

**CERTIFICATE OF FORMATION OF
THE MEADOWS OF CHAPPELL HILL LAND OWNERS' ASSOCIATION, INC.
A NONPROFIT CORPORATION**

This certificate of formation is submitted for filing pursuant to the applicable provisions of the Texas Business Organizations Code.

Article I - Entity Name and Type

The name and type of filing entity being formed are: The Meadows of Chappell Hill Land Owners' Association, Inc., a Texas nonprofit corporation (hereinafter "Corporation").

Article II - Purpose

The Corporation is organized for charitable, religious, scientific, literary, or educational purposes within the meaning of Section 501(c)(3) of the Internal Revenue Code of 1986 (the "Code"), and the Texas Tax Code, Section 11.18. The purpose or purposes for which the Corporation is organized is to function as an association for owners of lots in The Meadows of Chappell Hill, a subdivision in Washington County, Texas, developed by Ward ECP, JV. Except as provided in the Declaration of Covenants, Conditions and Restrictions of The Meadows of Chappell Hill, as amended, the Corporation shall have all powers granted to it by the Texas Business Organizations Code, Texas Non-Profit Corporation Act, the Texas Business Corporation Act, and the Texas Property Code.

Article III - Restrictions and Limitations

Notwithstanding the foregoing or anything to the contrary herein, the Corporation may not:

- A. Engage in any activity or take any action prohibited by the applicable provisions of the Texas Business Organizations Code.
- B. Pay any dividend or distribute any part of the income of the Corporation to its members, if any, directors, if any, or officers. However, the Corporation may pay compensation in a reasonable amount to its members, directors, or officers for services rendered, may confer benefits upon its members in conformity with its purposes, provided such compensation and benefits are reasonable.
- C. Make loans to the Corporation's directors.
- D. Engage in any activities, except to an insubstantial degree, that are not in furtherance of the purpose or purposes of the Corporation.
- E. Conduct or carry on any activities not permitted to be conducted or carried on by an organization exempt from taxation under Section 501(c)(3) of the Internal Revenue

Code and its regulations, or by an organization, contributions to which are deductible under Section 170(c)(2) of the Internal Revenue Code and regulations.

F. Serve any private interest except if clearly incidental to the public benefit provided by the Corporation.

G. Allow any of the Corporation's net earnings to inure to the benefit of the members, if any of the Corporation, or any private individual.

H. Engage in more than an insubstantial degree in the carrying on of propaganda, or otherwise attempting, to influence legislation, and the Corporation shall not directly or indirectly participate in, or intervene in (including the publication or distribution of statements) any political campaign on behalf of any candidate for public office, except as allowed by Internal Revenue Code and its regulations.

I. Make distributions at such time and in such manner as to subject it to tax under Section 4942 of the Code.

J. Engage in any act of self-dealing which would be subject to tax under Section 4941 of the Code.

K. Retain any excess business holdings which would subject it to tax under Section 4943 of the Code.

L. Make any investments which would subject it to tax under Section 4944 of the Code.

M. Make any taxable expenditures which would subject it to tax under Section 4945 of the Code.

Article IV - Registered Office and Registered Agent

The initial registered agent is an individual resident of the state whose name is Terry S. Ward. The business address of the initial registered agent and the initial registered office is: 14525 FM 529, Suite 205, Houston, Texas 77095.

Article V - Organizer

The name and address of the organizer is:

<u>Name</u>	<u>Address</u>
Terry S. Ward	14525 FM 529, Suite 205, Houston, Texas 77095

Article VI - Governing Authority

Management of the affairs of the Corporation is to be vested in its Board of Directors. The number of initial directors shall be two (2). The number of directors shall be set by the bylaws of the Corporation as may be amended from time to time, provided that the number of directors may never be less than three. The names and addresses of the persons who are to serve as directors until the first annual meeting or until their successors are elected and qualified are:

<u>Name</u>	<u>Address</u>
1. Terry S. Ward	14525 FM 529, Suite 205, Houston, Texas 77095
2. Isabelle Orrick	14525 FM 529, Suite 205, Houston, Texas 77095

Article VII - Organizational Structure

The Corporation shall have members in such classes as provided for in the bylaws.

Article VIII - Indemnification

To the full extent permitted by the applicable provisions of Title 1, Chapter 8 of the Texas Business Organizations Code and other applicable law, the Corporation shall advance or reimburse expenses to and indemnify any present and former directors, officers, employees, and agents of the Corporation and persons serving or formerly serving at the request of the Corporation as directors, officers, partners, venturers, proprietors, trustees, employees, agents or similar functionaries of another foreign or domestic corporation, employee benefit plan, other enterprise or entity against judgments, penalties (including excise and similar taxes), fines, settlements and reasonable expenses actually incurred by the person in any threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative, arbitratve or investigative, any appeal in such action, suit or proceeding and any inquiry or investigation that could lead to such an action suit or proceeding, because the person is or was acting in one of the capacities set forth above.

Article IX - Contracts or Transactions with Interested Directors, Officers and Members

This provision applies only to a contract or transaction between the Corporation and one or more of its directors or officers, or between the Corporation and an entity or other organization in which one or more of the Corporation's directors or officers is a managerial official or has a financial interest.

An otherwise valid contract or transaction is valid notwithstanding that a director, officer, or member of the Corporation is present at or participates in the meeting of the board of directors, of a committee of the board, or of the members that authorizes the contract or transaction, or votes to authorize the contract or transaction, if: (1) the material facts as to the

relationship or interest and as to the contract or transaction are disclosed to or known by (a) the Corporation's board of directors, a committee of the board of directors, or the members, and the board, the committee, or the members in good faith and with ordinary care authorize the contract or transaction by the affirmative vote of the majority of the disinterested directors, committee members or members, regardless of whether the disinterested directors, committee members or members constitute a quorum; or (b) the members entitled to vote on the authorization of the contract or transaction, and the contract or transaction is specifically approved in good faith and with ordinary care by a vote of the members; or (2) the contract or transaction is fair to the Corporation when the contract or transaction is authorized, approved, or ratified by the board of directors, a committee of the board of directors, or the members. Common or interested directors or members of a Corporation may be included in determining the presence of a quorum at a meeting of the board, a committee of the board, or members that authorizes the contract or transaction.

Article X - Member Consent Required For Fundamental Action

The affirmative vote of only a majority of the members entitled to vote shall be sufficient to approve a Fundamental Action (as the term is defined by Section 22.164 of the Texas Business Organizations Code, as amended from time to time).

