, fence, or other improvement upon such Lot so as to be visible from public view except the following:

(a) Declarant's Signs Declarant may erect and maintain a sign or signs deemed reasonable and necessary for the construction, development, operation, promotion, leasing, and sale of the Lot. The sign may be the Declarant's sign and either or a Realtor sign

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(b) **Builder's Signs** Any Dwelling Unit builder may utilize one (1) professional sign (of not more than five (5) square feet in size) per Lot for advertising and sales promotion of such Dwelling Unit. The sign may be the Builder's sign and either or a Realtor sign.

7.06 Parking and Prohibited Vehicles

(a) **Parking** Vehicles shall be parked only in the garage or driveway of the Lot serving the Dwelling Unit, or in such other paved areas as have been approved by the Board of Directors for parking vehicles. A maximum of two (2) occupant vehicles may be parked outside of the garage, if any, serving the Dwelling Unit. For purposes of this provision, a vehicle shall be considered an "occupant vehicle" if it is parked on the Lot four (4) or more hours per day, four (4) or more days in any seven (7)-day period. The Board of Directors may authorize on-street parking on a temporary basis for visitors and guests, subject to reasonable rules and regulations. No garage shall be modified or otherwise used so as to reduce its capacity for parking vehicles below that originally approved by the NCC. Garage doors visible from any street within the Property shall remain closed except during ingress or egress or when the garage is actively being used by the Owner or occupant.

(b) **Prohibited Vehicles** Commercial vehicles, vehicles with commercial writing on their exteriors, vehicles primarily used or designed for commercial purposes, tractors, mobile homes, recreational vehicles, trailers (either with or without wheels), campers, camper trailers, boats, and other watercraft, and boat trailers shall be parked only in enclosed garages or areas, if any, designated by the Board. Stored vehicles and vehicles which are either obviously inoperable or do not have current licenses shall not be permitted on the Property except within enclosed garages. Notwithstanding the foregoing, vehicles that become inoperable while on the Property must be removed within seventy-two (72) hours thereof. For purposes of this section, a vehicle shall be considered "stored" if it is put up on blocks or covered with a tarpaulin and remains on blocks or so covered for fourteen (14) consecutive days without the prior written approval of the Board. Notwithstanding the foregoing, service and delivery vehicles may be parked on the Property during the daylight hours for such period of time as is reasonably necessary to provide service or to make a delivery to a Dwelling Unit or the Common Areas. Any vehicle parked in violation of this section or parking rules promulgated by the Board may be towed, at the expense of the vehicle owner, payable upon written demand.

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

7.08 Mailboxes and House Numbers House numbers for each Dwelling Unit in the subdivision must be harmonious with the overall character and aesthetics of the community which shall be established from time to time by the Architectural Committee. Mailboxes will be uniform for each residence and will be furnished and installed by the property owners association.

7.09 Detached Buildings No detached accessory buildings, except for detached garages, shall be erected, placed, or constructed upon any Lot without the prior written consent of the Architectural Committee. Any permitted accessory buildings must be constructed of either wood or masonry materials, however metal roofs on such accessory buildings, with approval of the Architectural Committee, will be acceptable.

7.10 Fences

(a) No fence, wall, or hedge shall be erected, placed, or altered on any Lot without the approval of the Architectural Committee. All clotheslines, wood piles, tool sheds, sanitation facilities, or other service facilities must be enclosed with fences, walls, or landscaping, as may be required by the Architectural Committee, so as not to be generally visible by the public unless approved by the Architectural Committee in writing. The side yard and back yard fences shall be a 4' high wooden three rail fence. All fences shall be of the same design and paint color. If a fence is damaged, the repair shall be made to give the appearance of the original design and paint color. An example of the type fencing which is approved for the development is the wooden fence on Gaulding Road, on the date hereof.

(b) The Architectural Committee shall promulgate specific Design Guidelines governing the composition and location of screening walls, fences, and hedges to be located upon Lots. Screening walls shall be incorporated into and be harmonious with the overall landscaping plan developed for the Property.

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(c) No chain link, wire, or other open fencing shall be erected if it is visible from the street along the front, or side of any Dwelling Unit.

(d) The foregoing provisions of this Section 7.10 shall not be applicable to the construction or erection of any fence, wall, or hedge on any Lot or the Common Property by Declarant.

7.11 Antennae, Satellite Dishes, and Solar Collectors No Owner may erect or maintain a television or radio receiving or transmitting antenna, satellite dish, or similar implement or apparatus, or solar collectors panels or equipment upon any Lot unless (a) such apparatus is erected and maintained in such a way that it is screened from public view at a point in the center of the public street right-of-way directly in front of the Dwelling Unit erected on such Lot, and (b) the Owner has received the prior written approval from the Architectural Committee to the size, location, and screening of such apparatus.

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

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

7.14 Window Treatment No aluminum foil, reflective film, signs, or similar treatment shall be placed on windows or glass doors.

