

**TENTH AMENDMENT AND REINSTATEMENT OF AGREEMENT
OF COVENANTS, CONDITIONS AND RESTRICTIONS FOR
CYPRESS LAKES UNITS I, II, III, IV, V, VI, VII, VIII, IX, X AND XI SUBDIVISIONS
LIBERTY COUNTY, TEXAS**

RECITALS

WHEREAS, PROPERTY INVESTMENTS, INC., a Texas corporation, heretofore filed an Agreement of Covenants, Conditions and Restrictions for Cypress Lakes Units I and III, Liberty County, Texas, recorded in Volume 693, Page 309 of the Deed Records of Liberty County, Texas and Agreement of Covenants, Conditions and Restrictions for Cypress Lakes Units II, IV, V, VI, VII, VIII, IX, X and XI, Liberty County, Texas, recorded in Volume 695, Page 884 of the Deed of Records of Liberty County, Texas on May 5, 1972; and

WHEREAS, at a Special Meeting of the Association Membership properly called and noticed by the Board of Directors and held on January 30, 1982, by a vote of two-thirds or more of the Owners of Lots (hereinafter defined) in Cypress Lakes entitled to vote, such action being properly taken and duly recorded, approved and ratified that certain First Amendment and Restatement of Agreement of Covenants, Conditions and Restrictions for Cypress Lakes Units I, II, III, IV, V, VI, VII, VIII, IX, X and XI, Liberty County, Texas, which Amendment was recorded in Volume 960, Pages 849-862 of the Deed of Records of Liberty County, Texas, on October 27, 1982; and

WHEREAS, at a Special Meeting of the Association Membership properly called and noticed by the Board of Directors and held on November 20, 2010, by a vote of two-thirds or more of the Owners of Lots in Cypress Lakes entitled to vote, such action being properly taken and duly recorded, approved and ratified that certain Second Amendment and Reinstatement of Agreement of Covenants, Conditions and Restrictions for Cypress Lakes Units I, II, III, IV, V, VI, VII, VIII, IX, X and XI, Liberty County, Texas, which Amendment was recorded in the Liberty County Clerk's Records, Instrument # 2010013612 on December 7, 2010; and

WHEREAS, at a Special Meeting of the Association Membership properly called and noticed by the Board of Directors and held on August 13, 2011, by a vote of two-thirds or more of the Owners of Lots in Cypress Lakes entitled to vote, such action being properly taken and duly recorded, approved and ratified that certain Third Amendment and Reinstatement of Agreement of Covenants, Conditions and Restrictions for Cypress Lakes Units I, II, III, IV, V, VI, VII, VIII, IX, X and XI, Liberty County, Texas, which Amendment was recorded in the Liberty County Clerk's Records, Instrument # 201100960 on August 17, 2011, amending the Second Amendment and Reinstatement of Agreements and Covenants, Conditions and Restrictions, including, among other changes, renaming the Association to "Liberty Lakes Property Owners' Association, Inc.," renaming the Subdivision to "Liberty Lakes Resort Community", and renaming "Mud

Lake” to “Red Tail Lake” Cypress Lake” to “Liberty Lake”, renaming “Buzzards Roost” “Eagle Lake;” and

WHEREAS, at a Special Meeting of the Association Membership properly called and noticed by the Board of Directors and held on July 28, 2011, by a vote of two-thirds or more of the Owners of Lots in Cypress Lakes entitled to vote, such action being properly taken and duly recorded, approved and ratified that certain Fourth Amendment and Reinstatement of Agreement of Covenants, Conditions and Restrictions for Cypress Lakes Units I, II, III, IV, V, VI, VII, VIII, IX, X and XI, Liberty County, Texas, which Amendment was recorded in the Liberty County Clerk’s Records, Instrument # 201100960 on August 17, 2011, amending the Third Amendment and Reinstatement of Agreements and Covenants, Conditions and Restrictions, including renaming the Association the “Liberty Lakes Property Owners’ Association, and other Unit usage restrictions, etc. and the, Correction for Typographical Error pertaining to the Fourth Amendment, which Correction was recorded in the Liberty County Clerk’s Records, Instrument # 2012012967 on October 8, 2012; and

WHEREAS, at the Annual Membership Meeting of the Association Membership properly called and noticed by the Board of Directors and held on February 28, 2015, by a vote of two-thirds or more of the Owners of Lots in Cypress Lakes entitled to vote, such action being properly taken and duly recorded, approved and ratified that certain Fifth Amendment and Reinstatement of Agreement of Covenants, Conditions and Restrictions for Cypress Lakes Units I, II, III, IV, V, VI, VII, VIII, IX, X and XI, Liberty County, Texas, which Amendment was recorded in the Liberty County Clerk’s Records, Instrument # 2015017714 on September 30, 2015; and

WHEREAS, at the Annual Membership Meeting of the Association Membership properly called and noticed by the Board of Directors and held on June 24, 2017, by a vote of two-thirds or more of the Owners of Lots in Cypress Lakes entitled to vote, such action being properly taken and duly recorded, approved and ratified that certain Sixth Amendment and Reinstatement of Agreement of Covenants, Conditions and Restrictions for Cypress Lakes Units I, II, III, IV, V, VI, VII, VIII, IX, X and XI, Liberty County, Texas, which Amendment was recorded in the Liberty County Clerk’s Records, Instrument # 2017012634 on June 24, 2017 and corrected by Correction Amendment recorded as Liberty County Clerk’s Records, Instrument # 2017013448 on July 17, 2017; and

WHEREAS, at the Annual Membership Meeting of the Association Membership properly called and noticed by the Board of Directors and held on March 17, 2018, by a vote of two-thirds or more of the Owners of Lots in Cypress Lakes entitled to vote, such action being properly taken and duly recorded, approved and ratified that certain Seventh Amendment and Reinstatement of Agreement of Covenants, Conditions and Restrictions for Cypress Lakes Units I, II, III, IV, V, VI, VII, VIII, IX, X and XI, Liberty County, Texas, which Amendment was recorded in the Liberty County Clerk’s Records, Instrument # 2018007424 on April 4, 2018; and

WHEREAS, at the Annual Membership Meeting of the Association Membership properly called and noticed by the Board of Directors and held on March 16, 2019, by a vote of two-thirds or more of the Owners of Lots in Cypress Lakes entitled to vote, such action being properly taken and duly recorded,

approved and ratified that certain Eighth Amendment and Reinstatement of Agreement of Covenants, Conditions and Restrictions for Cypress Lakes Units I, II, III, IV, V, VI, VII, VIII, IX, X and XI, Liberty County, Texas, which Amendment was recorded in the Liberty County Clerk's Records, Instrument # 2019011669 on May 17, 2019; and

WHEREAS, at the Special Membership Meeting of the Association Membership properly called and noticed by the Board of Directors and held on November 20, 2019, by a vote of two-thirds or more of the Owners of Lots in Cypress Lakes entitled to vote, such action being properly taken and duly recorded, approved and ratified that certain Ninth Amendment and Reinstatement of Agreement of Covenants, Conditions and Restrictions for Cypress Lakes Units I, II, III, IV, V, VI, VII, VIII, IX, X and XI, Liberty County, Texas, which Amendment was recorded in the Liberty County Clerk's Records, Instrument # 2019033614 on December 17, 2019; and

WHEREAS, the Association desires to assure high quality standards for the enjoyment of the Association membership, and to promote the recreational interests, health, safety and social welfare of each Owner, to provide for the preservation, enhancement and maintenance of the Subdivision and improvements thereon for the benefit of the Subdivision and each Owner; and

WHEREAS, to provide for the efficient preservation of the Subdivision, the Association has the power and duty to administer and enforce the easements, covenants, conditions, restrictions and limitations hereinafter set forth and to collect and disburse the assessments hereinafter created.

NOW, THEREFORE, the Association does hereby revoke, each in their entirety, the Agreements and Covenants, Conditions and Restrictions for Cypress Lakes Units I, II, III, IV, V, VI, VII, VIII, IX, X and XI, Liberty County, Texas and all prior Amendments and Reinstatements of Agreement and Covenants, Conditions and Restrictions (and corrections) for Cypress Lakes Units I, II, III, IV, V, VI, VII, VIII, IX, X and XI, Liberty County, Texas in order to create and carry out a general and uniform plan for the improvement, development, sales and use of Lots in the Subdivision (hereinafter defined), for the benefit of the present and future Owners of the Lots, and the Association does hereby establish and adopt the following covenants, conditions, restrictions and stipulations (the "CCRs") which shall be applicable to and govern the improvements, use, occupancy and conveyance of all the Lots and property in the Subdivision, and shall be held, sold, and conveyed subject to the following reservations, covenants, restrictions and conditions, which are for the purpose of protecting the value and desirability of, and which shall run with, the Property and be binding on all parties having any right, title or interest in the Subdivision and its Lots or any part thereof, their heirs, personal representatives, successors and assigns, and shall inure to the benefit of each Owner thereof subject to any applicable law governing covenants and restrictions.

ARTICLE 1
DEFINITIONS

As used in these Restrictions, the terms set forth below shall have the meanings indicated:

“ACC Guidelines” shall mean the ACC Guidelines to Home, RV & Resort Cabin Lot & Structure Construction adopted from time-to-time by the Board concerning (i) the permitting process for construction of houses, casitas, driveways, culverts and other structures on a Lot pursuant to the provisions of the CCRs, and (ii) the implementation and construction standards there for.

“Architectural Control Committee” shall mean the committee appointed by the Board of Directors to review and approve or disapprove plans for construction of improvements within the Subdivision (the “ACC”).

“Association” shall mean the Liberty Lakes Property Owners’ Association, Inc., a Texas nonprofit corporation (formerly known as the Cypress Lakes Property Owners’ Association, Inc.) and all authorized agents, representatives, and/or attorneys acting on its behalf.

“ATV” (also known as an all-terrain vehicle, a quad, quad bike, four-wheeler, ROV or as otherwise defined by the American National Standards Institute) shall mean a vehicle that travels on low-pressure tires, designed for off road use and to handle a wider variety of terrain than most other vehicles, whether street-legal or not.

“Board” shall mean the Board of Directors of the Association as defined in the Articles of Incorporation and Bylaws of the Association.

“CCRs” shall mean the Tenth Amendment and Reinstatement of Agreement of Covenants, Conditions and Restrictions for Cypress Lakes Units I, II, III, IV, V, VI, VII, VIII, IX, X and XII.

“Casita” shall mean a small building not to exceed 400 Sq. Ft. in size used as a guest bedroom or game room only if located on a Lot with a residence.

“Commercial Lot” shall mean a Lot restricted to retail or service businesses conducting activities that comply with all local, state, or federal law, as more fully described in Article 7, Section 4 hereof.

“Common Areas” shall mean all of the property in the Subdivision owned by the Association, including without limitation, the lakes, roads, campgrounds, pools, bathhouses, pavilions, and such future lots that may be combined from time-to-time to create additional Common Areas.

“Davis Bayou Service Company” shall mean the wholly owned subsidiary of the Association which owns and operates the water and sewer systems that provide water and sewer services to the Lots and Common Areas in the Subdivision and which is monitored and regulated by the Texas Commission on Environmental Quality (the “TCEQ”)

“Developer” shall mean Liberty Lakes Resort LLC, a Texas limited liability company, DBA “The Preserve of Texas,” and its successors and assigns, provided such assigns are so designated by an assignment filed of public record in Liberty County, Texas.

“Earth Tone Colors” shall mean colors which are muted and flat in an emulation of the natural colors found in dirt, moss, trees, and rocks drawn from a color palette of colors such as browns, tans, grays, greens and warm reds and other similar muted colors.

“Equine Facilities Guidelines” shall mean the ACC Equine Facilities Guidelines adopted from time-to-time by the Board concerning the permitting process for maintaining horses in Unit 3 Cypress Lakes Subdivision and in the Equestrian Center.