Article XI - Distribution of Assets Upon Winding Up

After all liabilities and obligations of the Corporation in the process of winding up are paid, satisfied and discharged, the property of the Corporation shall be applied and distributed in accordance with Section 22.304, Texas Business Organizations Code.

Article XII - Effective Date of Filing

This Certificate of Formation becomes effective when the document is filed by the Secretary of State.

Article XIII - Execution

This document is signed subject to the penalties imposed by law for the submission of a materially false or fraudulent instrument.

Date: February _____, 2008

Terry S. Ward

Bylaws of

THE MEADOWS OF CHAPPELL HILL LAND OWNERS' ASSOCIATION, INC.

Basic Information

- Name:** THE MEADOWS OF CHAPPELL HILL LAND OWNERS' ASSOCIATION, INC. (the "Association"), established by the Certificate of Formation filed with the Secretary of State of Texas on _____, under file number _____.
- Principal Office:** 14525 FM 529, Suite 205, Houston, TX 77095. The Association may have other offices.
- Declaration:** The Declaration of Covenants, Conditions, and Restrictions for The Meadows of Chappell Hill Subdivision, recorded in the real property records of Washington County, Texas, as amended and restated from time to time.
- Definitions:** Capitalized terms used but not defined herein have the meaning set forth in the Declaration.
- Voting Members:** Members entitled to vote or their proxies. Any Member delinquent in payment of any Assessment is not a Voting Member.

A. Members

1. *Membership.* Every Owner is a Member of the Association. Membership is appurtenant to and may not be separated from ownership of a Tract. Membership is not severable as an individual right and cannot be separately conveyed to any person or entity. The Association has two classes of voting Members:

- a. *Class A.* Class A Members are all Owners, other than Declarant. Class A Members have one vote per Tract. Multiple owners of any single Tract must vote in agreement (under any method they devise among themselves), and in no case shall such multiple owners cast portions of votes. The vote attributable to any single Tract must be voted in the same manner (all for, or all against a particular issue).
- b. *Class B.* Class B Members are Declarant and such Owner(s) as Declarant may, in Declarant's sole discretion, confer Class B membership upon. Each Class B Member has 10 votes for each Tract owned. The Class B membership ceases and converts to Class A membership on the earlier of:
 - i. when Declarant has sold 85% of the Tracts in the Subdivision;

- ii. when Declarant desires to cease to be a Class B Member as evidenced in an instrument recorded in the Real Property Records of Washington County, Texas; or
- iii January 1, 2010.

2. *Place of Meeting.* Members meetings will be held at the Association's principal office or at another place designated by the Board.

3. *Annual Meetings.* The first Members meeting will be held within three (3) months after the formation of the Association. Subsequent regular annual Members meetings will be held on within one hundred and twenty (120) days from the end of the Association's fiscal year.

4. *Special Meetings.* The President may call special meetings. The President must call a special meeting if directed by the Board or by a petition signed by not less than 25% percent of the Class A Members eligible as Voting Members.

5. *Notice of Meetings.* Written notice stating the place, day, and hour of each Members meeting, other than a reconvened meeting, must be given to each Member not less than fourteen (14) nor more than thirty (30) days before the meeting. The special Members meeting notices must also state the meeting's purpose, and no business may be conducted except as stated in the notice. Notice to a Member is deemed given when hand delivered or mailed. If mailed, notice is deemed given (whether actually received or not) when deposited with the United States Postal Service, postage prepaid, and addressed to the Member at the Member's address as it appears in the records of the Association.

6. *Waiver of Notice.* A Member may, in writing, waive notice of a meeting. Attendance at a meeting is a waiver of notice of the meeting, unless the Member objects to lack of notice when the meeting is called to order.

7. *Quorum.* Members holding 20% of the votes which may be cast at the meeting shall constitute a quorum at such meeting. If a Members meeting cannot be held because a quorum is not present, a majority of the Voting Members who are present may adjourn the meeting. At the reconvened meeting, Members holding 15% of the votes which may be cast at the meeting shall constitute a quorum. If a quorum is not present, a majority of the Voting Members who are present may adjourn the meeting. At the second reconvened meeting, a majority of the Board is a quorum. Written notice of the place, date, and hour of each reconvened meeting must be given to each Member not more than thirty (30) nor less than ten (10) days before the reconvened meeting.

8. *Majority Vote.* Votes representing more than 50% of the Voting Members present at a meeting at which a quorum is present are a majority vote. A majority vote shall be necessary to approve a matter to be voted upon by Members.

9. *Proxies.* Voting Members may vote by written proxy. No proxy shall be valid after eleven (11) months from the date of execution, unless otherwise provided in the proxy.

10. *Conduct of Meetings.* The President will preside over Members meetings. The Secretary will keep minutes of the meetings and will record in a minute book the votes of the Members.

B. The Board

1. *Governing Body; Initial Composition.* The affairs of the Association are governed by the Board of Directors ("Board"). Each Director has one vote. The initial Board is composed of the Directors appointed in the Association's Certificate of Formation.

2. *Number of Directors.* The Board consists of not less than two nor more than three Directors. Within those limits, the Board may change the number of Directors. No decrease may shorten the term of a Director.

3. *Term of Office.* The initial Directors serve until the first annual meeting of Members. Successor Directors will have a term of one year. Directors may serve consecutive terms.

4. *Selection; Election.* Class B Member(s), so long as they have Class B membership, shall appoint Directors annually. At the first annual Members meeting when there are no Class B Members, successors for each director whose term is expiring will be elected by a majority vote of the Voting Members. Cumulative voting is prohibited. Directors elected by the Voting Members will hold office until their respective successors have been elected.

5. Removal of Directors and Vacancies

a. *Removal by Members.* Any Director appointed by Class B Member(s) may be removed, with or without cause, by a majority of the Class B Members. Any Director elected by Class A Voting Members may be removed, with or without cause, by a majority vote of the Class A Voting Members at a Members meeting. Any Director whose removal is sought will be given notice of the proposed removal.

b. *Removal by Board.* Any Director may be removed at a Board meeting if the Director:

- i. failed to attend three (3) consecutive Board meetings;
- ii. failed to attend 50% percent of Board meetings within one year;
- iii. is delinquent in the payment of any Assessment for more than forty-five (45) days; or

iv. is the subject of an enforcement action by the Association for violation of the governing documents.

c. *Vacancies.* A Director's position becomes vacant if the Director dies, becomes incapacitated, or resigns.

d. *Successors.* If a Director is removed or a vacancy exists, a successor will be elected by the remaining Directors for the unexpired term of his predecessor in office.