7.15 Temporary Structures No temporary structure of any kind shall be erected or placed upon any Lot. No trailer, mobile, modular or prefabricated home, tent, shack, barn, or any other structure or building, other than the residential structure to be built thereon, shall be placed on any Lot, either temporarily or permanently, and no residence house, garage, or other structure appurtenant thereto, shall be moved upon any Lot from another location, except, however, that Declarant reserves the exclusive right to erect, place, and maintain, and to permit builders and Owners to erect, place and maintain such facilities in and upon the Property as in its sole discretion may be deemed necessary or convenient during the period of and in connection with the sale of Lots, construction, and selling of residential structures and constructing other improvements on the Property. Such facilities may include, but not necessarily be limited to, a temporary office building, storage area, signs, portable toilet facilities, and sales office. Declarant and builders of residential structures on Lots shall also have the temporary right to use a residence situated on a Lot as a temporary office or model home during the period of and in connection with construction and sales or leasing operations on the Property, but in no event shall a builder have such right for a period of excess of one (1) year from the date of substantial completion (as defined by the American Institute of Architects) of his last residential structure on the Property.

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

7.17 Swimming Pools No above-ground swimming pools shall be permitted.

7.18 Truck Weight Limit Trucks with tonnage in excess of one (1) ton shall not be permitted to park overnight on the streets, driveways, or on any Lot.

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7.19 Utilities Dwelling Units shall be connected to the water lines as soon as practicable after same are available at the Lot line. A septic tank approved by the Architectural Committee (defined in Article IX hereof) shall be placed and maintained on each Lot with any Dwelling Unit located on such Lot, of a size, location, and maintenance as prescribed by Jefferson County, Texas, and the applicable laws. The installation and use of any propane, butane, LP Gas, or other gas tank, bottle or cylinder of any type, shall require the prior written approval of the Architectural Committee. All telephone, electric, cable, or other service lines shall be installed underground and shall meet all requirements of the applicable governmental authority.

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

7.21 Athletic Facilities Tennis court lighting and fencing shall be allowed only with the prior written approval of the Architectural Committee. Basketball goals, or backboards, or any other similar equipment of either a permanent or temporary nature shall not be placed within forty (40') feet from the front property line of any Lot in the subdivision, without the prior written consent of the Architectural Committee.

7.22 Quiet Enjoyment No portion of the Property shall be used, in whole or in part, for the storage of any property or thing that will cause it to appear to be in an unclean or untidy condition or that will be obnoxious to the eye; nor shall any substance, thing, or material be kept upon any portion of the Property that will emit foul or obnoxious odors or that will cause any noise or other condition that will or might disturb the peace, safety, comfort, or serenity of the occupants of surrounding property. No noxious, illegal, or offensive activity shall be carried on upon any portion of the Property, nor shall anything be done thereon tending to cause embarrassment, discomfort, annoyance, or nuisance to any person using any portion of the Property. There shall not be maintained any plants or animals or device or thing of any sort whose activities or existence in any way is noxious, dangerous, unsightly, unpleasant, or of a nature as may diminish or destroy the enjoyment of the Property. No outside burning of wood, leaves, trash, garbage, or household refuse shall be permitted within the Property. No speaker, horn, whistle, bell, or other sound device, except alarm devices used exclusively for security purposes, shall be installed or operated on any Dwelling Unit. The use and discharge of firecrackers and other fireworks is prohibited within the Property.

7.23 Lighting Except for traditional holiday decorative lights, which may be displayed for two (2) months prior to and one (1) month after any commonly recognized holiday for which such lights are traditionally displayed, all exterior lights must be approved by the Architectural Committee.

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

7.25 Business Use No garage sales, moving sale, rummage sale, or similar activity and no trade or business may be conducted in or from any Lot, except that an Owner or occupant residing in a Dwelling Unit may conduct business activities within the Lot so long as (a) the existence or operation of the business activity is not apparent or detectable by sight, sound, or smell from outside the Lot, (b) the business activity conforms to all zoning requirements for the Property, (c) the business activity does not involve persons coming onto the Property who do not reside in the Property or door-to-door solicitation of residents of the Property, and (d) the business activity is consistent with the residential character of the Property and does not constitute a nuisance, or a hazardous or offensive use, or threaten the security or safety of other residents of the Property, as may be determined in the sole discretion of the Board. The terms "business" and "trade", as used in this provision, shall be construed to have their ordinary, generally accepted meanings, and shall include, without limitation, any occupation, work, or activity undertaken on an ongoing basis which involves the provision of goods and services to persons other than the provider's family and for which the provider receives a fee, compensation, or other form of consideration, regardless of whether: (i) such activity is engaged in full or part-time, (ii) such activity is intended to or does generate a profit; or (iii) a license is required therefor. Notwithstanding the above, the leasing of a Dwelling Unit for single family residential use shall not be considered a trade or business within the meaning of this section. This section shall not apply to any activity conducted by the Declarant or conducted by a Builder with written approval of the Declarant, with respect to its development and sale of the Property or its use of any Dwelling Units which it owns within the Property, including the operation of a timeshare or similar program.