“Equestrian Center” shall mean the Common Area designated by the Association for stabling horses.

“Equestrian Lots” shall mean those lots whereon a horse is permitted to be stabled.

“Family” shall mean immediate family members of an Owner or Owners and shall include (i) two persons married or in a committed relationship residing together, (ii) two parents or a single parent rearing their minor child or children, and (iii) parents, siblings and/or adult children of an Owner residing with an Owner due to health, financial or other needs.

“Fifth Wheel” shall mean a recreational trailer with a goose-neck hitch that hooks to the bed of a full-size truck for propulsion but is otherwise similar to an RV.

“Golf Cart” shall mean a low-speed, battery or gasoline powered, three or four-wheel vehicle used for transporting one to six passengers, built primarily, but not exclusively, for golf course usage.

“Improved Lot” shall mean a Lot (i) surveyed on all four (4) corners, (ii) with a paved driveway and culvert (if required by the ACC to prevent water flowage blockage), (iii) connected to water, sewer and electrical services and (iv) cleared of all underbrush.

“Lot” shall mean each of the subdivided lots shown on the Plats.

“Maintenance Fund” shall mean the accumulation of (i) the Annual Maintenance Charges collected by the Board pursuant to Article 4 hereof for the construction of improvements in the Subdivision and the continued maintenance, insurance, repair and operation thereof and (ii) interest, penalties, assessments and other sums and revenues collected by the Association pursuant to these Restrictions.

“Member” shall mean an Owner of a Lot who by ownership thereof is deemed to be a member of the Association, as more particularly described in Article 3 hereof.

“Mobile Home” (also known as a “Manufactured Home” or a single-wide or double-wide trailer) shall mean a movable or portable dwelling built on a chassis with wheels, and designed without a permanent foundation, whether real property or personal property.

“Modular Home” shall mean a factory-built home constructed to a local state code (i.e., UBC, IRC, etc.), built either as an “on-frame” or “off-frame” modular. On-frame modular will be built on a permanent chassis. Off-frame modular will be built with the chassis frame removed. An off-frame modular will usually require additional cranes to assist with home placement. Modular homes are, more often than not, attached to private land.

“Mortgage” shall mean a mortgage, deed of trust or other instrument executed by an Owner, duly recorded in the Official Public Records of Liberty County, Texas, and creating a lien or security interest encumbering a Lot (and any improvements thereon) or on the Common Areas or other tracts of land within the Subdivision, which secures the repayment of a loan.

“Motor Home” shall mean a type of self-propelled recreational vehicle or RV which offers living accommodation combined with a vehicle engine.

“Owner” shall mean any person, firm, corporation or other entity or any combination thereof which owns legal or equitable title to a Lot or a Common Area.

“Park Model” (also known as a “Resort Cabin,” “Destination Trailer” or “Tiny Home”) shall mean a unique trailer-type RV or Park Model, certified by its manufacturer as complying with the ANSI A119.5, and designed to provide either a temporary or permanent residence. A Park Model is manufactured with wheels on a chassis which may remain attached and treated as personal property or detached and permanently attached to realty. If the Park Model exceeds 400 square feet, the wheels must be removed and attached to realty.

“Plans” shall mean the construction plans and specifications to be submitted to the ACC by an Owner for construction of improvements as described in the Guidelines.

“Plat” shall mean each of the Plats of Units 1 through 11 Cypress Lakes Subdivision, recorded in Volume 6, Pages 99 through 133 of the Map and Plat Records of Liberty County, Texas.

“Rules and Regulations” shall mean the Community Rules and Regulations adopted from time-to-time by the Board concerning the enforcement of the CCRs.

“Recreational Vehicle” (also known as an “RV”) shall mean a self-propelled recreational vehicle with a valid RVIA seal, that has been certified by the Recreational Vehicle Industry Association or an authority having jurisdiction to have been manufactured as specified by the NFPA Code 119.2 or ANSI code A119.4,

“Single Family Residence” shall mean a Site-built House, a Resort Cabin, a Park Model, a Recreational Vehicle, a Motor Home, a Mobile Home, a Fifth Wheel or any other similar residential unit constructed or placed on a Lot within which only one Family may reside.

“Site-built House” shall mean a residential dwelling constructed entirely or largely on the site which it is intended to occupy upon its completion rather than in a factory or similar facility and which is intended to serve as a permanent residence.

“Subdivision” shall mean the tracts of land in Liberty County, Texas platted as Units 1-11 Cypress Lakes Subdivisions, together with all improvements now or hereafter situated thereon and all rights and appurtenances thereto as originally known as “Cypress Lakes Subdivision,” subsequently changes to “Liberty Lakes Resort Community,” and currently known as “The Preserve of Texas.”

“Sky Tone Colors” shall mean colors which are muted and flat in an emulation of the natural colors found in the sky and drawn from a color palette of various blues.

“UTV” shall mean a utility task vehicle or side-by-side similar to an ATV.

ARTICLE 2 GENERAL PROVISIONS RELATING TO USE AND OCCUPANCY

SECTION 1. Use Restrictions. Each Owner shall use his/her Lot, as may be improved solely for recreational and residential purposes. No owner shall use the Common Areas, or use or permit such Owner’s Lot to be used for any purpose which would (i) void any insurance in force with respect to the Association and the Developer, (ii) make it impossible to obtain any insurance required by these CCRs, (iii) constitute a public or private nuisance, which determination may be made by the Board in its sole discretion, (iv) constitute a violation of any applicable law, ordinance, rule or regulation (including the CCRs and the Rules and Regulations), (v) unreasonably interfere with the use and occupancy of the Subdivision by other Owners, or (vi) constitute a commercial use, except on those Lots specifically designated for commercial use as expressly set forth herein in Article 7, Section 4.

SECTION 2. Reservations. Title to all streets drives, boulevards and other roadways is hereby expressly reserved and retained by the Association, subject only to the grants and dedications expressly made in the Plats or by written instruments of public record.

ARTICLE 3 MAINTENANCE CORPORATION

SECTION 1. Each and every Owner (whether such ownership of a Lot or part thereof is acquired by sale, gift, foreclosure, execution, devise, inheritance or in any other way) shall become a Member of the Association and membership in the Association shall be appurtenant to and may not be separated from ownership of a Lot. The purposes, rights, privileges and responsibilities of the Association, its Members

and the Owners are set forth, without limitation, in the Articles of Incorporation and Bylaws of the Association and in this Declaration.

SECTION 2. The Association shall have the right and authority to: (i) make, modify and revoke rules and regulations applicable to compliance with the CCRs and the Common Areas, (ii) collect maintenance fees, assessments, late charges, interest (at the highest permitted lawful rate) and all other costs and expenses permitted by law; (iii) implement a process involving lien rights and remedies (including the right of foreclosure by private sale as hereinafter set forth) to better secure the appropriate observance of these restrictive covenants and the rules and regulations of the Association; (iv) permit the development of the Subdivision as a recreational and residential subdivision and those uses herein mandated, or directed or encouraged by government authorities having jurisdiction over the Subdivision; and (v) exercise such other rights properly granted it under, and in accordance with, the Articles of Incorporation and Bylaws of the Association or by the Texas Property Code or other applicable law.

SECTION 3. The Association shall maintain the Common Areas, roads and utility systems owned by the Association for the benefit of the Owners.

ARTICLE 4

ANNUAL MAINTENANCE CHARGE, ANNUAL WATER ACCESS FEE, MAINTENANCE FUND, AND MONTHLY TRASH PICK UP FEE

SECTION 1. Payment of Annual Maintenance Charge. With the exception of Lots held by the Association or the Developer, each Lot shall be subject to a maintenance charge (the "Annual Maintenance Charge") pursuant to the terms of the Collection and Payment Plan Policy, or such other reasonable Annual Maintenance Charges and/or Special Assessments as the Association may determine from time-to-time, in its sole discretion. The Annual Maintenance Charge shall be due on or before December 31st of each year. The Board may, in its sole discretion, provide for an early payment discount of the Annual Maintenance Charge and/or a multi-lot discount when more than one Lot is owned by the same Owner. The amount of the Annual Maintenance Charge for each Lot may be increased or decreased by the Board from time-to-time, but not more often than once per year, provided, however, that if any such change increases the Annual Maintenance Charge by more than twenty percent (20%) of the amount of the current Annual Maintenance Charge, the change must be approved by a majority vote of the Owners at a Meeting of the Members.

SECTION 2. Payment of Annual Water Access Fee. Each Lot shall be subject to a water access fee (the "Annual Water Access Fee") of \$40.00 per year, or such other amount as these CCRs permit or as the TCEQ may permit the Davis Bayou Service Company to charge from time-to-time. If any proposed change increases the Annual Water Access Fee by more than twenty percent (20%) of the amount of the Annual Water Access Fee in the preceding calendar year or the maximum amount allowed by the TCEQ, the change must be approved by a majority vote of the Owners of Lots in the Subdivision by written vote taken not less than ten (10) days prior to the first day of January of the year in which such increase shall become effective, and the Owners of each Lot in the Subdivision shall have one vote as set forth in Section 2 of Article 10 hereof. Property owners with two (2) or more connecting Lots are required to pay only one

Annual Water Access Fee. The Annual Water Access Fee shall cease to be charged when a water meter is installed on a Lot.

SECTION 3. Payments of Annual Maintenance Charges and Water Access Fees by Developer. Notwithstanding anything to the contrary herein, all Lots owned by the Developer shall be exempt from the payment of an Annual Maintenance Charge and Annual Standby Water Fee. Developer's exemption from the payment of assessments shall extend to all Lots acquired by the Developer, whether by sale, foreclosure, deed in lieu of foreclosure, execution, or in any other way.

SECTION 4. Maintenance Fund. The Annual Maintenance Charges collected by the Association shall be paid into the Maintenance Fund and shall be held, managed, invested and expended by the Board, at its reasonable discretion, for the benefit of the Subdivision and the Owners. The Board shall, by way of illustration and not by way of limitation, expend the Maintenance Fund for the administration of the Subdivision for such activities as the landscaping, maintenance, insuring, repair, and operation of, and the construction of improvements on, the Common Areas and the water and sewer systems, enforcement of these CCRs by action at law or in equity, or otherwise, paying court costs as well as reasonable and necessary legal fees and for all other purposes which are, in the discretion of the Association, desirable in maintaining the character and value of the Subdivision and the Lots therein. No Member of the Board shall be liable to any person with respect to administration of the Maintenance Fund except for his or her willful misconduct.

SECTION 5. Payment of Trash Pick Up Charge. Each occupied and developed Lot shall be subject to a mandatory monthly trash pickup charge in an amount as determined by the Association. This trash pickup charge does not apply to the occupied and developed Lots of Owners 65-and-over that have Liberty County Landfill Cards for free use of the Liberty County Landfill.

SECTION 6. Enforcement of Annual Maintenance Charge. The Annual Maintenance Charge assessed against each Lot shall be due and payable on December 31st for the next calendar year. Any such amount not paid and received by December 31st shall be deemed delinquent, and, without notice, shall bear interest at rate of ten (10%) percent per annum from the date originally due until paid. In lieu of interest, the Association may elect to charge a late fee of \$35.00 per month until paid in full. In order to secure payment of the Annual Maintenance Charge or any special assessments, a contractual lien to each Lot is hereby reserved to the Association, which lien may be foreclosed either through appropriate judicial proceedings by the Association or by private right of sale without judicial proceedings as set forth in Article 5 hereof, and in compliance with the applicable provisions of the Texas Property Code. Each Owner, by accepting conveyance of a Lot, (i) irrevocably grants to the Association a power of sale so that the lien securing payment of any sum assessed and payable under the terms of these Restrictions may be foreclosed at public sale without judicial proceedings (unless otherwise required by State law) in the manner prescribed by Article 5 hereof and the laws of the State of Texas and, (ii) agrees that each such Owner shall be personally liable for the payment of all such unpaid sums. The lien herein reserved shall be subordinate in all respects to any first lien purchase money Mortgage; provided, however, that any mortgagee acquiring title to a Lot, whether pursuant to the remedies provided for in its Mortgage or procedures in lieu thereof, shall be liable for any unpaid portions of the Annual Maintenance Charge attributable to the Lot in question that arose

prior to such acquisition. In addition to foreclosing the lien hereby retained, in the event of nonpayment by any Owner of such Owner's portion of the Annual Maintenance Charge, the Association, upon ten (10) days prior written notice thereof to such nonpaying Owner, in addition to all other rights and remedies available at law, in equity or otherwise, may pursue any or all of the remedies granted the Association in Article 5 hereof.