6. *Compensation.* Directors will not receive compensation. A Director may be reimbursed for expenses approved by the Board. Nothing herein shall be construed to preclude any Director from serving the Association in any other capacity and receiving compensation therefore.

7. *Powers.* The Board has all powers necessary to administer the Association's affairs.

8. *Management.* The Board may employ a managing agent. Declarant, or an affiliate of Declarant, may be the managing agent.

9. *Accounts and Reports.* Accounting and controls must conform to good accounting practices. Accounts will not be commingled with accounts of other persons. The following financial reports will be prepared at least annually:

a. An income statement reflecting all income and expense activity for the preceding period.

b. A statement reflecting all cash receipts and disbursements for the preceding period.

c. A variance report reflecting the status of all accounts in an "actual" versus "approved" budget format.

d. A balance sheet as of the last day of the preceding period.

e. A delinquency report listing all Owners who are delinquent by more than 45 days in paying any Assessment and describing the status of any action to collect those delinquent Assessments.

10. *Borrowing.* The Board may borrow money to maintain, repair, or restore the Common Area without the approval of the Voting Members. If approved in advance by the Voting Members in the same manner as approving a Special Assessment, the Board may borrow money for any other purpose.

11. *Rights of Association.* With respect to the Common Area, and in accordance with the Declaration, the Association will have the right to contract with any person for the performance of various duties and functions. Such agreements require the approval of the Board.

12. *Enforcement Procedures*

- a. *Notice.* Before the Board may (1) suspend an Owner's right to use a Common Area, (2) file a suit against an Owner other than a suit to collect any Assessment, (3) foreclose the Association's lien, (4) charge an Owner for property damage, or (5) levy a fine for a violation of the Governing Documents, the Association or its agent must give written notice to the Owner by certified mail, return receipt requested. The notice must describe the violation or property damage that is the basis for the suspension action, charge, or fine and state any amount due the Association from the Owner. The notice also must inform the Owner that the Owner (1) is entitled to a reasonable period to cure the violation and avoid the fine or suspension unless the Owner was given notice and a reasonable opportunity to cure a similar violation within the preceding six months and (2) may request a hearing on or before the thirtieth (30th) day after the date the Owner receives the notice.
- b. *Hearing.* If the Owner is entitled to an opportunity to cure the violation, the Owner has the right to submit a written request for a hearing to discuss and verify facts and resolve the matter in issue before a committee appointed by the Board or before the Board if the Board does not appoint a committee. If a hearing is to be held before a committee, the notice must state that the Owner has the right to appeal the committee's decision to the Board by written notice to the Board.

The Association must hold a hearing under this section not later than the thirtieth (30th) day after the date the Board receives the Owner's request for a hearing and must notify the Owner of the date, time, and place of the hearing not later than the tenth (10th) day before the date of the hearing. The Board or the Owner may request a postponement, and, if requested, a postponement will be granted for a period of not more than ten (10) days. Additional postponements may be granted by agreement of the parties. The Owner or the Association may make an audio recording of the meeting.

The hearing will be held in executive session affording the alleged violator a reasonable opportunity to be heard. Before any sanction hereunder becomes effective, proof of proper notice will be placed in the minutes of the meeting. Such proof will be deemed adequate if a copy of the notice, together with a statement of the date and manner of delivery, is entered by the Officer, Director, or agent who delivered the notice. The notice requirement will be satisfied if the alleged violator appears at the meeting. The minutes of the meeting will contain a written statement of

the results of the hearing and the sanction, if any, imposed. The Board may, but will not be obligated to, suspend any proposed sanction if the violation is cured within a thirty-day period. Such suspension will not constitute a waiver of the right to sanction violations of the same or other provisions and rules by any person.

- c. *Appeal.* Following hearing before a committee, if any, the violator will have the right to appeal the decision to the Board. To perfect this right, a written notice of appeal must be received by the managing agent, if any, President, or Secretary within five (5) days after the hearing date.
- d. *Changes in Law.* The Board may change the enforcement procedures set out in this section to comply with changes in law.

C. Board Meetings

1. *Regular Meetings.* Regular meetings of the Board will be held at such time and place as determined by the Board, but at least one (1) such meeting will be held during each fiscal year. Notice of the time, date, and place of the meeting will be given to Directors not less than ten (10) days before the meeting.

2. *Special Meetings.* Special meetings will be held when called by written notice signed by the President or by any two Directors. The notice will specify the time, date, and place of the meeting and the matters to be covered at the meeting.

3. *Waiver of Notice.* The actions of the Board at any meeting are valid if (1) a quorum is present and (2) either proper notice of the meeting was given to each Director or a written waiver of notice is given by any Director who did not receive proper notice of the meeting. Proper notice of a meeting will be deemed given to any Director who attends the meeting without protesting before or at its commencement about the lack of proper notice.

4. *Quorum of Board.* At all meetings, a majority of the Directors will constitute a quorum, and the votes of a majority of the Directors present at a meeting at which a quorum is present constitutes the decision of the Board unless the act of a greater number is required by law. If the Board cannot act because a quorum is not present, a majority of the Directors who are present may adjourn the meeting to a date not less than five (5) nor more than thirty (30) days from the date the original meeting was called. At the reconvened meeting, if a quorum is present, any business that may have been transacted at the meeting originally called may be transacted without further notice.

5. *Conduct of Meetings.* The President will preside at Board meetings. The Secretary will keep minutes of the meetings and will record in a minute book the votes of the Directors.

6. *Proxies.* Directors may vote by written proxy.

7. *Action without Meeting.* Any action that may be taken at a Board meeting may be taken without a meeting by written consent setting forth the action taken signed by a sufficient number of Directors as would be necessary to take that action at a meeting.

D. Officers

1. *Officers.* The Officers of the Association shall be a President, one or more Vice Presidents (the number thereof to be determined by the Board of Directors), a Secretary, a Treasurer and such other Officers as may be elected in accordance with the provisions of this Article. The Board may elect or appoint such other Officers, including one or more Assistant Treasurers, as it shall deem desirable, such Officers to have the authority and perform the duties prescribed, from time to time, by the Board. Any two or more offices may be held by the same person, except the office of President and Secretary.

2. *Election, Term of Office, and Vacancies.* Officers will be elected annually by the Board at the first meeting of the Board following each annual meeting of the Voting Members. A vacancy in any office may be filled by the Board for the unexpired portion of the term.

3. *Removal.* The Board may remove any Officer whenever, in the Board's judgment, the interests of the Association will be served thereby.