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7.26 Traffic Sight Areas No fence, wall, hedge, or shrub planting which obstructs sight lines at elevations between two feet (2') and six feet (6') above the street shall be permitted to remain on any corner lot within fifteen feet (15') of the point formed by the intersection of the building setback lines of such Lot.

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

7.28 Exterior Noise No exterior speakers, horns, whistles, bells, or other sound devices (except security and fire devices such as entry door and patio intercoms used exclusively to protect the Lot and improvements situated thereon) shall be placed or used upon any Lot.

ARTICLE VIII
ARCHITECTURAL AND CONSTRUCTION RESTRICTIONS

8.01 Type of Residence Only one (1) detached Dwelling Unit shall be built or permitted on each Lot. All Dwelling Units shall have either an attached or detached enclosed garage. Carports (except porte cocheres) on Lots are prohibited. No structure shall be moved from another location onto any Lot. All Dwelling Units and all improvements thereon including, but not limited to, fences, driveways, and sidewalks must be kept in good repair and must be painted when necessary to preserve their attractiveness. Any change in the color of the paint on a residence must be approved by the Architectural Committee (as defined under Article IX hereof).

8.02 Living Area Requirements The gross square footage of any Dwelling Unit constructed on a Lot shall be not less than (i) one thousand five hundred (1,500) square feet for one (1) to one-and-a-half (1 ½) story structures, and (ii) two thousand two hundred (2,200) square feet for two (2) to three (3) story structures, exclusive of porches, porte cocheres, and garages.

8.03 Location of Residence on Lot The location of the Dwelling Unit on a Lot will be approved by the Architectural Committee with its written approval of the site plan, the final working plans, and specifications. No building shall be located on any Lot nearer to a street than the minimum building setback lines shown on the Plat and no building shall be located on any utility easement. No residence shall be located nearer than twenty-five feet (25') to an interior side lot line. However, a residence may be located not less than ten feet (10') from an interior lot line provided that the construction of a residence on the adjacent Lot is complete and such residence is no closer than fifteen feet (15') to the same interior lot line. No residence shall be located nearer than ten (10') feet to the rear lot line. For the purposes of this section, eaves, steps, and open porches or driveways shall not be considered as a part of a residence. The provisions of this section may be amended insofar as same may apply to any Lot prior to the completion of a Dwelling Unit.

8.04 Building Materials, Type of Construction Unless otherwise approved by the Committee, at least eighty percent (80%) of the exterior wall area of all Dwelling Units below eight feet (8') and above the foundation excluding detached (but not excluding attached garages), gables, windows, and door openings must be masonry, stucco, or brick veneer. No garage or accessory building shall exceed in height the dwelling to which it is appurtenant without the written consent of the Architectural Committee. Every garage and accessory building (except a greenhouse) shall correspond in style and architectural and exterior building materials with the dwelling to which it is appurtenant. No structure of any kind or character which incorporates frame construction on the exterior shall be erected on any Lot unless such structure receives at least two (2) coats of paint at the time of construction or the exterior is of redwood or cedar material. Notwithstanding the foregoing, the Architectural Committee is empowered to waive this restriction, if, in its sole discretion, such waiver is advisable in order to accommodate a unique or advanced building concept, design, or material, and the resulting structure will not detract from the general appearance of the neighborhood. Wall materials used on all Lots shall be restricted to those types and colors of brick approved by the Architectural Committee.

8.05 Driveways Builder shall provide and install, at its own expense, driveway approaches in conformance with all applicable regulatory requirements. Builder agrees to install driveway approaches within ten (10) business days of pouring the driveway. Owner shall maintain at Owner's expense the driveway to the street occasioned by connecting the driveway thereto.

8.06 Roof Material Unless otherwise approved by the Committee, roofs of all Dwelling Units, shall be constructed so that the exposed material is asphalt or composition type shingles of No 240 or heavier weight with a woodbine color or other color approved in writing by the Architectural Committee.

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8.07 Maximum Height Except as stated in Section 8.08 below, no building or structure erected, or placed on, within, or in the Properties shall exceed forty-five feet (45') in height (measured from the top of the foundation to the topmost part of the roof) nor be more than three (3) stories in height, provided, however, that all applicable ordinances, regulations, and statutes with respect to the maximum height of buildings and structures shall, at all times, be satisfied.

8.08 Garages, Carports, and Porte Cocheres A garage must be constructed and maintained to accommodate at least two (2) full-size passenger vehicles for each Dwelling Unit. Each driveway must accommodate two (2) vehicles in front of the garage for off-street parking requirements. Rear detached garages are permitted. No garage shall be permanently enclosed for conversion to any other use. Open carports are not permitted, unless special design circumstances warrant their use, in which case, permission must be obtained in writing from the Architectural Committee. Porte cocheres shall not extend more than eight feet (8') from the front of any Dwelling Unit toward the street fronting such Lot. Lots may have one (1) or two (2) story garages.