ARTICLE 5
PRIVATE RIGHT OF SALE

SECTION 1. To secure payment to the Association of all assessments, fees, charges, levies and other sums assessed and that may become due under the terms hereof by reason of the ownership and/or use of any Lot covered hereby, the Association shall have and is hereby granted the private right of sale pursuant to the applicable provisions of Chapter 51 of the Texas Property Code to enforce the payment and collection of all such sums. The Association shall have the unilateral right to appoint one or more Trustees to enforce the trusts provisions of this Article, and each Owner of a Lot hereby conveys each such Lot to the Trustee for enforcement purposes as set forth in this Article 5.

SECTION 2. After the Association has provided to an Owner all notices required by law and after a Memorandum of Lien is recorded in the Official Public Records of Liberty County, Texas, the Trustee, or Trustees, successor or substitute as provided below, shall enforce this trust by posting the property for sale in accordance with the laws of the State of Texas and the provisions of this Article 5, by foreclosing the lien, if requested to do so by the Association. In foreclosing the lien, Trustee shall do the following:

(a) Advertise the time, place, and terms of the sale of the Lot/Property for at least twenty-one (21) days prior to the day of sale by posting written notices on the Courthouse door of each county in which the Lot/Property is situated.

(b) File these notices in the office of the County Clerk of each county in which the Lot/Property is situated at least twenty-one (21) days prior to the proposed sale date.

(c) Send written notice of the time, place, and terms of the sale of the Lot/Property by certified mail to each person obligated to pay the debt according to the records of the Association at least twenty-one (21) days preceding the date of the sale at the most recent address as shown by the records of the Association. The notices shall designate the courthouse entrance where the Lot will be sold on the first Tuesday in any month during the three-hour period specified in the notice and between the hours of 10:00 A.M. and 4:00 P.M.,

(d) Sell the property at public auction at the courthouse door designated by the County Commissioners of Liberty County, Texas to the highest bidder for cash.

(e) Convey title to the property to the purchaser or purchasers, by general warranty deed, binding Grantor, Grantor's heirs, personal representatives, successors, and assigns to forever warrant title to the property to the purchaser.

(f) From the proceeds of the sale, pay in this order:

- (i) The expenses of advertising the sale and making the conveyance, including a commission of five (5%) per cent (or an amount determined by the Board, as allowed by law) to the Trustee and reasonable attorney's fees actually incurred.
- (ii) To the Association the full amount of the debt, interest, attorney's fees and other charges due and unpaid.
- (iii) The balance of the sales price, if any, to the owner of the property, his heirs, personal representatives, successors or assigns.

The recitals in the conveyance to the purchaser or purchasers shall be full and conclusive evidence of the truth of the matters stated, and all prerequisites to the sale shall be presumed to have been performed. The sale and conveyance shall be conclusive against the Owner of the Lot, his or her heirs, personal representatives, successors and assigns. The Association may be a purchaser at any such foreclosure sale, and on being the highest bidder, may have the amount for which the property is sold credited on the debt.

SECTION 3. In case the lien shall be foreclosed by Trustee's sale or by judicial action, the purchaser at the sale shall six (6) months after the date of purchase become a Member unless the property is redeemed by the original Owner thereof. The Owner of the Lot agrees that if he or anyone claiming under him shall hold possession of the property, or any part of it, subsequent to foreclosure, the party or parties holding possession shall be considered as tenants at sufferance of the purchaser at the foreclosure sale.

ARTICLE 6 ARCHITECTURAL CONTROL COMMITTEE

SECTION 1. The Association has established (i) design and construction standards (the "Guidelines") for all construction, improvements and landscaping on the Property, including minimal requirements for aesthetic compatibility of the external design and color scheme of all residential dwellings, boat ramps, docks, RVs & Resort Cabins, garages, storage units, fencing and commercial structures in the Subdivision as set forth in the CCRs and (ii) uniform procedures for the receipt of permit application, permit issuance and inspection by the ACC. An Owner will be required to obtain a copy of the Guidelines before beginning any construction of a House or other structural improvement on a Lot ("Improvements") and shall be required to deliver a copy thereto to his or her architect, designer and/or contractor. Each Owner shall comply with these standards in addition to all requirements of any applicable state, county or federal construction codes and standards.

SECTION 2. The Board shall appoint two or more individuals to the ACC. The ACC shall function as the representative of the Association to provide for and assist in the architectural control of Improvements. A majority of the Committee shall determine whether an application for a construction permit meets or fails to meet the requirements for construction of Improvements and may designate a representative as Chairman to act for it in responding to permit applications.

SECTION 3. The Guidelines shall include, without limitation, that no Improvements which will be visible above ground or which will ultimately affect the visibility of any above ground improvement, may be built, erected, placed or materially altered on or removed from the Subdivision unless and until the building plans,

specifications, and plot plan or other appropriate plans and specifications have been reviewed in advance by the ACC. The review and approval or disapproval may be based upon the following factors: size, height, design and style elements, mass and form, topography, setbacks, finished ground elevations, architectural symmetry, drainage, color, materials, physical or aesthetic impacts on other properties (including Common Areas), artistic conformity to the terrain and the other Improvements in the Subdivision, and any and all other factors which the ACC, in its reasonable discretion, deems relevant to comply with the CCRs. The requirements as to the approval of the architectural design shall apply only to the exterior appearance of the Improvements, and the CCRs are not intended to serve as authority for the ACC to control the interior layout or design of residential structures except to the extent incidentally necessitated by use, size and height restrictions.

SECTION 4. No improvement or structure of any nature shall be erected, placed or altered on any Lot until (i) construction plans and specifications and a plot plan (showing the location of such improvements on the Lot) have been submitted to and approved, in writing, by the ACC, and (ii) any permits required by applicable governmental authority have been obtained by an Owner and provided to the ACC. In addition, the ACC may require an Owner to provide evidence of financial ability to complete the proposed improvements when the ACC reasonably determines that failure to complete an Improvement would create an unattractive nuisance, constitute a hazard to health, disrupt the harmony of the Subdivision or affect the value of nearby Houses or Improvements.

SECTION 5. The ACC shall review applications for proposed improvements in order to ensure (i) conformity of the proposed improvements with the covenants, conditions and restrictions contained in these CCRs, (ii) compliance with construction standards promulgated by the Association, and (iii) harmony of external design and color thereof in relation to surrounding structures and topography. An application can be rejected for providing insufficient information. If an application is rejected, the ACC will detail the reasons for rejection to assist the applicant to remedy the deficiencies.

SECTION 6. If the ACC fails to approve or reject an application for proposed improvements within forty-five (45) days after actual receipt of the complete application by the Committee, then Committee approval shall be presumed, and the applicant shall be deemed to have fully complied with this Article and may proceed as if proper submission had occurred and written approval had been given.

ARTICLE 7 RESTRICTIONS

SECTION 1. Lot Usage: Lots are restricted to the following uses only:

Lots in Units 1 through 11 are restricted to Single Family Residences; provided, however, that (i) Lots 1-36 and 55-76 in Unit 2 are further restricted to Site-built Houses only and no other form of Single Family Residence is permitted thereon; (ii) Lots 542-569 in Unit 9 are further restricted to Site-built Houses and Modular Homes and Park Models only and no other form of Single Family Residence is permitted thereon; (iii) Equestrian Usage is permitted in the Lots in Unit 3; and (iv) Mobile Homes, Modular Homes, and RVs are permitted on the Lots in Units 1-11

SECTION 2. The minimum size requirements for Single Family Residences are as follows:

(a). Site-built Houses (non-lakefront) - 399 sq. ft. heated and cooled, not including garage or storage areas or enclosed areas under the house,

(b). Site-built Houses (lake front) - 599 sq. ft. heated and cooled not including garage or storage areas or enclosed areas under the house.

(c) Park Models, Resort Cabins, Modular Homes & Tiny Homes - 299 sq. ft.

SECTION 3. The minimum size requirements for RVs, Fifth Wheels & Motor Homes - minimum length of 18 feet; provided, however, that small camper trailers (i.e., Crickets, Teardrops and other similar brands) may be placed on the Lots in Unit 3 to be designated by the Board for up to three weeks per annum (but not more than two weeks at a time or more frequently than seven days apart).

SECTION 4. Commercial Lots. With the exception of Lots 1-54, 517-571, 634-639, 656-670 and 672-688 in Unit 11 Cypress Lakes Subdivision (the "Commercial Lots"), no commercial activity or use shall be conducted on or from any Lot, provided, however, that (i) the sale or resale of Lots, (ii) the use of Lots for utility services, or (iii) home-based businesses which generate little walk-in business and which meet parking rules of the Subdivision shall not be considered to be commercial activity. Permitted uses on the Commercial Lots shall include, without limitation, restaurant, convenience store, condo development, apartments, senior living facilities, retail sales, spa or health services, RV, Resort Cabin, or Park Model dealership, and recreational amenities and facilities. Prohibited uses include, without limitation, adult-oriented businesses or any business prohibited by local, state or federal law. Every business operation in the Subdivision is required to adhere to all county, state and federal building and health codes and the provisions of Article 7 hereof. Use and exterior signage and appearance of the business on a Commercial Lot must be approved by the ACC. The Owner of a business on a Commercial Lot must provide the ACC proof of current and public liability and fire insurance coverage in such amounts as are reasonably determined by the ACC to be required to protect the Association, the Owners and the Developer based on the nature of the business conducted thereat and the potential risk of harm to person or property of third persons, including, without limitation, the Owners, their guests and their invitees. A Certificate of Insurance evidencing such insurance shall be provided to the Association and to the Developer prior to commencement of any business activities on the Lot and shall name the Association and the Developer as additionally insureds. Said Certificate of Insurance must remain in full force and effect so long as business activities are conducted from a Commercial Lot, with proof of renewals provided to the Association and Developer. The Certificate of Insurance shall require the insurance company to provide the Association and the Developer 30 days' notice of expiration of a term of coverage or notice of cancellation of coverage. The operation of the business must meet all state and local licensing laws for the specific operations therein. In order to protect the general public, the Owners, the Association, the Developer and their employees agents and representatives, failure to obtain or maintain the required insurance or to provide proof thereof will entitle the Association and/or the Developer to file suit for injunctive relief without showing there is no other adequate remedy at law to enjoin the Owner of a Commercial Lot from conducting business activities thereon or there from until the required insurance is obtained and the Certificates of Insurance are

provided as herein required. Without exception, to maintain the image of the Subdivision and the property values therein, and to assure the safety of Owners and the general public, the Lot(s) on which a commercial operation is conducted must be maintained in a neat, clean and safe manner, cleanly mowed with trees cleared, roofing in good maintenance. Signage must be reasonable and appropriate, subject to pre-approval by the ACC and in compliance with the Scenic Highways Act which affects Highway 105 abutting the Subdivision. Developer is exempt from all signage requirements. Failure to comply with proper maintenance and signage, or such other Rules & Regulations as established by the Association, may result in penalties assessed against the Owner as authorized herein. Notwithstanding anything to the contrary, Developer may, in its sole and absolute discretion, permit residential use of the above-defined Commercial Lots.