4. *Powers and Duties.* Officers have such powers and duties as are generally associated with their respective offices and as may be specifically conferred by the Board. The President is the chief executive officer of the Association. The Treasurer has primary responsibility for the preparation of the budget and financial reports and may delegate all or part of the preparation and notification duties to a finance committee, management agent, or both.

5. *Resignation.* Any Officer may resign at any time by giving written notice to each Director, the President, or the Secretary. Resignation takes effect on the date of the receipt of the notice or at any later time specified in the notice.

E. Committees

The Board may establish any number of committees by resolution and authorize the committees to perform the duties described in the resolution.

F. Contracts, Checks, Deposits, and Funds

1. *Contracts.* The Board may authorize any Officer or Officers, agent or agents of the Association, in addition to the Officers so authorized by these by-laws, to enter into such contract or execute and deliver any instrument in the name of and on behalf of the Association, and such authority may be general or confined to specific instances.

2. *Checks, Drafts, etc.* All checks, drafts or orders for the payment of money, notes or other evidences of indebtedness issued in the name of the Association, shall be signed by such Officer or Officers, agent or agents of the Association and in such manner as shall from time to

time be determined by resolution of the Board. In the absence of such determination by the Board, such instruments shall be signed by the Treasurer or an Assistant Treasurer and countersigned by the President or Vice President of the Association.

3. *Deposits.* All funds of the Association shall be deposited from time to time to the credit of the Association in such banks, trust companies, or other depositories as the Board may select.

4. *Gifts.* The Board may accept on behalf of the Association any contribution, gift, bequest or devise for the general purpose or for any special purpose of the Association.

G. Miscellaneous

1. *Fiscal Year.* The Board may establish the Association's fiscal year by resolution. In the absence of a Board resolution determining otherwise, the Association's fiscal year is a calendar year.

2. *Rules for Meeting.* The Board may adopt rules for the conduct of meetings of Members, the Board, and its committees.

3. *Conflict.* The Declaration controls over these Bylaws.

4. *Inspection of Books and Records*

a. *Inspection by Member.* After a written request to the Association, a Member may examine and copy, in person or by agent, any Association books and records relevant to that purpose. The Board may establish rules concerning the (1) written request; (2) hours, days of the week, and place; and (3) payment of costs related to a Member's inspection and copying of books and records.

b. *Inspection by Director.* A Director has the right, at any reasonable time, and at the Association's expense, to (1) examine and copy the Association's books and records at the Association's Principal Office and (2) inspect the Association's properties.

5. *Notices.* Any notice required or permitted by the Association's governing documents must be in writing. Notices regarding enforcement actions must be given by certified mail, return receipt requested. All other notices may be given by regular mail. Notice is deemed delivered (whether actually received or not) when properly deposited with the United States Postal Service, addressed to (1) a Member at the Member's last known address according to the Association's records; or, as applicable, (2) the Association, the Board, or a managing agent at the Association's Principal Office or another address designated in a notice to the Members. Unless otherwise required by law or the governing documents, actual notice, however delivered, is sufficient.

6. *Amendment.* These Bylaws may be amended, altered or repealed and new Bylaws adopted at any time by the majority vote of the Directors present at any regular or special meeting of the Board if at least two (2) days' written notice is given of the intention to amend, alter or repeal or to adopt new Bylaws at such meeting. This provision will not be construed as limiting the Board's power to amend the enforcement procedures to comply with changes in law.

The foregoing Bylaws of the Association are hereby adopted by the undersigned, being all of the Directors of such Association named in the Certificate of Formation of the Association, on this _____ day of _____, 2008.

Terry S. Ward

Isabelle Orrick

Section 3. "Property" shall mean and refer to: (a) The Meadows of Chappell Hill, a subdivision of Washington County, Texas, according to the plat records, Sheets 532B and 533A, of Washington County, Texas, and (b) such additions thereto as may hereafter be brought within the jurisdiction of the Association.

Section 4. "Common Area" (IF ANY), shall mean all real property owned by the Association for the common use and benefit of the Owners of the Tracts including any parklands and easements as shown on the recorded subdivision map of the Property.

Section 5. "Tract" shall mean and refer to any parcel or plat of land out of the Property and/or shown upon any recorded subdivision map of the Property but excluding the Common Area.

Section 6. "Declarant" shall mean and refer to Ward ECP, JV, and its successors or assigns (whether immediate or remote), as successor developer of all or a substantial portion of the Tracts in the undeveloped state, but shall not include any purchaser of one or more developed Tracts. For the purposes of this Declaration, "Developed Tract" shall mean any parcel of land subdivided out of the Property.

Section 7. "ACC" shall mean the Architectural Control Committee.

Section 8. "Main Roads" shall mean, as shown on the recorded subdivision map of the Property.

ARTICLE II

USE RESTRICTIONS AND ARCHITECTURAL CONTROLS

Section 1. Construction of Improvements. Each Tract shall be used only for single-family residence purposes and improvements for agricultural use as defined hereafter.

- 1.01 The main residence shall be a single-family residential dwelling not to exceed two and one-half (2-1/2) stories in height, a private garage for not more than five (5) cars, and other structures (including guest houses or servants' quarters). Other structures shall not exceed the main residence in height and may be permanently occupied only by a member of the family occupying the main residence on the Tract, ranch manager and employees, or by domestic servants employed on the premises. The design of other structures shall be consistent with the main residence.
- 1.02 Barns, sheds, storage buildings, and other structures for agricultural use are permitted. These improvements must be specifically approved by the ACC. A barn may include an apartment for employees or a guest house.
- 1.03 Manufactured and/or mobile homes and recreational vehicles for use as a primary residence are strictly prohibited.
- 1.04 Modular homes permanently affixed to a foundation are prohibited unless specifically approved by the ACC. When considering modular homes, the ACC shall consider the appearance of the modular homes with respect to conventional construction.
- 1.05 Carports are prohibited unless specifically approved by the ACC.