8.09 Landscaping All front yards and side yards on all Lots, up to the wing wall that extends from the side of the Dwelling Unit to the side property line, must be sodded prior to occupancy of the Dwelling Unit by a Resident. Side yards on corner lots must be sodded the full length of the property line adjacent to the street. After sodding, all yards must be maintained with grass or landscaping in a neat and well-mown condition, free of unsightly weeds and overgrowth. Decorative ground cover rock in the front yard and side yard may be used in lieu of grass. **EACH OWNER IS ADVISED THAT THERE ARE NO EXPRESS OR IMPLIED WARRANTIES AS TO THE LIFE EXPECTANCY, VITALITY, OR FITNESS FOR INTENDED PURPOSE OF ANY TREES OR SHRUBS LOCATED ON THE PROPERTIES.**

8.10 Lot Consolidation Any Owner owning two (2) or more adjoining Lots or portions of two (2) or more such Lots may, with the prior written approval of the Architectural Committee, consolidate such Lots or portions thereof into a single building site for the purpose of constructing one residence and such other improvements as are permitted herein, however, that no such building site shall contain less than twenty-five hundred (2,500) square feet of living area. Any consolidated Lot shall comply with all lawful requirements of any applicable statutes, ordinance, or regulation. On application by an Owner, the Board of Directors may adjust the assessments on a consolidated Lot to an amount not less than the full assessment rate for a single Lot. Absent such adjustment, a consolidated Lot shall bear the full assessment rate theretofore applicable to all Lots which are not consolidated.

8.11 Utility Connections and Fees Owner shall construct, furnish, or install all on-site utility extensions, including, without limitation, water and sewer extensions, from the point of connection adjacent to the perimeter of the Lot to any portion of the Lot. Owner further agrees to pay any utility deposit or charge, including any connection, tap, or inspection fee, for water, sewer, electrical, gas, telephone, cable television, or utility service for the Lot or any part thereof and any costs or charges for meters for utility service.

8.12 Compliance with Laws Construction of improvements on each Lot must comply with the current building code published by the Congress of American Building Officials and all applicable local building codes that are enforced by governmental agencies. Builder is responsible for applying for and obtaining all applicable governmental permits and other approvals, including payment of all fees for those permits and other approvals.

8.13 Care During Construction Owner shall take all reasonable precautions to minimize interference with traffic and to protect the general public and residents of the subdivision from injury from movement of vehicular traffic in connection with construction on each Lot. In addition, to, and without limiting the generality of the foregoing, Owner agrees to perform the following:

(a) Storage of Building Materials Building materials stored on a Lot will be kept in a neat condition so as not to detract from the appearance of the neighborhood and so as to give the visual impression from adjacent streets of a clean, orderly work site;

(b) Scrap Materials and Trash Owner agrees to keep scrap materials and trash produced in connection with the construction of a house on a Lot confined to a particular area of such Lot, preferably to the side, or behind, the house. Trash will be placed in a wiremesh, or solid container, within such area at the end of each work day and removed from the Lot frequently enough so that trash does not overflow from such container.

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(c) **Clean Roads and Utilities** Owner agrees to protect pavements, curbs, gutters, swales, or drainage course, streets, utility structures, including, without limitation, fire hydrants, manhole covers, valve boxes, and second stage inlets and other property contiguous, in the vicinity of, or leading to each clear of equipment, building materials, dirt, debris, and similar materials. Owner further agrees to maintain in good functional condition, storm water pollution prevention materials adequate to comply with guidelines promulgated by the Environmental Protection Agency.

(d) **Maintenance** Owner agrees to keep the interior and exterior of all improvements constructed on a Lot in good working condition and repair. Without limiting the generality of the foregoing, Owner agrees to promptly replace any glass, paint, roof materials, bricks, stone, or other exterior building materials on any houses which are damaged or unduly worn.

(e) **Initial Construction Period** Unless otherwise specified in the deed of conveyance, a Lot Owner shall commence construction of the Dwelling Unit on or before five (5) years ("Initial Construction Period") from the date of conveyance to such Lot Owner and diligently thereafter proceed to final completion (i.e., ready for occupancy) within eighteen (18) additional months (plus a period of time equal to the duration of delays if any caused by reason of fire, act of God, shortage of labor or material, strike, lockout, casualty, or other conditions beyond the Tract Owner's control). In the event that the Lot Owner fails to perform as set forth above, the Lot Owner will upon request of Declarant, or its successors or assigns, and upon tender to the Lot Owner by Declarant in cash a sum equal to the purchase price paid by the Lot Owner to Declarant for the Lot must reconvey the Lot to Declarant, or its successors or assigns, by special warranty deed free and clear of any liens and encumbrances other than those to which the original conveyance was subject and any express lien against said Lot to secure amounts actually expended in the construction of the improvements on the Lot. Unless the Lot Owner has completed construction as hereinabove provided, Declarant shall have the right to exercise the conditional option to repurchase herein reserved on or before one hundred eighty (180) days from the expiration date of the Initial Construction Period (plus the period of time beyond the Lot Owner's control, heretofore described, which may have been required to complete the construction of improvements), at which time, failing exercise thereof, such option shall terminate and be of no further force or effect if the Lot Owner executes a deed of trust to secure a construction loan made to the Lot Owner, and informs Declarant in writing of the name and identity of such Mortgagee, then in such event, at any time when Declarant considers that the Lot Owner is in default under this paragraph, Declarant shall give written notice thereof to Mortgagee at the address furnished, and Mortgagee shall thereupon have a reasonable time (not to exceed forty-five (45) days) within which to foreclose its lien, acquire title to and possession of the Lot, and comply with the provisions of this paragraph, while Mortgagee is attempting in good faith to accomplish the foregoing, Declarant shall not exercise the conditional purchase option.