SECTION. 5 Recreational Vehicles ("RVs"). Recreational Vehicles brought onto a Lot must meet the requirements of the CCRs hereinabove set forth and must be maintained in a like-new condition with a minimum length of eighteen (18) feet (excluding tongue). Based upon "Pride of Ownership," the Board may make an exception to these size and age restrictions in its sole reasonable discretion. Fully improved RV Lots in which an RV pad has been installed may also include the usage of a Resort Cabin and an installed pad for that purpose. This also includes the construction of a Resort Cabin that meets the same HUD and elevation requirements of a Single-Family Residence site, and meets with ACC Guidelines and ACC approval, after an RV pad has been installed.

SECTION 6. Lots in Unit 3 may be used as a Single-Family Residences and/or may be utilized to stable 1 horse if an owner owns two or more adjoining Lots. Stables, barns or storage facilities for horses may be constructed on such Lots by approval of the ACC, which approval may be denied if in the ACC's sole discretion the ACC does not deem that the structures requested provide a safe or humane environment for the horses or Owners.

SECTION 7. RVs, Park Models, Fifth Wheels, Motor Homes, Modular Homes and Tiny Homes (collectively, "RVs") must be no older than 20 years of age unless the Board determines, in its sole and absolute discretion, that the RV in question has been restored or maintained in like-new manner. Mobile Homes must be no older than 20 years of age unless otherwise approved by the Board in its sole and absolute discretion. In any event, the RV must have been manufactured to the proper National Fire Prevention Association Code ("NFPA") with certification thereof. No more than one RV may be kept on a Lot unless prior approval is obtained from the ACC with good cause shown. Each RV must have acceptable roofs, comply with the CCRs Exteriors must be in good condition Any of the above-described units may be placed on a Lot if there is a fully-developed RV pad and separate water and sewer hookups installed on the Lot. A FEMA trailer that has been converted to RV usage is specifically prohibited from inclusion as a RV and is not permitted for RV usage in the Subdivision, as FEMA trailers were not built to NFPA code and do not have a RVIA seal.

SECTION 8. No Lot may be re-subdivided in any fashion. Any person owning two or more adjoining Lots, may, however, treat such Lots as one building site for the purpose of constructing a Site built House or Mobile Home thereon as otherwise permitted in this Declaration. For purposes of Maintenance Fee Charges, the lots shall, however, remain as separate lots, unless the Owner petitions the Liberty County

Commissioners Court to re-plat the Lots as one Lot. All requests for the re-plat of Lots are subject to the prior approval of the Developer in its sole and absolute discretion. Correction deeds, boundary line settlement agreements, or other similar corrective instruments to correct any surveying error and to accurately describe a Lot shall not be deemed a violation of this section.

SECTION 9. No asbestos materials are permitted anywhere in the Subdivision.

SECTION 10. Casitas, storage buildings, car ports, and gazebos may be constructed only on an Improved Lot. Casitas may have washers and dryers and may not exceed 399 sq. ft in size. Sewer lateral lines to Casitas may not exceed two inches (2") in diameter. Bathrooms may only be constructed in Site-built Houses. Storage buildings may not exceed 600 sq. feet in size. Car ports may be constructed of wood or metal. Roofs and poles of a carport must be painted in Earth Tone Colors or Sky Tone Colors. Car ports and below-ground swimming pools may be constructed only on a Lot with a Site-built House and no above-ground swimming pools will be permitted in the Subdivision. Swimming pools (above and below ground) must be enclosed by a fence that meets all local and state safety requirements and the Guidelines. All Park Models, RVs, Modular Homes, Mobile Homes or Tiny Homes with wheels which an Owner chooses to remove, must be raised at least twenty-two inches (22") from the ground to protect against flooding and the space created thereby must be skirted.

SECTION 11. Subject to the limitations as hereinafter set forth, fences may be constructed on a Lot subject to approval of the ACC, but may not create a safety hazard or create a sight-line hazard on any street intersection. Fences must be constructed of wood, iron or chain link or similar metal fences with wood posts or metal posts, with either wood or metal frames. Hog wire and similar fences are not permitted. Privacy fences higher than six feet (6') are prohibited without the approval of the ACC. The front of any fence may not be closer to the front Lot line than is allowed at the front of a residential dwelling per setback requirements. Fences shall be completed within two (2) months from the commencement date thereof. All new and existing fences must be properly maintained and structurally sound, or repair/tear down may be required. An Owner is not permitted to close off or deny access on or to any public road or walkway.

SECTION 12. No permanent structures shall be constructed on a Lot within twenty (20') feet of the front set back line, within five (5') feet of the rear setback line, and within ten (10') feet of the side setback lines. Subject to applicable state and local rules, deviations of the setback lines must first be approved by the ACC upon a showing of good cause. Fences may be built within the ten (10") side lot lines at an Owner's risk and may be subject to removal without compensation or recourse to an Owner by any entity having an easement thereon.

SECTION 13. Docks, piers and bulkheads may be constructed on Lots abutting lakes in the Subdivision upon approval of the ACC which may deny such permit request if the ACC determines in its sole discretion that such improvement crosses any Common Area or violates any state or local law, and in any event cannot exceed ten feet (10') in length or eight feet (8') in width.

SECTION 14. Any improvement (other than fences) commenced upon a Lot shall be completed, as to exterior finish and appearance, within fourteen (14) months from the commencement date thereof, and all construction must be finally completed within eighteen (18) months from the commencement date.

SECTION 15. An Owner of a Lot shall not change or otherwise alter the appearance of any portion of the exterior of a residential dwelling or other improvements on a Lot, unless such decoration, change or alteration is first approved, in writing, by the Committee, as provided in Article 6 hereof.

SECTION 16. Driveways shall be required on all Lots prior to occupancy. For water flowage problems, the soil and topographical conditions of the Lots, and other safety reasons, driveways may be required by the ACC to be properly feathered to meet the Subdivision Road, and/or to be paved with a surface reasonably acceptable to the ACC, either made of a permanent wearing surface, concreted or constructed of brick. The width of the driveway shall not be less than eight (8') feet. Culverts may be required by the ACC if it determines in its sole discretion that a natural drainage area would be affected by construction of the driveway. If the ACC determines a culvert is required, it must be installed of a type, size and manner acceptable to the ACC. The ACC may further require that a drainage ditch be created along the front portion of the Lot to prevent water flowage problems that may affect other Owners if no culvert is installed.

SECTION 17. Sewage collection and disposal to the Lots is provided by Davis Bayou Service Company ("Davis Bayou"), a TCEQ approved and regulated utility company. An application for sewer service must be submitted to Davis Bayou, which must oversee and approve all sewer hook-ups. No outside toilet, individual septic system or privy may be erected or maintained on any Lot. No structure may be occupied or used as a residential dwelling (either temporary or permanent) without first being connected to the central sewer system. No structure may be used as a residential dwelling (temporarily or permanently) unless the sewer system is in good working order. All sewage connections must be maintained in proper working order by an Owner in a manner specified by Davis Bayou. The ACC may, from time to time at its sole discretion, grant temporary approval for the use of portable toilets for special events and/or a short duration in an emergency event.

SECTION 18. Potable water is supplied to the Lots by Davis Bayou. No individual wells may be drilled on any Lot for the purpose of providing potable water. No structure may be used as a residential dwelling temporarily or permanently) without first being connected to the central water system. Owners (and/or their permitted tenants as herein after setting forth) are responsible for their own water consumption. Individual water meters are installed on each Lot when a Lot is improved. Each Owner is charged individually for his or her water usage by Davis Bayou in accordance with the TCEQ-approved tariff, in addition to the Annual Standby Water Fee authorized in Article 4 hereof. The Owner is responsible for installing piping from the meter to their individual Lot and/or its structure, and observance of all Rules and Regulations established by Davis Bayou. Owners (and/or their permitted tenants) shall notify Davis Bayou when any water problems are observed within a Lot and/or its structure. Owners are required to make repairs to the Lots and/or its structure immediately and to notify Davis Bayou when a water leak problem is corrected.

SECTION 19. Decks and patios shall contain only furniture and appliances customarily used thereon, such as grills, smokers and hot tubs. Decks and patios may not be used for storage of refrigerators, freezers,

cars, boxes and other item typically stored in storage areas or enclosed garages. Unenclosed floor space under a dwelling may not be used for storage of furniture, refrigerators, freezers, cars, boxes and other item typically stored in storage areas or enclosed garages.

SECTION 20. No excavation beyond ordinary gardening of any kind shall be permitted on any Lot without prior written approval of the ACC.

SECTION 21. No temporary structure, tent, shack, barn, storage building or other out-building shall be used on any Lot at any time as a residence, either temporarily or permanently. Tents may only be used for camping purposes for a period not to exceed five (5) days and only on the back of an occupied Single-Family Residence.

SECTION 22. Propane tanks used for residential heating shall be constructed above ground and the storage tanks shall be properly designed and constructed to minimize the possibility of leaks or releases of fuel into the environment. All storage tanks shall be properly screened, by planted vegetation or approved materials, so as not to be visible from Subdivision roads or Common Areas.

SECTION 23. No noxious or offensive activity shall be conducted or engaged in which is or may become a nuisance to other Owners or their guests. Without limiting the general ability of the foregoing provision, (i) threatening, disparaging, or discriminating statements or actions, whether made online/social media or by any other medium, directed against the Developer and/or its affiliates, the Association and their representatives, or third parties, (ii) behavior which is typically deemed offensive to reasonable persons, (iii) lewd or sexual behavior in public or (iv) devices emitting excessive noise, noisy vehicles or vehicles emitting excess smoke, and devices, which interfere with television or radio reception of any Owner, shall be considered offensive activities. NOTWITHSTANDING THE FOREGOING, THE ASSOCIATION TAKES CUSTOMER SERVICE EXTREMELY SERIOUSLY AND IS ALWAYS WILLING TO LISTEN TO THE OWNERS' CONCERNS AND IS HAPPY TO MEET WITH THE OWNER TO DISCUSS ANY CUSTOMER SERVICE ISSUES.

SECTION 24. The exteriors of all residential dwellings and other improvements on a Lot shall be kept properly painted or stained, and maintained in good condition. Color choices must be approved by the ACC and consist of earth tones and sky tones, generally flat colors of browns, tans and warm grays, reds, blues, and greens in order not to clash with the natural landscape of the Subdivision. Improved Lots shall be kept clean and in a neat and orderly condition and free of rubbish, debris or unsightly growth including grass over six inches (6") high. For all Lots, whether improved or unimproved, no trash or refuse shall be allowed to accumulate or remain.

SECTION 25. Trash shall be kept only in sanitary containers located in appropriate areas screened or concealed from public view. Firewood must be neatly stacked and no more than two (2) cords of wood may be stored on a Lot. Trash receptacles and bins are provided for deposit on such areas of the Subdivision as the Association, from time to time, may designate. Trash on a Lot must be in a covered bin or trash receptacles until deposited in the collection bins provided. All trash receptacles shall be kept inside or in

outdoor areas screened from view from roads and Common Areas, and shall be of such construction so as to prevent intrusion by animals.

SECTION 26. Clotheslines are permitted only if enclosed by a privacy fence constructed in accordance with the requirements of Article 6 of this Declaration.