Section 2. Architectural Control. No buildings or improvements of any character shall be erected or placed or the erection thereof begun, or changes made in the design thereof after original construction, on any Tract until the construction plans and specifications and a site plan showing the location of the structure or improvements have been submitted to and approved, in writing by the ACC, as to compliance with these restrictions, quality of material, harmony of external design with existing and proposed structures and as to location with respect to topography and finish grade elevation and consistent with a design that is compatible with the country setting and style in the Washington-Chappell Hill area. Unconventional, extreme, and nonconforming design is discouraged. The ACC shall exercise sound discretion when considering contemplated improvements. The initial members of the ACC shall be Terry S. Ward, Randy L. Hodde, and Isabelle Orrick. If there exists at any time one or more vacancies in the ACC, the remaining member or members of the ACC may designate successor member(s) to fill such vacancy or vacancies. The ACC and the individual members thereof shall not be liable for any act or omission in performing or purporting to perform the functions delegated hereunder. In the event the ACC fails to indicate its approval or disapproval within sixty (60) days after the receipt of the required documents, approval will not be required and the related covenants set out herein shall be deemed to have been fully satisfied. Declarant hereby retains its right to assign the duties, powers and responsibilities of the ACC to the Association when one hundred percent (100%) of all Tracts and any other areas annexed to the Property have been conveyed to Owners, and the term "Architectural Control Committee" or "ACC" herein shall include the Association as such assignee. The approval or lack of disapproval by the ACC shall not be deemed to constitute any warranty or representation by the ACC including, without limitation, any warranty or representation relating to fitness, design or adequacy of the proposed construction or compliance with applicable statutes, codes and regulations. The Association may charge a reasonable fee not to exceed the sum of \$250.00 to retain an architect to review plans engineering and specifications for improvements.

Section 3. Minimum Square Footage Within Improvements. The living area of the main residential structure (exclusive of outbuildings, guest houses, porches, garages and servants' quarters) shall not be less than two thousand (2,000) square feet. The ACC, at its sole discretion, is hereby permitted to approve deviations in any building area herein prescribed in instances when in its sole judgment, such deviations would result in a beneficial common use consistent with the Subdivision. Such approvals must be granted in writing in recordable form and when given shall become a part of these restrictions to the extent of the particular tract involved.

Section 4. Exterior Materials. Unless otherwise approved by the ACC, in its sole and exclusive discretion, the exterior materials of the main residential structure and any attached garage, guest houses, and servants' quarters shall be constructed of masonry, stucco, log, hardiplank, cedar, or other wood siding.

Section 5. Location of the Improvements Upon the Tract. Except as provided in (b) below, no building or other Improvements shall be located on any Tract nearer than:

- a. Eighty feet (80') to the Main Roads;
- b. Twenty feet (25') feet to the side or near Tract line except for tracts eighteen (18) and nineteen (19) upon which this twenty-five (25') line shall not apply to the side line dividing of such tracts.

Section 6. Composite Building Site. Any Owner of one or more adjoining Tracts may consolidate such Tracts into one single-family residence building site with the privilege of placing

or constructing improvements on such composite building site, in which case setback lines shall be measured from the resulting combined Tract lines rather than from the singular Tract lines.

Section 7. Easements. 7.01 As shown on the recorded plat, easements for installation and maintenance of utilities are reserved (or will be reserved) by Declarant, and no structure of any kind shall be erected upon any of said easements.

The owner shall maintain the easements described in Sections 7.01 on the side facing and running along the roads from corner point to corner point of owner's property. FROM YOUR PROPERTY LINE TO THE EDGE OF THE ROAD PAVEMENT. Maintaining includes but is not limited to cutting of the drainage ditches, keeping the easement area clean and free of debris and trash. Neither Declarant nor any utility company using the easement shall be liable for any damage done by either of them or their assigns, their agents, employees or servants to shrubbery, trees, flowers or improvements of the owner located on the land within or affected by said easements.

As shown on the recorded plat, the easements for the Main Roads are wider than the actual paved surface of the Main Roads. The Main Roads shall be constructed according to plans and specifications approved by Washington County, Texas, for maintenance by Washington County, Texas. However, each Tract Owner shall be solely responsible for the maintenance of any driveways from a Main Road to the Tract from that point where such driveways tie into the Main Road.

Additionally, each tract owner is responsible and shall cut the grass and maintain the surface of any easement, ditch areas or unimproved right of way from the main road that borders their property.

Section 8. Prohibition of Trade and Offensive Activities. No retail, industrial, multifamily construction, office building, or mixed use commercial construction, shall be allowed on any Tract. Noxious or offensive activities of any sort including loud noises or anything done on any Tract that may be or become an annoyance or a nuisance to the neighborhood shall not be permitted.

Section 9. Use of Temporary Structures. No structures of a temporary character, mobile home, trailer, tent, shack, garage, barn or other outbuildings shall be used on any Tract at any time as a primary residence. Buildings used for accessory or storage purposes shall be limited to not more than two and one-half (2-1/2) stories in height and shall be subject to approval of the ACC. Temporary structures may be used as building offices and for related purposes during the construction period. Such structures shall be inconspicuous and slightly and shall be removed immediately after completion of construction.

Section 10. Storage of Automobiles, Boats, Trailers and other Vehicles. No boat trailers, boats, travel trailers, automobiles, trucks, tractor-trailers, campers or vehicles of any kind shall be semi-permanently or permanently stored in the public street right-of-way or on driveways. Storage of such items and vehicles must be screened from public view, either within the garage or behind a fence which encloses the rear of the Tract. No inoperable boat trailers, boats, travel trailers, automobiles, trucks, tractor-trailers, campers or vehicles of any kind shall be semi-permanently or permanently stored on any Tract.

Section 11. Mineral Operations. No oil, gas or other mineral drilling, development operations, refining, quarry, or mining operations of any kind shall be conducted or permitted upon or in any Tract. No wells (excluding water wells and septic tanks), tanks, tunnels, mineral excavation, or shafts shall be conducted or permitted upon or in any Tract. No derrick or other

structures designed for the use of boring for oil or natural gas shall be erected, maintained, or permitted upon any Tract.

Section 12. Agricultural Use. For purposes hereof, the term "agricultural use" shall be limited as follows:

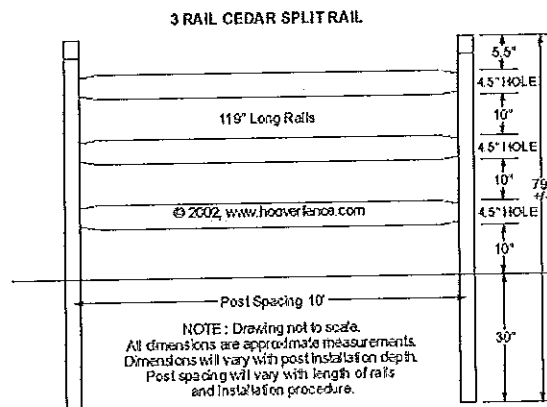
- 12.01 Raising of livestock, and poultry shall be permitted; however, commercial feed tract type operations and commercial poultry & swine operations are strictly prohibited.
- 12.02 Livestock shall be limited to one (1) animal unit per acre, except sheep or goats which shall be limited to two (2) animal units per acre shall be allowed. Swine shall be limited to one (1) animal units per three (3) acres.
- 12.03 Any animal with un-weaned offspring shall be deemed and considered to be a single animal unit. Otherwise each head of cattle or other livestock shall be deemed to a single animal unit.
- 12.04 Where a combination of types of animal units are kept on a tract, the total number allowed shall be determined by allocating one (1) acre per animal unit, regardless of kind, except for sheep and goats, in which case two animal units shall be allowed to the acre(s) allocated for sheep or goats.
- 12.06 Dogs, cats or other common household pets are excluded from the term "livestock" and "animal unit", provided they are kept, bred or maintained for non-commercial purposes.
- 12.07 All lots, pens, and other areas where cattle or livestock are kept or raised shall be kept and maintained in a neat and clean condition reasonably free from odors and shall be periodically sprayed or otherwise treated to restrict and minimize flies and other insects so as not to become a nuisance to Owners of the Tracts.
- 12.08 All pens, houses, and other areas where poultry including chickens, geese, ducks, turkey, and guineas are raised shall be kept and maintained in a neat and clean condition reasonably free from odors and shall be periodically sprayed or otherwise treated to restrict and minimize flies and other insects so as not to become a nuisance to Owners of the Tracts.
- 12.09 No pistol, rifle, shotgun or any other firearm or explosives or any other device capable of killing or injuring or causing property damage shall be discharged on any part of the Property, except as follows:
 - a. For the protection of Owners of the Tracts and their property or animals from predators or nuisance varmints;
 - b. Upon written permission of the Association.
 - c. The Association has the right to adopt rules and regulations concerning the use of firearms on the Property.
- 12.10 The Association has the right to adopt rules and regulations concerning the use of unlicensed motorcycles, go-carts and similar motorized vehicles and

may at its discretion eliminate their use if such operation creates a safety hazard, excessive noise or annoyance to Owners of the Tracts.

Commercial activity, whether for profit or not, open to the public or business invitees is prohibited. Similarly, except for limited agricultural use as above provided, commercial use that involves, directly or indirectly, the storage, warehousing and/or distribution of goods or services is prohibited. See Section 8 above.

Section 13. Walls, Fences and Hedges. As part of the common scheme and plan as shown on the recorded plat, Owner is not required to fence, however, if Owner chooses to fence the main road frontage on the Main Roads shall be fenced and constructed as specified hereafter ("the Main Road Fence"). The specifications for the Main Road Fence are as follows: 13.01

The Main Road Fence shall be constructed of a three (3) split-rails made of cedar. See Detail Drawing (Below)



Any other privacy walls, fences, or hedges that obstruct views of the Tracts from the Main Roads shall be approved by the ACC prior to commencing construction. Any privacy walls, fences, or hedges erected on a Tract by Declarant, or its assigns, shall pass ownership with title to the Tract, and it shall be Owners of the Tracts responsibility to maintain said walls, fences, or hedges thereafter. Hurricane-type or chain-link fences are strictly prohibited and forbidden, and no variance for same will be granted.

Section 14. Tract Maintenance. The Owner or occupants of all Tracts shall at all times keep all weeds and grass thereon cut in a sanitary healthful, attractive manner and shall in no event use any Tract for storage of vehicles, material, and equipment except for normal residential requirements or incident to construction of improvements thereon as herein permitted. The accumulation of garbage, trash or rubbish of any kind or the burning thereof (except as such burning is permitted by law) of any such materials is prohibited. Each Tract owner shall arrange for at least weekly garbage, rubbish and trash pickup from the Tract (or on an as needed basis) as long as such service is not provided and required by a municipality. The Association may, at its option, require each Tract Owner to purchase trash service from one service and charge for such service as part of the assessments described in Article III hereof. In the event of default on the part of the Owner or occupant of any Tract in observing the above requirements or any of them, such default continuing after ten (10) days' written notice thereof, Declarant, or its assigns, may without liability to Owner or occupant, but without being under any duty to so do, in trespass or otherwise, enter upon said Tract, cut, or cause to be cut, such weeds and grass and remove or cause to be removed, such garbage, trash and rubbish or do any other thing necessary to secure

compliance with these restrictions and to place said Tract in a neat, attractive, healthful and sanitary condition, and may charge the Owner or occupant of such Tract for the cost of such work. The Owner or occupant, as the case may be, agrees by the purchase or occupation of the Tract to pay such statement immediately upon receipt thereof. Any unpaid amount shall bear interest at the lesser of the highest rate allowed by law or eighteen percent (18%) per annum.

Section 15. Trash containers, dumpsters or any object holding or storing trash.

Trash containers, dumpsters or any object holding or storing trash must be out of site of the all public or private roads surrounding or going through The Meadows Of Chappell Hill. Storing or placing and trash containers, dumpsters or any object holding or storing trash at or near driveway near the road, or the road frontage of property is strictly prohibited.

Moveable Trash containers may be put at the entrance of a tract near the road, the night before or the morning of a scheduled trash pickup day by a hired garbage company and hauler. The moveable containers shall be removed from the road area the same day of the trash pickup day.

Section 16. Mail boxes, newspaper holders. The placement of mail boxes, newspaper holders or any other containers or apparatus to receive deliveries or for pick up of items must be within 20 feet (on either side) of the driveway. Additionally, mail boxes, newspaper holders shall be installed or mounted on the same pole or supporting device. All other containers or apparatus to receive deliveries or used to hold materials or items for pick up, must be approved by the ACC.

Section 17. Signs, Advertisements and Billboards. No sign, advertisement, billboard or advertising structure of any kind shall be placed, maintained or displayed to the public view of any Lot except one sign for each building site, of not more than four feet by four feet (4' x 4'), advertising the property for sale, provided that Declarant, or its assigns, may maintain, as long as it owns property in the Subdivision, in or upon such portions of the Property as Declarant may determine, such facilities as in its sole discretion may be necessary or convenient, including, but without limitation to offices, storage areas, model units and signs. Declarant, or its assigns, shall have the right to remove any such sign, advertisement, billboard or structure which is placed on said Lots in violation hereof, and in doing so shall not be subject to any liability for trespass or other tort in connection therewith or arising from such removal.

Section 18. Roofing Materials. The roof of all buildings (including any garage or servants' quarters) shall be constructed or covered with composition shingles, metal or slate acceptable to and approved by the ACC. Any other type of roofing material shall be permitted only at the sole discretion of the ACC upon written request.