ARTICLE IX
ARCHITECTURAL STANDARDS

9.01 Approval Required Procedures

(a) No structure shall be placed, erected, or installed upon any Lot, no construction (which term shall include within its definition staking, clearing, excavation, grading, and other site work), no exterior alteration or modification of existing improvements, and no plantings or removal of plants, trees, or shrubs shall take place except in strict compliance with this article, until the requirements below have been fully met, and until the written approval of the appropriate committee has been obtained pursuant to Section 9.02 and 9.03 below. Such improvements include, but are not limited to, the construction or installation of sidewalks, driveways, decks, patios, garages, guest or servants' quarters, or other outbuilding, nor shall any exterior addition to or change or alteration therein be made (including, without limitation, painting or staining of any exterior surface), unless and until two (2) copies of the plans and specifications and related data (including, if required by the NCC or the MC, as applicable, a survey showing the location of trees of six inches [6"] in diameter, at a height of four feet (4') above ground, and other significant vegetation of such Lot) showing the nature, color, type, shape, height, materials, and location of the same shall have been submitted to and approved in writing by the appropriate Architectural Committee as to the compliance of such plans and specifications with the Design Guidelines as may be published by the Architectural Committee from time to time, including the harmony of external design, location, and appearance in relation to surrounding structures and topography. One copy of such plans, specifications, and related data so submitted shall be retained in the records of the appropriate Architectural Committee, and the other copy shall be returned to the Owner marked "approved," "approved with conditions as noted," or "disapproved". Notwithstanding the foregoing, no permission or approval shall be required to paint in accordance with an originally approved color scheme, or to rebuild in accordance

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with the originally approved plans and specifications. The Architectural Committee shall have the sole discretion to determine whether plans and specifications submitted for approval are acceptable to the Association.

(b) Following written approval of any plans and specifications by the appropriate Architectural Committee, representatives of the appropriate Architectural Committee shall have the right, but not the obligation, during reasonable hours to enter upon and inspect any Lot or Dwelling Unit with respect to which construction is underway to determine whether or not the plans and specifications therefor have been approved and are being complied with. In the event the appropriate Architectural Committee shall determine that such plans and specifications have not been approved or are not being complied with, the appropriate Architectural Committee shall be entitled to enjoin further construction and to require the removal or correction of any work in place which does not comply with approved plans and specifications. The NCC shall have thirty (30) days, and MC shall have sixty (60) days, from and after such plans and specifications are respectively submitted to them to review and approve or disapprove the same, in whole or part. In the event the appropriate Architectural Committee fails to approve or disapprove in writing any proposed plans and specifications within the time frame stated below, such plans and specifications will be deemed to have been expressly approved, of plans and specifications, no further approval under this Article shall be required with respect thereto, unless such construction has not substantially commenced within six (6) months of the written approval of such plans and specifications (e.g. , clearing and grading, pouring of footings, etc.) or unless such plans and specifications are materially altered or changed. Disapproval of plans and specifications by the Architectural Committee may be based upon any ground which is consistent with the objectives and purposes of this Declaration as defined in the Design Guidelines which shall be promulgated by the Architectural Committee from time to time, including purely aesthetic considerations, so long as such grounds are not arbitrary or capricious.

(c) If the Architectural Committee disapproves plans and specifications submitted by Lot Owner and the Architectural Committee and Lot Owner are not able to resolve their differences within thirty (30) days thereafter, then, following Lot Owner's written request therefor, Declarant may at Declarant's option, repurchase the Lot from Lot Owner, for the original purchase price in cash, and Lot Owner shall thereupon reconvey the Lot to Declarant by special warranty deed free and clear of all liens and encumbrances other than those to which the original conveyance was subject. The failure of Declarant to exercise said repurchase option shall in no way impair or alter the obligations of Lot Owner as set forth in this Declaration.