SECTION 27. A written ten (10) day notice will be given to an Owner if any vehicle (including, without limitation, automobiles, RVs, semi-trucks, ATVs, four wheelers, or personnel property of any type not permitted by the CCRs to be located on a Lot) is (i) improperly maintained, inoperable, dilapidated unusable, abandoned or unsightly, or (ii) there exists a violation of the CCRs concerning any structure or landscaping. At the end of the ten (10) day period, if satisfactory arrangements to (i) correct the deficiencies to the dwelling, other improvements and/or the landscaping have not been made with the Association or (ii) any dilapidated, unusable, unsightly or abandoned vehicle is not parked in a fully-enclosed garage or removed from the Subdivision, corrective work may be performed by the employees, agents or representatives of the Association or by third parties contracted by the Association; and, in either event, the costs thereof shall be billed to the Owner without further notice. If the costs incurred by the Association remain unpaid for more than thirty (30) days, the Association shall be entitled to file a Memorandum of Lien on the Lot, enforceable pursuant to the terms of Article 4 and Article 6 hereof. If the condition of a residential dwelling, structure, whether commercial or residential, or other Lot improvement, or condition, or such other conditions of a vehicle or personal property poses a danger or hazard to human health and safety, as determined by the ACC in its sole discretion, the Owner of the improvements or vehicle will be given twenty-four (24) hour notice to make arrangements satisfactory to the ACC to correct the dangerous conditions. In the event the Owner fails to correct the cited conditions or fails to make arrangements to correct the cited conditions to the satisfaction of the Association, the Association and its agents, successors, and assigns shall have the right to enter upon the Lot which fails to comply with this covenant for the purpose of correcting or repairing the condition which exists upon the Lot and/or towing or moving the vehicle or personal property to the maintenance facility or other storage, or such other curative work necessary to cure the condition on the Lot, dwelling or structure as is deemed suitably protective of the public health and welfare, with all costs resulting therefrom to be billed to the Owner.

Under extreme circumstances, that is circumstances under which the condition of an improvement, dwelling or structure, vehicle or personal property (i) creates an imminent and serious danger or hazard to human health and safety or to other property within the Subdivision or (ii) is egregious, immoral or likely to cause irreparable harm to other owners or guests; in either event as determined by the Association in its sole discretion, then, in such event, the condition of the structure, improvement, vehicle or other personal property may be immediately cured by whatever means necessary to protect the public, as deemed appropriate under the circumstances by the Association.

IN THE EVENT ANY CURATIVE ACTION IS MANDATED OR REQUIRED TO BE PERFORMED PURSUANT TO THIS SECTION 27, NEITHER THE ASSOCIATION, THE DEVELOPER AND ITS AFFILIATES, NOR ANY OF ITS AGENTS, EMPLOYEES OR CONTRACTORS THEREOF SHALL

BE LIABLE FOR DAMAGE, OR OTHER CLAIMS WHICH MAY RESULT FROM, OR ARE ASSOCIATED WITH, ANY SUCH CURATIVE ACTIONS INCLUDING REPAIR, MAINTENANCE, DEMOLITION, TOWING OR STORAGE UNLESS CAUSED BY THE WILLFUL MISCONDUCT OR GROSS NEGLIGENCE OF THE ASSOCIATION OR ITS OFFICERS, AGENTS OR EMPLOYEES.

SECTION 28. No animals, poultry or farm animals, exotic pets, other than household pets, shall be maintained on any Lot or in the Subdivision. Horses may be brought into the Subdivision but must comply with all Association Rules and Regulations. Horses may be kept on an Equine designated Lot which has been improved in accordance with the Equine Facilities Guidelines. If a horse is brought to an Equestrian Lot where there are no improvements for overnight housing of horses, the horse may be kept on the Lot only during the day, which is defined as the period beginning no earlier than 30 minutes before sunrise and ending no later than 30 minutes after sunset, and otherwise must be stabled at facilities within the Subdivision, if available, for overnight stabling of horses. If they are not available then the horse must be removed from the Subdivision. Pets are allowed provided they are not kept, bred or maintained for any commercial purposes, and shall be confined to the Owner's premises or be on a leash held by a responsible person. Short-term visitors to the Subdivision may bring a dog or other household pet for a temporary stay; however, the pet must remain on a leash or be penned at all times. At no time will pets be left or allowed to roam unrestrained outside of their Owner's property.

Up to three (3) dogs and three (3) cats shall be permitted on any Lot provided they are not kept, bred or maintained for commercial purposes, with the exception of a commercial animal rescue shelter or pet store in an appropriately designated commercial usage area of the Subdivision. When out-of-doors, pets other than cats must (i) have a current license tag, (ii) be wearing a collar at all times, (iii) be vaccinated for health and safety purposes, (iv) fenced in, kept on a leash or kept in a humane enclosure approved by the ACC. No pet shall be kept within the Subdivision which creates a public nuisance, and any such pet determined by the Association to be such a nuisance shall be removed from the Subdivision within Twenty-four (24) hours of the date the Owner thereof is notified in writing of that decision.

The Association adopts for application to the Preserve, the "Health and Safety Code Chapter 821: Treatment and Disposition of Animals: Subchapter D: Unlawful Restraint of Dog," as may be amended and updated from time-to-time, which statute applies to the humane treatment of animals. These standards will be enforced by the POA as part of the Rules governing the Property. (See <http://www.statutes.legis.state.tx.us/docs/HS/htm/HS.821.htm>).

If an animal repeatedly displays unprovoked, violent or aggressive behavior towards others, bites or mauls another pet or person in the Subdivision, this pet and its Owner will be subject to behavioral review by the Association. This review is outside of any civil or criminal action that may be taken by other parties. Animal owners are solely responsible for the actions of their pets while in any portion of the Subdivision, whether Common Areas or a privately owned Lot.

Owners are responsible for any and all cleaning up after their animals. Animal waste must be removed immediately from Common Areas and along roads.

No horses may be kept on any Lot in the Subdivision with the exception of those lots specifically designated as Equestrian Lots. Horses may be kept at the Equestrian Center in the sole discretion of the Board. All owners of horses brought into the Subdivision, if permitted by these CCRs, must provide the Association with proof of a COGGINS test sign a Waiver of Liability and observe the Rules and Regulations and any other rules relating to stabling of horses in the Subdivision established by the Association.

SECTION 29. No open ground fires, with the exception of a campfire, shall be built or maintained on any Lot without first obtaining the written consent of the ACC. Burning of trash within the Subdivision is prohibited unless permitted by the ACC. All fire activity of any nature must comply with the rules of any existing burn ban set forth by Liberty County regulations and/or local fire departments. All campground fires must be supervised at all times and must be contained within a fire ring.

SECTION 30. No camping on any unimproved Lot shall be permitted. Tent camping is specifically prohibited except as otherwise herein permitted.

SECTION 31. General Contractor's signs and residential "For Sale" signs shall be permitted on Site-built Houses and Developed Lots with Park Models provided they are: (i) professionally prepared, (ii) not larger than 36" by 48" in size, (iii) attached to the Site-built house, and (iv) comply with the Rules and Regulations promulgated for issuance of a sign permit (the "Permit"). Developer is exempt from all signage requirements.

Any Owner who wishes to sell a Lot, whether improved or not, must be present to meet each prospective buyer at the front gate to escort them to the Lot and back to the front gate. If an Owner is not available, he/she may designate a family member or a licensed real estate agent to accompany the prospective buyer to and from the lot being sold.

Political signs shall be permitted on a Lot no more than 60 days prior to any county, state or federal election, provided they are (i) professionally prepared, (ii) not larger than 36" by 48" in size, (iii) staked to the ground, and (iv) comply with the Rules and Regulations promulgated for issuance of a Permit. Within three (3) days after an election is held, the political signage must be removed.

No sign of any other kind may be posted in the Subdivision (i) prior to the issuance of a Permit, (ii) anywhere other than on the Lot described in the Permit, or (iii) on a Lot without a Site-built House (or a Site-built House under construction). A sign permitted by the ACC may remain on a Lot for a period of six (6) months from the date of issuance of the Permit. The Association shall have the right to remove any sign on any Lot if no Permit has been issued or if an issued Permit has expired. The Association may also issue rules and regulations limiting the number of Permits issued by the ACC at any time and from time to time to preserve the non-commercialization of the Subdivision. American flags, State of Texas flags and armed service flags are not deemed to be "signs" and are permitted on any Single-Family Residence or Improved Lot without need of a permit. Developer is exempt from all signage requirements.

SECTION 32. Discharging of firearms or fireworks within the Subdivision is prohibited. The use of fireworks within the Subdivision is prohibited unless otherwise specified by the Board for special occasion in designated areas. Posted permission is required.

SECTION 33. Hunting within the Subdivision is prohibited, including without limitation, hunting for deer or alligators, and is to be considered a subject of both civil fines and possible criminal penalty. The Board in its sole discretion may permit in writing (i) hunting of feral hogs in order to prevent damage to personal property and prevent danger to persons in the Subdivision, or (ii) bow hunting of gar in the lakes in the Subdivision to assist in the growth of other fish.

SECTION 34. Oil, gas, mineral exploration, or mining operations on any Lot are strictly prohibited, except where authorized by Developer in its sole and absolute discretion.

SECTION 35. Parking on the streets within the Subdivision by Owners or their guests and invitees is prohibited (other than occasional periods of less than four hours). All vehicles must be parked in a garage or on the driveway of a Lot. Neither the driveway, nor front or back yards of Lots shall be used (1) to park, either temporarily or permanently, damaged, wrecked or inoperable, trucks, cars, buses, machinery, equipment, trailers, airplanes or boats, (ii) to store lumber, supplies or other materials. RVs may be stored in a completely enclosed garage, however, are not permitted on a Lot without specific permission granted by the ACC under special circumstances, which complies with the provisions of Article 7 of this Declaration. This covenant does not preclude an Owner from performing minor repairs upon such vehicles owned by him or her and located in his or her driveway for not more than two (2) consecutive days.

Each Lot is allowed off-street, open air, parking for up to 3 operational vehicles plus up to another 2 vehicles parked indoors in an approved garage. The exception is for one (1) additional vehicle per overnight guest. Inoperable vehicles are not permitted on any premises. Inoperable or dilapidated vehicles, RVs, four wheelers, ATVs and Golf Carts not complying with these CCRs must be removed within ten (10) days of notice to remove or the vehicle in question will be towed to a storage facility at the Owner's expense for reasonable costs of towing and storage. NEITHER THE ASSOCIATION, THE DEVELOPER AND ITS AFFILIATES, NOR ITS OFFICERS, DIRECTORS, AGENTS OR EMPLOYEES WILL BE RESPONSIBLE FOR DAMAGES RESULTING FROM TOWING SUCH VEHICLE UNLESS CAUSED BY IT OR ITS EMPLOYEES GROSS NEGLIGENCE. If the cost of towing remains unpaid for more than 30 days, the towing fees shall become an enforceable lien on the Lot. An Owner in the process of restoring a vehicle may request specific permission in writing from the Association to keep that specific vehicle on the Owner's Lot provided the vehicle is not visible from roads, Common Areas or lakes.

No parking is permitted on a neighbor's or vacant Lot. Blocking any driveway at any time is not permitted. Visitors' vehicles may not be left on roadsides for more than 8 hours except with special prior written permission of the Association. The Association will not be responsible for any loss, damage or theft caused to any vehicle left on the roadside at any time. Vehicle maintenance must be performed utilizing environmentally safe and protective methods at all times. No dumping or spillage of oil products is allowed.

SECTION 36. No offensive outdoor lighting shall be permitted on any Lot if such lighting shines on any other Lot in the Subdivision.

SECTION 37. No mailboxes or newspaper boxes or receptacles may be located or constructed on any Lot except in Unit 11.

SECTION 38. All posted traffic signs within the Subdivision must be obeyed. Violations of any posted traffic signs will subject violators to such fines as the Association shall prescribe.

SECTION 39. Personal entrances from any road outside the boundaries of the Subdivision to any Lot are prohibited. Perimeter fences may not be cut or removed by any party except by the Association.

SECTION 40. No construction activity other than work performed on the inside of a closed-in residential dwelling is permitted between the hours of 8:00 PM and 7:00 AM.

SECTION 41. No above ground pools are permitted on any Lot.