Section 19. Maximum Height of Antennae. No electronic antenna or device of any type other than an antenna for receiving normal television signals shall be erected, constructed, placed or permitted to remain on any Tract, residences, or buildings except as approved by the ACC. Television antennae may be attached to the residence provided, however, such antenna must be located to the rear of the roof ridge line, gable or center line of the principal dwelling. Freestanding antennae must be attached to and located behind the rear wall or on a sidewall of the main residential structure. No antennae, either freestanding or attached, shall be permitted to extend more than fifty feet (50') from ground level and must have ACC approval as to the placement of the antennae on the tract. No portion of any Tract shall be sold, leased, conveyed, or in any manner transferred for use as a wireless or cellular communication facility.

Section 20. Re-subdivision. Declarant may subdivide any of the Tracts at its discretion. A Tract Owner may subdivide a Tract; provided however, each subdivided Tract shall have not less than thirty (30) acres once subdivided. The location of improvements on any subdivided Tract

shall comply with the setbacks in Section 5 above. All subdividing by an Owner must be approved by the ACC and platted to the rules and laws of Washington County and the State of Texas.

Section 21. Septic Systems. Prior to occupancy of a home, or any livable building each Tract Owner shall construct, install and maintain a septic tank and soil absorption system in accordance with the specifications for same as established by the laws of the State of Texas and the rules and regulations of Washington County, Texas. If such septic system complies with such specifications, but still emits foul or noxious odors or unsafe liquid onto streets, ditches or adjoining tracts, such system shall be modified so as to eliminate such foul or noxious odors or unsafe liquid.

Section 22. Water System. Water wells shall be drilled and maintained in accordance with the laws of the State of Texas and the rules and regulations of Washington County, Texas.

Section 23. Covered Bridges. Notwithstanding any other provision of this document, the ownership of and exclusive right and obligation for maintenance thereof of all bridge covers on the covered bridges located within Meadows of Chappell Hill shall be the sole responsibility of the Association. Neither the town of Chappell Hill or Washington County, Texas shall have any obligation, expressed or implied, to repair, maintain or otherwise be responsible for any condition of such bridge cover on the covered bridges, nor shall they have any liability for any damage, harm, personal injury or other claim arising out of, or related to the existence of or use of such bridge covers on the covered bridges in the Meadows of Chappell Hill.

ARTICLE III **COVENANT FOR MAINTENANCE ASSESSMENTS**

Section 1. Creation of the Lien and Personal Obligation of Assessments. Declarant, in the case of each Tract owned within the Property hereby covenants, and each Owner of any Tract by acceptance of a deed therefore, whether or not it shall be so expressed in such deed, shall be deemed to covenant and agree to pay to the Association: (1) annual assessments or charges, (2) special assessments for capital improvements, for repayment of funds borrowed and used in payment of capital improvements, (3) other assessments for mowing tracts, removing trash, or other purposes. Such assessments shall be established and collected as hereinafter provided. The annual, monthly, and special assessments, together with interest, costs, and reasonable attorneys' fees, shall be a charge on the Tract and shall be a continuing lien upon the Tract against which each such assessment is made. Each such assessment, together with interest, costs and reasonable attorneys' fees, shall also be the personal obligation of the person who was the Owner of the Tract at the time when the assessment fell due.

Section 2. Purpose of Assessments. The assessments levied by the Association shall be used exclusively to promote the recreation, health, safety and welfare of the Owners of the Tracts within the Property and for the improvements and maintenance of the Common Area, if any.

Section 3. First Assessment Payment and Maximum Annual Assessment. Assessments will start two (2) years following the conveyance of the first Tract to an Owner. The maximum annual assessment (not including assessments for water and trash, service and other special assessments) shall be the sum of \$150 of each Tract. From and after January 1, of the second year immediately following the conveyance of the first Tract in the Subdivision, to an Owner, the maximum annual assessment may be increased ten percent (10%) of the maximum assessment for the previous year by an affirmative vote of fifty percent (50%) of the votes of the Owners of the Tracts, each Owner or Owners of the Tracts being entitled to one vote per each Tract owned, who are voting in person or by proxy, at a meeting duly called for such purpose. The Board of Directors of the Association may fix the annual assessment at an amount not in excess of

the maximum. Declarant may exclude any Tract that is sold to an adjoining landowner for agricultural use only from maintenance assessments for so long as such Tract is used for agricultural use only but not otherwise.

Section 4. Special Assessments for Capital Improvements. In addition to the annual assessments authorized above, the Association may levy, in any assessment year, a special assessment applicable to that year only for the purpose of defraying, in whole or in part, the cost of any construction, reconstruction, repair or replacement of a capital improvement upon the Common Area, including fixtures and personal property related thereto provided that any such assessment shall have the assent of two-thirds (2/3rds) of the votes of the Owners of the Tracts who are voting in person or by proxy at a meeting duly called for this purpose.

Section 5. Notice and Quorum for any Action Authorized Under Sections 3 and 4. Written notice of any meeting called for the purpose of taking any action authorized under Sections 3 and 4 of Article III shall be mailed (by U.S. first class mail) to all Owners of the Tracts not less than thirty (30) days nor more than sixty (60) days in advance of the meeting. At the first such meeting called, the presence of Owners of the Tracts or of proxies entitled to cast sixty percent (60%) of all the votes of the Owners of the Tracts shall constitute a quorum. If the required quorum is not present at any such meeting, the meeting shall be adjourned but another meeting may be called subject to the same notice requirement, but the required quorum at such subsequent meeting shall be one-half (1/2) of the required quorum applicable in the case of the preceding meeting. No such subsequent meeting shall be held more than sixty (60) days following the proceeding meeting.

Section 6. Rate of Assessment. All Tracts in the Subdivision shall commence to bear their applicable maintenance fund assessment simultaneously and Tracts in the Subdivision that are owned by Declarant are exempt from assessment. Tracts that are occupied by residents shall be subject to the annual assessment determined by the Board of Directors in accordance with the provisions of Sections 3 and 7 hereof. Tracts in the Subdivision that are not occupied by a resident and which are owned by, a builder, or a building company, shall be assessed at the rate of one-half (1/2) of the annual assessment above. The rate of assessment for an individual Tract, within a calendar year, can change as the character of ownership and the status of the occupancy by a resident changes, and the applicable assessment for such Tract shall be prorated according to the rate required during each type of ownership. The rate of assessment for water and trash service shall be set by the Declarant or the Board of Directors of the Association, whichever is in charge of such at the time.