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

9.02 New Construction Committee The New Construction Committee ("NCC") shall consist of at least three (3), but not more than five (5), persons and shall have exclusive jurisdiction over all original construction of any portion of the Property. Until one hundred percent (100%) of the Property has been developed and conveyed to purchasers in the normal course of development and sale, the Declarant retains the right to appoint all members of the NCC, who shall serve at the discretion of the Declarant. There shall be no surrender of this right to appoint all members of the NCC, who shall serve at the discretion of the Declarant. There shall be no surrender of this right prior to that time except in a written instrument in recordable form executed by Declarant. Upon the expiration of such right, the Board of Directors may merge the NCC with the MC (defined below) or shall appoint the members of the NCC, who shall serve and may be removed at the discretion of the Board of Directors. The members of the NCC may include architects, engineers, and other persons who are not Members of the Association. The initial members shall be Charles S Leyendecker, Sada Jacob and Bill Baggett. Charles S Leyendecker shall be the initial Chairman. The NCC shall prepare and, on behalf of the Board of Directors, shall promulgate design and develop guidelines

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governing construction within the Property, which shall include application and review procedures to be followed in submitting an application for approval ("Design Guidelines"). The Design Guidelines shall be those of the Association, and the NCC shall have sole and full authority to modify and to amend them from time to time without the consent of any Owner. The NCC shall make the Design Guidelines available to Owners who seek to engage in development of, or construction upon, all or any portion of the Property and such Builders and Owners shall conduct their operations strictly in accordance therewith. In the event that the NCC falls to approve or disapprove plans submitted to it, or to request additional information reasonably required, within forty-five (45) days after submission thereof, the plans shall be deemed rejected.

9.03 Modifications Committee The Board of Directors shall also establish a Modifications Committee ("MC") to consist of at least three (3) and no more than five (5) persons, all of whom shall be appointed by, and shall serve at the discretion of , the Board of Directors. As long as the Declarant has the power hereunder to appoint the members of the Board of Directors, a minimum of one (1) member of the MC shall be, at the discretion of Declarant, an individual designated by the Declarant. Members of the MC may include architects or similar professionals who are not Members of the Association. The MC shall have exclusive jurisdiction after the initial sale from the Builder to an Owner over modifications, additions, or alterations made on any Lot or to any Dwelling Unit and the open space, if any, appurtenant thereto, provided, however, the MC may delegate this authority to the Board or other committee of the Association. Such delegation may be revoked and jurisdiction reassumed at any time by written notice. Notwithstanding the above, the NCC shall have the right to veto any action taken by the MC which the NCC determines, in its sole discretion, to be inconsistent with the guidelines promulgated by the NCC. The initial members shall be Charles S. Leyendecker, Sada Jacob, and Bill Baggett. Charles S. Leyendecker shall be the initial Chairman. The Modifications Committee shall promulgate detailed standards and procedures governing its areas of responsibility and practice consistent with those of the NCC. In addition thereto, the following shall apply: plans and specifications showing the nature, land, shape, color, size, materials, and location of such modifications, additions, or alterations, shall be submitted to the MC for approval as to quality of workmanship and design and as to harmony of external design with existing structures, location in relation to surrounding structures, topography, and finish grade elevation. Nothing contained herein shall be construed to limit the right of an Owner to remodel the interior of a Dwelling Unit, or to paint the interior of a Dwelling Unit any color desired; provided, modifications or alterations to the interior of screened porches, patios, and similar portions of a Dwelling Unit visible from outside the Dwelling Unit shall be subject to written approval hereunder. In the event that the MC fails to approve or to disapprove such plans or to request additional information reasonably required within forty-five (45) days after submission, the plans shall be deemed rejected.

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

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

9.06 Design Guidelines The Architectural Committee is authorized and empowered to consider al1 aspects of dwelling construction, construction of other improvements, and the location, quality of landscaping on the Lots, and may disapprove aspects thereof which may, in the reasonable opinion of the Architectural Committee, adversely affect the living enjoyment of one or more Owners or the general value of the Properties. Also, the Architectural Committee is permitted to consider technological advances in design and materials and such comparable or alternative techniques, methods, or materials may or may not be permitted, in accordance with the reasonable opinion of the Architectural Committee. The Architectural Committee may, from time to time, publish and promulgate Design Guidelines which shall be fair, reasonable, and uniformly applied and shall carry forward the spirit and intention of this Declaration. The Design Guidelines shall supplement this Declaration and are incorporated herein by reference. The Architectural Committee shall have the authority to make final decisions in interpreting the general intent, effect, and purpose of this Declaration. It is the intent of Declarant that this Declaration and any Design

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Guidelines issued by the Architectural Committee and compliance with the Design Guidelines does not ensure compliance with the building code and other restrictions imposed by applicable governmental authorities.

9.07 Landscaping Approval To preserve the aesthetic appearance of the Property, no landscaping, grading, excavation, or filling of any nature whatsoever shall be implemented and installed on a Lot by any Owner unless and until the plans therefor have been submitted to and approved in writing by the appropriate Architectural Committee. The provisions of the article regarding time for approval of plans, right to inspect, right to enjoin and/or require removal, and so forth shall be applicable to any proposed landscaping, clearing, grading, excavation, or filling. Weather permitting, each residence shall be fully landscaped within ninety (90) days from the date the residence comes into existence.