SECTION 42. No living tree with a diameter in excess of ten (10") inches, as measured two (2') feet above ground level may be removed from any Lot without consent of the Committee; provided, that such consent shall not be withheld for removal of trees necessarily required for the construction of a residential dwelling on a Lot. All dead or fallen trees with a diameter in excess of five (5) inches must be removed from a Lot by the Owner.

SECTION 43. Boats, including pontoon boats, kayaks and canoes, are permitted on the lakes in the Subdivision provided they are no more than eighteen (18) feet in length and powered by an electric trolling motor; provided further that a boat otherwise permitted herein with a gas-powered trolling motor with 2.5 or less horsepower may be used only on Horseshoe Lake and Red Tail Lake. Airboats and jet skis are not permitted on the lakes in the Subdivision. Airboats may be approved by the Association for the purpose of maintaining the lakes in good condition. Only boats permitted herein may be stored on an Improved Lot subject to a maximum of three (3) per Improved lot. Additional boats may be stored by Owners of lakefront Lots by written permission of the ACC at its sole discretion.

SECTION 44. Golf carts are permitted only on the roads in the Subdivision and may not be driven on the beach on the Trinity River.

SECTION 45. ATV's and UTVs are specifically prohibited in the Subdivision unless approved by the Board for the purpose of property maintenance or security. Driving ATVs/UTVs on Lots, Common Areas or the beach on the Trinity River or any other unauthorized use shall result in fines to the Owner and require the Owner to immediately remove the ATV or UTV from the Subdivision. The Owner will be charged the costs to repair any damage to property of Owners, the Association or the Developer caused by use of an ATV or UTV by an Owner or the Owner's family members or guests driving an ATV or UTV. An Owner may only store one (1) ATV or UTV per Improved Lot.

SECTION 46. Solar panels are permitted in the Subdivision provided they are professionally installed and meet all federal, state and local laws or ordinances and ACC guidelines.

SECTION 47. The speed limit is 20 miles per hour throughout the Subdivision unless posted otherwise and must be observed at all times. This limit will be strictly enforced.

SECTION 48. Any accident in the Subdivision caused by an Owner or an Owner's family members or guests or by an Owner's vehicle is the sole responsibility of the Owner. EACH OWNER HEREBY AGREES TO INDEMNIFY AND HOLD THE ASSOCIATION, THE DEVELOPER, THE MANAGEMENT COMPANY, AND THEIR OFFICERS, DIRECTORS, EMPLOYEES, AFFILIATES, AGENTS, REPRESENTATIVES, SUCCESSORS AND/OR ASSIGNS HARMLESS FROM ANY ACTION, SUIT, CLAIM OR DEMAND FOR PERSONAL INJURY OR PROPERTY DAMAGE RESULTING FROM ANY SUCH ACCIDENT.

SECTION 49. The lease or rental of an Improved Lot shall not be considered to be a violation of this Declaration provided that the lease (i) is for not less than the entire Lot and all the improvements thereon, (ii) will not be occupied by more than four persons unless all are immediate members of the same family, and (iii) is otherwise in compliance with the Association's Rules and Regulations. All leases shall be required to be in writing, and, prior to the commencement of any such lease, the Owner shall provide the Association with copies of such lease. The Association may evict tenants upon reasonable notice for a major violation or repeated minor violations of the provisions of the CCRs, the Guidelines or the Rules and Regulations as reasonably determined by the Association. Lessors are responsible for payment of the then current Annual Maintenance Charge and Water Access Fee as a condition of approval of the lease of a Lot by the Association irrespective of lease provisions which provide otherwise. As a further condition of approval of the lease of a Lot, Lessors shall be responsible for payment of any fines imposed on their Lessees for violation of the CCRs. Lessees shall have the right to use the Common Areas only after their application for such privilege is approved by the Association and the Lessor shall have paid the applicable charge and fee. Any Lessee approved by the Association shall in all respects be subject to the terms and conditions of this Declaration and the rules and regulations adopted hereunder, including without limitation, payment of all applicable fees. Notwithstanding the foregoing, the Developer is exempt from all leasing requirements.

SECTION 50. Reserved for Davis Bayou Service Company and Developer, or their assigns, an easement along and within five (5') feet of the side and rear lines of all Lots hereunder, and an easement along and within ten (10') feet of the street lines of all Lots hereunder and an easement over all streets for the purposes set forth in this Declaration, with the right of access thereto for the purposes of further construction, maintenance and repairs. Within these easements, no structure shall be placed or permitted to remain which may damage or interfere with the installation and maintenance of utilities or which may change, obstruct or retard the flow of water through drainage channels in such easements. No utility company or other authorized entity using the easements herein referred to shall be liable for any damage done by them or their assigns, agents, employees, or servants to shrubbery, trees, or flowers, or to other property of an Owner situated within any such easement. The easement area of each Lot shall be maintained by the Owner thereof except for those improvements for which a public authority or utility company assumes responsibility. Such rights of access include the right, without liability on the part of any one or all of the Owners or operators of such utilities, for the removal of any or all obstructions on said easements caused by trees, brush, fences, shrubs or other obstructions which in their opinion may cause interference with the installation or operation of their facilities. Such easements shall be for the general benefit of the Subdivision and Owners of Lots

therein, and are hereby reserved and created in favor of any and all utility companies entering into and upon said Subdivision for the aforesaid. There is also reserved, for the use of all public utility companies, an unobstructed aerial easement reserved hereby, and all easements shown on the Plat for electrical facilities.

SECTION 51. Developer hereby dedicates to the Association all easements shown on the Plat of the Subdivision; provided, however, that the use thereof by any utility company is limited to public utility companies having the right or eminent domain and having agreements in writing with Developer or the Association for the proper provision of utility services.

SECTION 52. Developer reserves the right to make changes in and additions to all easements for the purpose of aiding in the most efficient and economic installation and maintenance of utility systems, and to improve drainage. Other than in emergency situations, Developer will give sufficient notice to any Owners directly affected by changes to adjoining easements.

SECTION 53. It is expressly agreed and understood that the title conveyed by Developer to any Lot or parcel of land in the Subdivision by contract, deed or other conveyance shall not in any event be held or construed to include the title to the water, gas, sewer, storm sewer, electric light, electric power, television or telephone lines, poles or conduits or any utility or appurtenances thereto constructed by or under Developer or the Association, or their agents or public utility companies through, along or upon said easements or any part thereof to serve said property or any other portions of the Subdivision, and the right to maintain, repair, sell or lease such lines, utilities and appurtenances to any municipality or other governmental agency or to any public service corporation or to any other party is hereby expressly reserved by Developer.

ARTICLE 8
COMPLIANCE WITH PROVISIONS OF DECLARATION, BYLAWS
AND RULES AND REGULATIONS

SECTION 1. Each Owner shall comply strictly with the provisions of all governing documents of the Association, including, without limitation, this Declaration, the CCRs, the Rules and Regulations and the Guidelines, and all written policies of the Association adopted pursuant thereto and as the same may be lawfully amended from time to time. Failure and refusal after applicable written notice to comply with any of the same shall be grounds for (i) imposing fines, (ii) or rights to use Recreational Facilities and Common Areas so long as a violation remains uncured (iii) removing hazardous, dilapidated or unauthorized vehicles from a lot at the Owner's expense; (iv) storing dilapidated or unauthorized vehicles at the owner's expense for forty-five days, after which, if unclaimed by the owner, may be destroyed; (v) storing at the Owner's expense or destroying hazardous, dilapidated, unusable or unsightly personal property as so deemed in the Associations sole discretion, and (vi) filing an action to recover sums due for damages or injunctive relief or both, and for reimbursement of all costs and attorney's fees incurred in connection therewith and interest on all of such amounts at the highest lawful rate. Enforcement of these covenants and restrictions may be by any person or persons owning a Lot, by the Developer, the Association or the ACC (through any of its members), against any person or persons violation or attempting to violate any covenant or restriction herein contained.

SECTION 2. The Association may levy a reasonable fine, per the Rules and Regulations and the Guidelines, against any Owner who is determined by the Association to be in violation of any of these covenants and restrictions. Except where an applicable shorter or longer period of time is set forth herein, the Owner shall be notified in writing of the determination of the Association and the nature of the violation and shall be given ten (10) days from date of notification within which to correct such violation(s) or establish to the ACC's satisfaction that no violation exists. If the violation is not corrected within said ten (10) day period, the applicable per-day charge shall be assessed against the Owner beginning with the date of notification and shall accrue until such correction is satisfactorily completed. Charges so levied shall be enforceable as set forth in Article 4 and in Article 5 hereof, and shall constitute a personal debt of the Owner.

SECTION 3. Each and every Owner covenants and promises to pay to the Association, when due, any and all dues, special assessments, fines and fees assessed by the Association. Any dues, fees, fines and assessments not paid within thirty (30) days of their due date shall be in default and shall be subject to a late fee of thirty-five dollars (\$35.00) or such other or additional amounts as may be set by the Association and permitted by applicable law. Each and every Owner covenants and agrees that the Association and its successors and assigns shall have a lien upon their Lot(s), inferior only to the lien for taxes and any duly recorded Mortgages, to secure the payment of any dues, fees, fines and assessments in default and any reasonable court costs and attorney's fees incurred in connection with the collection of same, and such lien shall be evidenced by the filing of a statement by the Association in the Public Records of Liberty County, Texas, as applicable, attesting to such default.

SECTION 4. Any Owner, other than the Developer desiring to sell or otherwise transfer title to his or her Lot shall give the Board at least ten (10) days prior written notice of the name and address of the purchaser or transferee, the date of such transfer of title, and such other information as the Board may reasonably require. The person, other than the Developer, transferring title shall continue to be jointly and severally responsible with the person accepting title for all obligations of the Owner, including assessment obligations, until the date upon which the Board receives such notice, notwithstanding the transfer of title.

Upon acceptance of title to a Lot, the new Owner of the Lot shall pay to the Association an administrative transfer fee to cover the administrative expenses associated with updating the Association's records, which transfer fee is supported by the lien created herein. Such fees shall be in such amount as the Board may reasonably determine necessary to cover its costs, including but not limited to, fees charged by a management company retained by the Association for updating its records.

No Owner, other than the Developer, shall transfer title to a Lot, together with the improvements thereon, unless and until he or she has requested and obtained a resale certificate signed by a representative of the Association as described in Chapter 207 of the Texas Property Code, or its successor statute ("Resale Certificate") indicating, in addition to all other matters described in Chapter 207, the information required in Section 5.012 of the Texas Property Code.

The Association may charge a reasonable fee to prepare, assemble, copy, and deliver a Resale Certificate and accompanying information and any update to a Resale Certificate, which charge is supported by the lien created herein.

SECTION 5. Violation of, or failure to comply with, the covenants and restrictions contained herein shall not affect the validity of any mortgage, bona fide lien or other similar security instrument which may then be existing on the Lot. Invalidation of any one of the covenants or restrictions contained herein, or any portion thereof, by a judgment or court order shall not affect any of the other covenants or restrictions 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 any governmental agency which may have jurisdiction over the Subdivision, then such governmental requirement shall control. Any deed or legal instrument (except mortgages or other similar security agreements) purporting to convey, transfer, or assign any interest in a Lot shall contain appropriate language to subject the Land within such conveyance, transfer or assignment to these covenants and restrictions.

SECTION 6. This Declaration and the covenants and restrictions herein shall constitute covenants running with the land and shall be binding upon all persons and entities acquiring a Lot, whether by purchase, descent, devise, gift or otherwise, and each person or entity, by the acceptance of title to a Lot, thereby agrees and covenants to abide by and perform all of the covenants and restrictions set forth herein.

SECTION 7. In addition to the covenants, restrictions and reservations stated above, each Subdivision Lot shall be subject to a reasonable water assessment fee per Lot for the purpose of installing, making improvements to and maintaining a central water system to bring water to the Lot(s), or a combined reasonable sewage tap & water tap fee per Lot for the purpose of installing, maintaining and making improvements to a central sewer system to dispose of sewage from the Lot(s). The water and sewer assessments shall be due and payable to Davis Bayou Service Company prior to its providing hook-up services to the Owner for new construction, and will be established by Davis Bayou Service Company to reflect its costs of providing such materials and services, and the costs related to the impact of new construction on the systems within the Subdivision.