Section 7. Date of Commencement of Assessments: Due Dates. The annual and monthly assessments provided for herein shall commence as to all Tracts in the Subdivision, two (2) years when the first tract therein is deeded to an owner, a builder or building company by Declarant. The first annual assessment shall be adjusted according to the number of months remaining in the then current calendar year. The Board of Directors of the Association shall fix the amount of the annual assessment against each Tract at least thirty (30) days in advance of each annual assessment period. Written notice of the annual assessment shall be mailed (by U. S. first class mail) to every Owner subject thereto. The Board of Directors shall establish the payment dates. The Association shall, upon demand, and for a reasonable charge, furnish a certificate signed by an officer of the Association setting forth whether the assessments on a specified Tract have been paid and the amount of any delinquencies. The Association shall not be required to obtain a request for such certificate signed by the Owner, but may deliver such certificate to any party who in the Association's judgment has a legitimate reason for requesting same.

Section 8. Effect of Nonpayment of Assessments: Remedies of the Association.

Any unpaid assessment not paid within thirty (30) days after the due date shall bear interest from the due date until paid at the lesser of the highest rate allowed by law or eighteen percent (18%) per annum. Additionally, any unpaid assessment shall give the Association the right to bring an action at law to enforce the lien against the property and the Owner personally obligated to pay the assessment, and to take whatever other legal action is necessary to protect the rights of the Association and/or the remaining Owners. The lien or liens provided herein as security for the assessment shall be in favor of the Association and shall be for the benefit of all other Owners. The Association may bring an action at law against the Owner personally obligated to pay same or foreclose the Association's lien by all methods available for the enforcement of such liens, including foreclosure by an action brought in the name of the Association either judicially or non-judicially by power of sale, and each Owner expressly grants to the Association a power of sale in connection with the non-judicial foreclosure of the Association's lien. Non-judicial foreclosure shall be conducted in accordance with the then applicable laws of the State of Texas, including, but not limited to Chapter 51 of the Texas Property Code, and notice and posting of sale shall be in compliance with such laws. The Board is expressly empowered hereby to designate a trustee in writing from time to time to post or cause to be posted any required notices and to conduct any such non-judicial foreclosure sale. The Association shall have the power to bid on the Tract at any foreclosure sale, and to acquire, hold, lease, mortgage, or convey the same.

Section 9. Subordination of the Lien to Mortgages. The lien of all the assessments provided for herein shall be subordinate to the lien of any first mortgage, subordinate mortgage for home or other improvements, or home equity mortgage, existing at any time upon the particular tract involved. Sale or transfer of any Tract shall not affect the assessment lien. However, the sale or transfer of any Tract pursuant to mortgage foreclosure (whether by exercise of power of sale or otherwise) or any proceeding in lieu thereof, shall extinguish the lien of such assessments as to payments which became due prior to such sale or transfer. No sale or transfer shall relieve such Tract from liability for any assessments thereafter becoming due or from the lien thereof, but such lien shall exist as, and constitute, a separate and distinct charge and lien on each Tract.

**ARTICLE IV
GENERAL PROVISIONS**

Section 1. Enforcement. All restrictions, conditions, covenants, reservations, liens and charges now or hereafter imposed by the provisions of this Declaration shall run with the land. The Declarant, the Association, or any Owner, shall have the right to enforce, by any proceeding at law or in equity, all restrictions, conditions, covenants, reservations, liens and charges now or hereafter imposed by the provisions of this Declaration. Failure by the Declarant, the Association, or by any Owner to enforce any covenant or restriction herein contained shall in no event be deemed a waiver of the right to do so thereafter.

Section 2. Owner's Easement of Enjoyment Every Owner shall have a right and easement of enjoyment in and to the Common Area, if any, which shall be appurtenant to and shall pass with the title to every tract subject to the following provisions:

- 2.01 The right of the Association to charge reasonable admission and other fees for the use of the Common Area, if any.
- 2.02 The right of the Association to suspend the voting rights and right to use of the Common Area, if any, by an Owner for any period during which any assessment against his Tract remains unpaid; and for a period not to exceed sixty (60) days from each infraction of its published rules and regulations.

2.03 The right of the Association to dedicate or transfer all or any part of the Common Area, if any, to any public agency, authority or utility for such purposes and subject to such conditions as may be agreed to by the Owners of the Tracts. No such dedication or transfer shall be effective unless an instrument signed by two-thirds (2/3rds) of the Owners of the Tracts agreeing to such dedication or transfer has been recorded in the Deed Records of Washington County, Texas.

Section 3. Delegation of Use. In accordance with the Bylaws of the Association, any Owner may delegate his right of enjoyment to the Common Area and facilities, if any, to the members of his family, his tenants or contract purchasers who reside on the property.

Section 4. Amendment. The covenants and restrictions of this Declaration shall run with and bind the land, for a term of fifty (50) years from the date this Declaration is recorded, after which time they shall be automatically extended for successive periods of twenty (20) years. This Declaration may be amended during the first fifty (50) year period by an instrument signed by those Owners of the Tracts owning not less than ninety percent (90%) of the Tracts, and thereafter by an instrument signed by those Owners of the Tracts owning not less than seventy-five percent (75%) of the Tracts. Declarant may amend this Declaration without approval or consent of Owners of the Tracts by an instrument signed by it any time during a period ending on the earlier of two (2) years from the date hereof or when the Declarant has sold ninety percent (90%) of the Tracts. No person shall be charged with notice of or inquiry with respect to any amendment until and unless it has been filed for record in the Deed Records of Washington County, Texas.

Section 5. Annexation. Declarant may annex additional residential property and/or Common Area to the Property without approval or consent of Owners of the Tracts.

Section 6. Gender and Number. Whenever used, the singular number shall include the plural, the plural the singular, and the use of any gender shall be applicable to all genders.

Section 7. Headings. The paragraph entitlements hereof are inserted for convenience of reference only and shall in no way alter, modify or define, or be used in construing, the text of such paragraphs.

Section 8. Execution by the Association. The Association, by joining in the execution hereof agrees to be bound by all the terms and provisions of this Declaration.

Section 9. Retention of Rights By Declarant. Declarant retains the right to enforce deed restrictions by Declarant or Declarant's agent being an additional member to the board of directors for a period of ten (10) years after all tracts are sold. Declarant will advise board of directors of the Association of any failure to comply with the deed restrictions and bylaws. Declarant may enforce deed restrictions and bylaws of the Meadows of Chappell Hill Declaration of Covenants, Conditions, and Restrictions. Declarant or Declarant's Agent must remain actively engaged in board function, defined as attending 90% of all meetings in person.