9.08 NO LIABILITY NO APPROVAL OF PLANS AND SPECIFICATIONS AND NO PUBLICATION OF DESIGN GUIDELINES SHALL BE CONSTRUED AS REPRESENTING OR IMPLYING THAT SUCH PLANS, SPECIFICATIONS, OR DESIGN GUIDELINES WILL, IF FOLLOWED, RESULT IN PROPERLY DESIGNED IMPROVEMENTS. SUCH APPROVALS AND DESIGN GUIDELINES SHALL IN NO EVENT BE CONSTRUED AS REPRESENTING OR GUARANTEEING THAT ANY RESIDENCE OR OTHER IMPROVEMENTS BUILT IN ACCORDANCE THEREWITH WILL BE BUILT IN A GOOD AND WORKMANLIKE MANNER. REVIEW AND APPROVAL OF ANY APPLICATION PURSUANT TO THIS ARTICLE IS MADE ON THE BASIS OF RETAINING THE CHARACTERISTICS OF A FIRST CLASS RESIDENTIAL SUBDIVISION AND AESTHETIC CONSIDERATIONS ONLY AND NEITHER THE NCC NOR THE MC SHALL BEAR ANY RESPONSIBILITY FOR ENSURING THE STRUCTURAL INTEGRITY OR SOUNDNESS OF APPROVED CONSTRUCTION OR MODIFICATIONS, NOR ENSURING COMPLIANCE WITH BUILDING CODES AND OTHER GOVERNMENTAL REQUIREMENTS. NEITHER THE DECLARANT, THE ASSOCIATION, THE BOARD OF DIRECTORS, ANY COMMITTEE, OR MEMBER OF ANY OF THE FOREGOING, SHALL BE HELD LIABLE FOR ANY INJURY, DAMAGES, OR LOSS ARISING OUT OF THE APPROVAL OR DISAPPROVAL OF OR NON-COMPLIANCE WITH ANY PLANS OR SPECIFICATIONS, THE MANNER OR QUALITY OF APPROVED CONSTRUCTION ON OR MODIFICATIONS TO ANY DWELLING UNIT.

ARTICLE X
MAINTENANCE OF LOTS AND DWELLING UNITS BY OWNERS

10.1 Duty of Maintenance The Owner of each Lot shall, at the Owner's sole cost and expense, keep the Owner's Lot and Dwelling in a well-maintained, safe, clean, and attractive condition at all times. Such maintenance includes, but is not limited to, the following:

(a) Prompt removal of all litter, trash, refuse, and waste,

(b) Mowing grass on a regular basis;

(c) Tree and shrub pruning,

(d) Adequately watering landscaped areas;

(e) Keeping exterior lighting and maintenance facilities in working order;

(f) Keeping lawn, garden, and landscaped areas alive, free of weeds, and attractive;

(g) Keeping parking areas, driveways, and roads in good repair;

(h) Complying with all government health and police requirements;

(i) Repair of exterior damages to improvements; and

(j) Cleaning of landscaped or green-belt areas lying between public or private right-of-way lines and the Owner's Lot, unless such streets or landscaped areas are expressly designated to be Common Properties maintained by applicable governmental authorities or the Association.

10.02 Enforcement If, in the opinion of the Association, any Owner has failed in any of the foregoing duties or responsibilities, then the Association may give Owner written notice of such failure, and such Owner, must, within ten (10) days after receiving such notice, perform the care or make arrangements with the Association for making the repairs and maintenance required. Should any such Owner fail to fulfill

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this duty and responsibility within such period, then the Association, through its authorized agent or agents, shall have the right and power to enter onto the premises and perform such care and maintenance without any liability for damages for wrongful entry, trespass, or otherwise to any person. The Owner of any Lot on which such work is performed shall be liable for the cost of such work (such costs constituting a default assessment as specified in Section 4.01 hereof) and shall promptly reimburse the Association for such cost. If such Owner shall fail to reimburse the Association within thirty (30) days after receipt of a statement for such work from the Association, the said indebtedness shall be a debt of said Owner, and shall constitute a lien against the Lot on which said work was performed. Such lien shall have the same attributes as the lien for Assessments as set forth in this Declaration, and the Association shall have identical powers and rights in all respects, including, but not limited to, the right of foreclosure.

ARTICLE XI
GENERAL PROVISIONS

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

(a) To exercise, do, or perform any act, right, power, duty, or obligation whatsoever in connection with, arising out of, or relating to any matter whatsoever involving this Declaration and the Property;

(b) To sign, execute, and acknowledge, deliver, and record any and all instruments which modify, amend, change, enlarge, contract, or abandon the terms within this Declaration, or any part hereof, with such clause(s), recital(s), covenant(s), agreement(s), and restriction(s) as Declarant shall deem necessary, proper, and expedient under the circumstances and conditions as may be then existing; and

(c) To sign, execute, acknowledge, deliver, and record any and all instruments which modify, amend, change, enlarge, contract, or abandon the subdivision plat(s) of the Property, or any part thereof, with any easements and rights-of-way to be therein contained as the Declarant shall deem necessary, proper, and expedient under the conditions as may be then existing.