ARTICLE 9

LICENSE AND TITLE TO AND OPERATION OF THE COMMON AREAS

SECTION 1. An irrevocable license/right to use is hereby granted to each Owner in and to the Common Areas and roads for each such Owner's use and enjoyment of the Common Areas and for access to each such Owner's Lot, such license being subject to these CCRs, the Rules and Regulations and Guidelines. This license may be limited or denied by the Association, but only in the event of non-payment by an Owner of Association dues, fees, assessments and or fines, if any, or for non-compliance of the CCRs, the Rules and Regulations and the Guidelines by an Owner or his guests; provided, however the right to use roads for access to an Owner's Lot shall never be limited and the right to use the Common areas shall be limited or denied only so long as any dues, fees, assessments or fines remain unpaid or settled and/or any violations of these Restrictions or the applicable rules and regulations remain uncured.

SECTION 2. The Developer shall have the right to use the Common Areas. Such right includes, without limitation, the right to permit guests or invitees of the Developer, including non-Owners to use the Common Areas on terms acceptable to the Developer, and the right to revoke such permission.

SECTION 3. Developer has conveyed all of the Common Areas to the Association at no cost in trust for the benefit of the Owners.

SECTION 4. Developer hereby grants an assignable easement to the Association in and to the Subdivision for the purposes of granting easements for the purposes of providing and maintaining utility services (including but without limitation, electricity, gas, water, sanitary sewer, storm sewer, telephone and television cables, internet services, and similar services) to the Lots, Units and in the Common Areas.

SECTION 5. A license is hereby granted to the Association to enter upon the Lots for the purposes of landscaping, maintaining and repairing.

ARTICLE 10
MANAGEMENT AND OPERATION OF PROJECT

SECTION 1. Management by Association. The operations of the Common Areas, roads, lakes, etc. shall be administered by the Association. The Association shall have the power and obligation to provide the construction, maintenance, repair, replacement, administration, insuring and operation of any property it may now or in the future own in the Subdivision as herein provided for and as provided for in this Declaration, the Articles of Incorporation and Bylaws of the Association and in the Rules and Regulations. Without limiting the generality of the foregoing, the Association, acting through its Board of Directors, shall be entitled to enter into such contracts and agreements concerning the Subdivision as the Board deems reasonably necessary or appropriate to maintain and operate the Subdivision as a viable residential and recreational development, including without limitation, working in cooperation with Developer for the best interests of the Subdivision, the right to grant utility and other easements for uses the Association and Developer shall deem appropriate and the right to enter into agreements with adjoining or nearby land owners or governmental entities on matters of maintenance, trash pick-up, repair, administration, security, traffic, operation of recreational facilities, or other matters of mutual interest, where applicable.

SECTION 2. Membership in Association. The ownership of each Lot shall provide one voting membership in the Association, and each Lot owned by Developer shall provide three votes per Lot, and such membership shall automatically terminate when such ownership ceases. Upon transfer of ownership of a Lot, howsoever achieved, the new Owner thereof shall, concurrently with such transfer, become a Member in the Association. Membership in the Association is mandatory for all Owners. If there is more than one Owner of a Lot, such Owners shall designate one of their number as the voting Member in the Association, which designation shall be made in writing to the Board. After an Owner is designated, the Board shall have the right to rely on such designation until a written notice revoking such appointment is received by the Board. Any such Owners may designate the voting Member from among themselves in any manner they deem fit, and in the event that such Owners are unable to agree upon one of their number to be designated as the voting Member in the Association, then none of such Owners shall have any vote in the Association.

SECTION 3. Election and Meetings of the Board of Directors. The Board of Directors shall be elected and shall meet as set forth in the Bylaws of the Association.

SECTION 4. Voting of Members. Each member, including Developer, shall have a vote or votes in the Association as set forth in the Articles of Incorporation.

SECTION 5. Disputes. In addition to its other powers contained by law or hereunder, the Board shall be empowered to create procedures for resolving disputes between Owners and the Board or the Association, including appointment of committees to consider and recommend resolutions of or resolve any such disputes.

SECTION 6. Professional Management. The Board may retain, hire, employ or contract with such professional management as the Board deems appropriate to perform the day-to-day functions of the Association and to provide for the construction, maintenance, repair, landscaping, insuring, administration and operations of the Project as provided for herein and as provided for in the Bylaws.

SECTION 7. Board Actions in Good Faith. Any action or inaction by the Board made or taken in good faith shall not subject the Board to any liability to the Association, its Members or any other party.

ARTICLE 11 INSURANCE

SECTION 1. General Provisions. The Board shall obtain insurance (the premiums for which shall be paid from the Maintenance Fund) for the Subdivision in such amounts as the Board, in its sole discretion deems necessary.

SECTION 2. Policies. All insurance provided for in this Article shall be with responsible insurers. All such policies of insurance shall name as insured the Association, as trustee for each Owner. All such policies shall be without contribution with regard to any other policies of insurance carried individually by an Owner, and shall provide that such policy shall not be terminated for any cause without at least thirty (30) days prior written notice to the Association. Any proceeds paid in respect of any insurance policy obtained by the Board shall be held and disbursed by the Board in accordance with these Restrictions.

SECTION 3. Subrogation. Each Owner and the Association agree to and hereby waive all rights of subrogation against the Developer that they may have now or in the future under or with respect to any insurance policies.

SECTION 4. Individual Insurance. Each Owner shall be responsible for insuring his or her Lot, any improvements thereon and its contents and furnishings. All policies of casualty insurance carried by each Owner shall be without contribution with respect to the policies of casualty insurance obtained by the Board for the benefit of all of the Owners as above provided. Each Owner of a commercial property structure is responsible to carry general public liability insurance and provide proof thereof on an annual basis to the Association. It is highly recommended that each Owner, at his own cost and expense, carry an individual policy of liability insurance insuring against the liability of such Owner, inasmuch as liability insurance policies to be carried by the Association will not cover an Owner's lots or improvements and may, as to each Owner, be only with respect to liability arising out of the ownership, maintenance or repair of that

portion of the Subdivision which is not reserved for his or her exclusive use of occupancy. In the circumstance where an Owner, his or her guests or their uses of any area in the in the Subdivision, whether on the Owner's property or not, causes bodily injury or property damage to another, the Owner may be held personally responsible, and cannot look to the insurance of the Association or the Developer. Though each Owner is encouraged to carry insurance the Owner deems necessary, it is not the responsibility of the Association to monitor this coverage or be in the business of procuring insurance for an Owner.

Failure to provide evidence of the insurance coverage required by Owners of Commercial Use Lots is a violation of these covenants whereby the Association retains the right to "force-place" insurance it deems adequate to protect the r Owners, assess the Owner for said insurance costs, and enforce collection through the same rights the Association has for enforcement of payment of dues and fees.

SECTION 5. Auto/Vehicle Insurance. Proof of automobile and/or vehicle liability insurance must be provided to the Welcome or the Association's Administrative offices for any vehicle operating in the Subdivision. Evidence of this insurance is required by residents and guests to the Subdivision either upon entry by guests, or on an annual basis to the Association for residents.

ARTICLE 12
FIRE, HURRICANE OR CASUALTY: REBUILDING

SECTION 1. Rebuilding. In the event of a fire or other casualty causing damage or destruction to a Lot or any improvement located thereon, the Owner of such damaged or destroyed Lot or improvement shall thereupon contract to repair or reconstruct the damaged portion of such Lot or improvement and shall cause such Lot or Unit to be fully repaired or reconstructed in accordance with the original plans and specifications therefore, or in accordance with new plans and specifications presented to and approved by the ACC, or alternatively, such damaged or destroyed Unit shall be razed and the Lot restored as nearly as possible to its prior condition. The Owner shall have one hundred eighty (180) days in which to make these repairs in the event of fire, and three hundred sixty (360) days in the event of hurricane. Any exception to these time periods shall be at the sole discretion of the ACC and must be approved in writing.

SECTION 2. Payment of Insurance Proceeds. All Insurance proceeds and other funds received by the Association pursuant to these CCRs as a result of fire or other casualty loss causing damage or destruction to a Common Area shall be applied toward the cost of repair, restoration or rebuilding of the damaged Common Area as the Association in its sole discretion, deem advisable.

SECTION 3. Indemnity of Association. Subject to the provisions of this Declaration, each Owner shall be responsible for any costs and expense associated with damage or destruction of property, not otherwise covered by the Owners' insurance policies, and caused by such Owner's negligence or misuse or by the negligence or misuse (i) of his family, tenants, guests, invitees, agents or employees or (ii) of any other resident or occupier of his residence, and shall, to the extent not covered by insurance proceeds collected by the Association, indemnify the Association and all other Owners against any such costs.

ARTICLE 13
AMENDMENT TO DECLARATION AND DURATION OF RESTRICTIONS

SECTION 1. Amendment. Except as otherwise provided by law, the provisions hereof may be amended by an instrument in writing signed by Members having not less than a majority of the total votes of the Members or by the vote of not less than a majority of the votes in the Association entitled to vote thereupon at a meeting of the Members duly called for the purposes thereof, but no such amendment shall be effective until a written notice thereof is duly recorded in the Official Public Records of Liberty County, Texas. The Bylaws of the Association may be amended as therein set forth.

SECTION 2. Duration. These Restrictions shall remain in full force and effect unless and until terminated by a written statement of the election to terminate these Restrictions executed and acknowledged by Members having not less than a majority of the votes in the Association entitled to vote thereupon. Nothing in this Section is intended to violate the Rule Against Perpetuities regarding vesting of estates, and in any event these CCRs will terminate one day prior to the expiration of the lives in being of the Owners, plus 21 years.

ARTICLE 14
MISCELLANEOUS

SECTION 1. Severability. In the event of the invalidity or partial invalidity or enforceability of any provision or a portion of these Restrictions, the remainder of these Restrictions shall remain in full force and effect.

SECTION 2. Rules and Regulations. The Rules and Regulations with respect to the day-to-day maintenance operation and enjoyment of the Project may be amended from time-to-time by the Board. The Rules and Regulations and Guidelines are of equal dignity with, and shall be enforceable in the same manner as, the provisions of these CCRs, but in the event of a conflict, these CCRs shall control. Each Owner, by accepting conveyance of a Lot, agrees to comply with and abide by the Rules and Regulations and the Guidelines as the same may be amended from time-to-time.

SECTION 3. Number and Gender. Pronouns, whenever used herein, and of whatever gender, shall include material persons and corporations, entities and associations of every kind and character, and the singular shall include the plural, and vice versa, whenever and as often as may be appropriate. Article and section headings in these Restrictions are for convenience of reference and shall not affect the construction or interpretation of these Restrictions.

SECTION 4. Delay in Enforcement. NO DELAY IN ENFORCING THE PROVISIONS OF THESE CCRs as to any breach or violation thereof shall impair, damage or waive the right of any party entitled to enforce the same to obtain relief against or recover for the continuation or repetition of such breach or violation or any similar breach or violation thereof at any later time or times.

SECTION 5. Limitation of Liability. Neither the Association nor the Developer, its affiliates, or their partners, agents, employees, officers and/or directors, shall be liable to any Owner or any Owner's lessee of an Owner's Lot, for any failure to timely enforce these CCRs, the Rules and Regulations or the Guidelines or for any damage to property or person caused by (i) the guests or invitees of either the Association or the Developer, or (ii) by any Owner, unless such damages were caused by the gross negligence or willful misconduct of the Association or the Developer or their respective employees, agents or representatives.

SECTION 6. Indemnification and Hold Harmless.

(a) By the Association. The Association shall indemnify every officer and director against any and all expenses, including fees of legal counsel, reasonably incurred by or imposed upon any officer or director in connection with any action, suit, or other proceeding (including settlement of any suit or proceeding, if approved by the then Board of Directors) to which he or she may be a party by reasons of being or having been an officer or director. The officers and directors shall not be liable for any mistake of judgment, negligent or otherwise, except for their own individual willful misfeasance, malfeasance, misconduct or bad faith. The officers and directors shall have no personal liability with respect to any contract or other commitment made by them, in good faith, on behalf of the Association (except to the extent that such officers or directors may also be members of the Association), and the Association shall indemnify and forever hold each such officer and director free and harmless from and against any and all liability to others on account of any such contract or commitment. Any right to indemnification provided for herein shall not be exclusive of any other rights to which any officer or director, or former officer or director, may be entitled. The Association may, as a common expense, maintain adequate general liability and officers' and directors' liability insurance to fund this obligation.

(b) By an Owner. Each Owner shall be liable to the Association for any damage to the Common Areas and/or facilities of any type or to any equipment thereon which may be sustained by reason of the negligence of said Owner, his tenants, employees, agents, customers, guests or invitees, to the extent that any such damage shall not be covered by insurance. Further, it is specifically understood that neither the Developer and its affiliates, the Association, the Board of Directors, or any Owner shall be liable to any person for injury or damage sustained by such person occasioned by the use of any portion of the recreational facilities or other Common Areas or facilities within the Property of the Subdivision. Every Owner does hereby agree to defend, indemnify and hold harmless the Developer and its affiliates, the Association, the Board of Directors and other Owners from and against any such claim or damage as referenced in the immediately preceding sentence hereof, including, without limitation, legal fees and court costs.

NEITHER THE ASSOCIATION, ITS DIRECTORS, OFFICERS, MANAGERS, AGENTS, OR EMPLOYEES, NOR THE DEVELOPER AND ITS AFFILIATES, NOR ANY SUCCESSOR DEVELOPER AND AFFILIATES SHALL IN ANY WAY BE CONSIDERED AN INSURER OR GUARANTOR OF SECURITY WITHIN THE PROPERTY OF THE SUBDIVISION. NEITHER SHALL THE ASSOCIATION, ITS DIRECTORS, OFFICERS, MANAGERS, AGENTS, OR EMPLOYEES, THE DEVELOPER AND ITS AFFILIATES OR SUCCESSOR DEVELOPER AND AFFILIATES BE HELD LIABLE FOR ANY LOSS OR DAMAGE BY REASON OF FAILURE TO PROVIDE ADEQUATE SECURITY OR INEFFECTIVENESS OF SECURITY MEASURES UNDERTAKEN. ALL OWNERS

AND OCCUPANTS OF ANY LOT, AS APPLICABLE, ACKNOWLEDGE THAT THE ASSOCIATION, ITS BOARD OF DIRECTORS, OFFICERS, MANAGERS, AGENTS, OR EMPLOYEES, THE DEVELOPER AND ITS AFFILIATES OR ANY SUCCESSOR DEVELOPER AND AFFILIATES DO NOT REPRESENT OR WARRANT THAT ANY FIRE PROTECTION OR BURGLAR ALARM SYSTEMS OR OTHER SECURITY SYSTEMS WILL PREVENT LOSS BY FIRE, SMOKE, BURGLARY, THEFT, HOLD-UP OR OTHERWISE, NOR THAT FIRE PROTECTION OR BURGLAR ALARM SYSTEMS OR OTHER SECURITY SYSTEMS WITHIN ALL CASES PROVIDE THE DETECTION OR PROTECTION FOR WHICH THE SYSTEM IS DESIGNED OR INTENDED. EACH OWNER AND OCCUPANT OF ANY LOT, AS APPLICABLE, ACKNOWLEDGES AND UNDERSTANDS THAT THE ASSOCIATION, ITS DIRECTORS, OFFICERS, MANAGERS, AGENTS, OR EMPLOYEES, THE DEVELOPER AND ITS AFFILIATES OR ANY SUCCESSOR DEVELOPER AND AFFILIATES ARE NOT INSURERS AND THAT EACH OWNER AND OCCUPANT OF ANY DWELLING, OR OWNER OR USER OF AN IMPROVEMENT, ASSUMES ALL RISKS FOR LOSS OR DAMAGE TO PERSONS, TO DWELLINGS AND IMPROVEMENTS AND TO THE CONTENTS OF DWELLINGS AND IMPROVEMENTS AND FURTHER ACKNOWLEDGES THAT THE ASSOCIATION, ITS DIRECTORS, OFFICERS, MANAGERS, AGENTS, OR EMPLOYEES, THE DEVELOPER AND ITS AFFILIATES OR ANY SUCCESSOR DEVELOPER AND AFFILIATES HAVE MADE NO REPRESENTATIONS OR WARRANTIES NOR HAS ANY OWNER OR OCCUPANT RELIED UPON ANY REPRESENTATIONS OR WARRANTIES, EXPRESSED OR IMPLIED, INCLUDING ANY WARRANTY OF MERCHANTABILITY OR FITNESS FOR ANY PARTICULAR PURPOSE, RELATIVE TO ANY FIRE AND/OR BURGLAR ALARM SYSTEMS OR OTHER SECURITY SYSTEMS RECOMMENDED OR INSTALLED OR ANY SECURITY MEASURES UNDERTAKEN WITHIN THE PROPERTY.

THE OWNERS AGREE TO INDEMNIFY, DEFEND, AND HOLD HARMLESS THE ASSOCIATION, ITS DIRECTORS, OFFICERS, MANAGERS, AGENTS, OR EMPLOYEES, THE DEVELOPER AND ITS AFFILIATES OR ANY SUCCESSOR DEVELOPER AND AFFILIATES AGAINST ANY AND ALL LIABILITY, CLAIMS, DEMANDS, DAMAGES, LOSSES, EXPENSES, COSTS, LIABILITIES, INJURIES, CAUSES OF ACTION OR JUDGMENTS, INCLUDING ATTORNEY'S FEES AND COURT COSTS, ARISING FROM, RELATED TO, AND/OR CAUSED BY BODILY INJURY OR DEATH, OR DAMAGE TO REAL AND PERSONAL PROPERTY, INCLUDING, WITHOUT LIMITATION, DAMAGE TO DWELLINGS AND IMPROVEMENTS AND TO THE CONTENTS OF DWELLINGS AND IMPROVEMENTS. THIS PROVISION IS INTENDED TO BE BROAD IN SCOPE, AS PERMITTED BY APPLICABLE LAW, AND TO COVER ALL LOSSES SUSTAINED AS A RESULT OF BODILY INJURY OR DEATH OR DAMAGE TO PROPERTY, WHETHER SUSTAINED BY THE OWNERS, AND/OR THEIR OCCUPANTS, INVITEES, GUESTS, AND FAMILY MEMBERS. THE RIGHT OF INDEMNIFICATION SHALL NOT BE AVAILABLE IN THE EVENT THAT AN INDEMNIFIED PARTY IS FOUND BY A COURT OR JURY TO HAVE COMMITTED A WILLFUL MISFEASANCE, WILLFUL MISCONDUCT, OR ACTED WILLFULLY IN BAD FAITH AGAINST THE ASSOCIATION.

SECTION 7. Enforceability. The Restrictions adopted and established for the Subdivision by these CCRs are imposed upon and made applicable to the Subdivision and shall run with the land and shall be binding upon and inure to the benefit of and be enforceable by Developer, the Association, each Owner and the respective heirs, legal representatives, successors and/or assigns of the Developer, the Association and each Owner.

TO THE EXTENT THAT ANY PROVISION OF THE GOVERNING DOCUMENTS OF THE ASSOCIATION, INCLUDING, WITHOUT LIMITATION, THE DECLARATION AND COVENANTS, CONDITIONS AND RESTRICTIONS, THE RULES AND REGULATIONS, THE ACC GUIDELINES, AND THE BYLAWS CONFLICT WITH THE FOLLOWING WRITTEN POLICIES DULY ADOPTED BY THE ASSOCIATION: (I) FINE AND ENFORCEMENT POLICY; (II) COLLECTION AND PAYMENT PLAN POLICY; (III) RECORDS AND PRODUCTION AND COPYING POLICY; (IV) POLICY FOR OPEN BOARD MEETINGS; AND (V) DOCUMENT RETENTION POLICY (COLLECTIVELY, THE "WRITTEN POLICIES"), THE PROVISIONS OF THE WRITTEN POLICIES SHALL GOVERN.

TO THE EXTENT THAT ANY PROVISION OF THE GOVERNING DOCUMENTS OF THE ASSOCIATION, INCLUDING, WITHOUT LIMITATION, THE DECLARATION AND COVENANTS, CONDITIONS, AND RESTRICTIONS, THE RULES AND REGULATIONS, THE ACC GUIDELINES, THE BYLAWS, AND ALL WRITTEN POLICIES OF THE ASSOCIATION ARE IN CONFLICT WITH THE TEXAS PROPERTY CODE OR ANY OTHER APPLICABLE LAW, INCLUDING WITHOUT LIMITATION, GOVERNING TEXAS STATUTES, REGULATIONS, AND/OR COMMON LAW (REPORTED DECISIONS), SUCH CONFLICTING PROVISION SHALL BE SUPERSEDED BY THE APPLICABLE LAW.

SECTION 8. Remedies. The Board, in addition to all other rights and remedies available at law, in equity or otherwise to the Association, acting through the Board, shall have the right to pursue any or all of the following remedies as set forth in the Association's written policies, including, without limitation, the Fine and Enforcement Policy, and Collection and Payment Plan Policy, as duly adopted by the Association.

(CERTIFICATION OF AUTHORITY FOR ADOPTION OF AMENDMENTS
APPEARS ON THE NEXT PAGE)

CERTIFICATION OF AUTHORITY FOR ADOPTION OF AMENDMENTS

I, Lisa Gloyna, hereby certify that I am the elected Secretary of the Liberty Lakes Property Owners' Association, Inc (the "Association"), and I further certify that the foregoing Tenth Amended Covenants, Conditions and Restrictions for Cypress Lakes Units I, II, III, IV, V, VI, VII, VIII, IX, X, XI, Liberty County, attached hereto are true and correct as amended on April 24, 2021, by at least two-thirds action of the Association Membership entitled to vote at the Special Membership Meeting called for the purpose of amending said covenants and restrictions, and that such action was properly noticed, properly taken and duly recorded in the Minute Book of the Association.

Given under my hand this 28 day of July, 2021.

Lisa Gloyna
Lisa Gloyna, Secretary

NOTARY ACKNOWLEDGEMENT

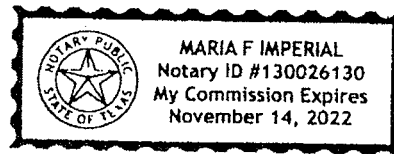
Before me, the undersigned authority, on this day personally appeared Lisa Gloyna, known to me to be the person whose name is subscribed to the foregoing instrument, and acknowledged to me that she executed the foregoing Certification in the capacity hereinabove stated.

Subscribed and sworn to before me on this 28 day of July, 2021.

Maria Imperial
Notary Public, State of Texas

AFTER RECORDING, PLEASE RETURN TO:

Liberty Lakes Property Owners' Association, Inc.
c/o Lisa Gloyna, Secretary
P.O. Box 573036
Houston, Texas 77257



**THE STATE OF TEXAS
COUNTY OF LIBERTY**

I hereby certify that this instrument was FILED on the date and the time stamped hereon by me and was duly RECORDED in the Records of Liberty County, Texas.

2021031444 AMD

07/28/2021 04:39:55 PM Total Fees: \$158.00

Lee Haidusek Chambers



Lee Haidusek Chambers, County Clerk
Liberty County, Texas