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

11.02 Duration This Declaration shall run with and bind the land subject to this Declaration, and shall mure to the benefit of and be enforceable by the Association and/or the Owner of any land subject to this Declaration, their respective legal representatives, heirs, successors, and assigns, for an original fifty (50) year term from the date of recordation of this Declaration, after which time this Declaration shall be automatically extended for successive periods of ten (10) years unless after the expiration date of the original term or prior to the end of any successive period of ten years, an instrument is signed by the Owners of at least fifty-one percent (51 %) of all Lots within the Property and recorded in the Deeds Records of Jefferson County, Texas, which contains and sets forth an agreement to abolish this Declaration, and in such event the Declaration will expire at the end of the term then in effect, provided, however, no such agreement where approved by less than seventy-five percent (75%) of the Owners of all Lots within the Property to abolish shall be effective unless made and recorded one (1) year in advance of the effective date of such abolishment.

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

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

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(b) with the assent of a Two-Thirds Member Vote.

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

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

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

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

11.07 Registration with the Association Each and every Owner, Member, and Resident shall have an affirmative duty and obligation to originally provide, and thereafter revise and update, within fifteen (15) days after a material change has occurred, the following information (a) the full name and address of each Owner, Member, and Resident; (b) the business address, occupation, and telephone numbers of each Resident; (c) the description and license plate number of each automobile owned and used by a Resident and brought within the Property, and (d) such other information as may be reasonably requested from time to time by the Association. In the event any Owner, Member, or Resident fails, neglects, or refuses to so provide, revise, and update such information an offending Owner, Member, or Resident shall become automatically jointly and severally liable to promptly reimburse the Association for all reasonable costs and expenses incurred in so doing.

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

11.09 Notices to Mortgagees The holder(s) of a mortgage may be furnished with written notification from the Association of any default by the respective mortgagor/Member/Owner in the performance of such mortgagor's/Member's/Owner's obligation(s) as established by this Declaration, provided that the Association has been theretofore furnished, in writing, with the correct name and address of such mortgage holder(s) and a request to receive such notification and a reasonable supply of self-addressed, stamped envelopes.

11.10 Disputes Matters of dispute or disagreement between Owners, Residents, or Members with respect to interpretation or application of the provisions of this Declaration or the Association Bylaws, shall be determined by the Board. These determinations (absent arbitrary and capricious conduct or gross negligence) shall be final and binding upon all Owners, Residents, and Members.

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11.11 HUD/VA Approval Notwithstanding anything to the contrary contained in this Declaration, as long as Declarant retains a disproportionate voting right as the Class B Member, the following actions shall require the prior written approval of HUD or VA: (a) annexation of Additional Property to become a portion of the Property, (b) amendment of the Articles of Incorporation or Bylaws of the Association or amendment of this Declaration, (c) mortgaging or dedication of Common Property, or (d) dissolution of the Association.

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

11.13 Joinder by Mortgagees Prime Bank ("Prime") hereby expressly join in the execution of this Declaration to (i) evidence their approval of the terms and conditions hereof, as same respectively encumber the respective Lots which they own or which serve as collateral for their respective loans, and (ii) subordinate to their respective rights, titles, interests, liens and security interests to the terms of this Declaration.

11.14 Multiple Counterparts This Declaration of Restrictions, Covenants, and Conditions may be executed in multiple counterparts and each executed copy shall be deemed effective as an original, and individual signature and notary pages may be combined and added to the original Declaration of Restrictions, Covenants, and Conditions for recordation purposes.

11.15 Prior Negative Restrictive Covenants A document entitled "Declaration of Restrictions, Covenants, and Conditions" ("DCCR") is filed in the Jefferson County Real Property Records under Jefferson County Clerk's File No 9807617. The DCCR shall be deemed additional restrictions applicable to the Property and all Owners shall be governed by and subject to the full force and effect of the terms and conditions set forth therein, to the extent the same validity exist and are not waived, modified, changed, or terminated hereafter. However, the parties to the DCCR shall have the right to approve any material changes to Articles VII, VIII, or IX above. Should any conflict occur between the terms, conditions, and covenants of the DCCR and the Declaration, the terms, conditions, and covenants of the DCCR shall control.

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

DECLARANT

SUMMERFIELD DEVELOPMENT, LTD.

BY THE SUMMERFIELD CORPORATION, GENERAL PARTNER

By _____

Name Charles S Leyendecker

Title President

THE STATE OF TEXAS §

COUNTY OF JEFFERSON §

This instrument was acknowledged before me this the 2nd day of March, 2000, Charles S. Leyendecker, President of the Summerfield Corporation, a Texas corporation which is the general partner of Summerfield Development, Ltd.

My Commission Expires 4/23/2001

JOANN L. McLAUGHLIN
Notary Public, State of Texas
My Commission Expires 4/23/2001

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