2023-7333
RESTRICTIVE COVENANTS
Total Page(s): 7 pg(s).

FIRST AMENDMENT
to the
DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS
for
SUNSET HILLS ESTATES

THE STATE OF TEXAS §
§
COUNTY OF WASHINGTON §

WHEREAS, KM Property Group, LLC, a Texas limited liability company ("**Declarant**"), caused the "Declaration of Covenants, Conditions and Restrictions for Sunset Hills Estates" to be recorded in Volume 1855, Page 325 of the Official Public Records of Washington County, Texas on August 17, 2022, (the "**Declaration**") which instrument imposes various covenants, conditions, and restrictions on the following real property:

> All that certain tract or parcel of land, containing 94.377 acres of land, more or less, lying and being situated in Washington County, Texas, part of the William Munson Survey, Abstract Number 90, said tract or parcel of land being more fully described by metes and bounds in **Exhibit "A"** attached to the Declaration and incorporated therein (the **"Property"**); and

WHEREAS, the Property was subsequently made subject to the plat for Sunset Hills Estates, recorded under Plat Cabinet File Numbers 791B and 792A of the Plat Records of Washington County, Texas; and

WHEREAS, the Declaration provides that, for a period of ten (10) years after the date the Declaration is recorded, Declarant has the authority to amend the Declaration, without the joinder or consent of any other party, so long as the amendment does not materially and adversely affect any substantive rights of the Lot Owners; and

WHEREAS, ten (10) years have not lapsed since the Declaration was recorded; and

WHEREAS, Declarant desires to amend the Declaration pursuant to this First Amendment to Declaration of Covenants, Conditions and Restrictions for Sunset Hills Estates (the "**Amendment**") in a manner that does not materially and adversely affect any substantive rights of the Lot Owners.

NOW, THEREFORE, Declarant hereby amends the Declaration as set forth herein.

1. Article II, Section 2.1.I. of the Declaration, entitled "Consolidation of Lots" is amended and restated to read as follows:

> **I. CONSOLIDATION OF LOTS.** Subject to the provisions of this Section, the Owner of one or more adjoining Lots may consolidate such Lots into one (1) building site, upon which building site a Residential Dwelling may be constructed. The setback lines will be measured from the resulting side property

lines rather than from the lot lines indicated on the Plat. Provided that, the Owner of the Lots to be consolidated must comply with replatting requirements, if any, imposed by any governmental entity having jurisdiction over the platting requirements. The consolidation of Lots requires the written approval of the Declarant during the Development Period, and thereafter, the Architectural Review Committee, which approval may be declined in the discretion of the Declarant, or Architectural Review Committee, as applicable. After one or more Lots have been consolidated for use as a single building site and an Improvement has been constructed on any portion of the consolidated building site, the consolidated Lots must be conveyed together.

A consolidated building site must have a frontage at the building setback line of not less than the minimum frontage shown on the Plat. Despite consolidation of one or more adjoining Lots, the Lots (as originally platted) which compromise the consolidated building site will be considered individual Lots for purposes of membership in the Association, voting rights, Annual Maintenance Charges, and other types of assessments. The provisions in this Section relating to the Lots comprising a consolidated building site are applicable whether or not the Lots are replatted as a single Lot.

2. Article III, Section 3.1.A. of the Declaration, entitled "Types of Buildings" is amended and restated to read as follows:

A. TYPES OF BUILDINGS. No building may be erected, placed or permitted to remain on a Lot other than (i) one detached Residential Dwelling, together with an attached or detached garage capable of storing not more than five (5) vehicles, (ii) one (1) guest house, which may not exceed the Residential Dwelling in height or square footage, and (iii) one (1) reasonably-sized accessory building, such as a shed, barn, or storage building, and (iv) one (1) permitted play structure, all of which are subject to prior written approval by the Architectural Review Committee, and must comply with the Guidelines, if any. Whether an accessory building is reasonably-sized will be determined in the sole discretion of the Architectural Review Committee. All permitted structures must be located behind the Residential Dwelling.

3. Article III, Section 3.1.C. of the Declaration, entitled "Temporary Structures; Accessory Buildings" is amended and restated to read as follows:

C. TEMPORARY STRUCTURES; ACCESSORY BUILDINGS. No building or structure of a temporary character, trailer (with or without wheels and whether or not attached to a foundation, mobile or manufactured home (with or without wheels and whether or not attached to a foundation), modular or prefabricated home, shack, or other building may be placed on a Lot either temporarily or permanently. The foregoing prohibition is not intended to apply to the permanent Residential Dwelling, an attached or detached garage, a guest house, one (1) permitted accessory building, such as a shed, barn, or storage building, and one (1) play structure, all of which must be approved in writing by

the Architectural Review Committee. No residence house, garage or other structure may be moved onto a Lot from another location.

Notwithstanding the foregoing, Declarant reserves the exclusive right during the Development Period to erect, place and maintain, and to permit Builders to erect, place and maintain, such facilities in and upon a Lot owned by Declarant or the Builder as may be necessary or convenient during the period of and in connection with the sale of the Lot, and the construction and sale of Residential Dwellings and construction of other Improvements in the Community.

4. Article III Section 3.1.D. of the Declaration, entitled "Garages/Carports" is amended and restated to read as follows:

D. GARAGES/CARPORTS. A garage and a porte cochere require the prior written approval of the Architectural Review Committee and must be consistent with the design of the Residential Dwelling in all respects as to type, location and configuration. A detached garage may not exceed 2,400 square feet in size. Garage doors must also complement the design of the Residential Dwelling and may not face the fronting street. Garages must be provided for all Residential Dwellings and in no case is a porte cochere permitted to act as or be substituted for a garage. Each garage on a Lot is required to be used for housing vehicles used or kept by the persons who reside on the Lot. The conversion of a garage into living area, in whole or in part, is prohibited. The orientation of doors on sheds, barns and accessory buildings may face the street, provided that prior written approval of the Architectural Review Committee is obtained.

5. Article III, Section 3.1.G. of the Declaration, entitled "Exterior Finish" is amended and restated to read as follows:

G. EXTERIOR FINISH. The types, quantities, repetition and colors of exterior materials must be approved in writing by the Architectural Review Committee prior to construction or application. In general, masonry brick, stone, stucco, and Hardie Plank materials are acceptable. A minimum of 25% of the exterior finish material must be masonry brick, stone, or stucco. Wood paneling is prohibited. Masonry requirements do not apply to barns, sheds, and accessory buildings.

6. Article III, Section 3.1.S. of the Declaration, entitled "Basketball Goals, Basketball Courts, and Sport Courts" is amended and restated to read as follows:

S. BASKETBALL GOALS, BASKETBALL COURTS, TENNIS COURTS, AND SPORT COURTS. Only portable basketball goals are permitted on Lots in the Community. Such goals must be stored upright beside or behind the Residential Dwelling when not in use. No basketball goal may be mounted on a Residential Dwelling when not in use. No basketball goal may be mounted on a Residential Dwelling, garage, or other structure. A basketball court, tennis court, or sport court, including lighting plans, if any, requires approval in writing by the Architectural Review Committee.

7. Article III, Section 3.2.A. of the Declaration, entitled "Minimum Allowable Area of Interior Living Space" is amended and restated to read as follows:

> **A. MINIMUM ALLOWABLE AREA OF INTERIOR LIVING SPACE.** The minimum allowable area of interior living space in a Residential Dwelling on a Lot is 2,500 square feet. The term "interior living space" excludes steps, porches, exterior balconies, and garages. A document annexing additional land into the Community may set forth different minimum allowable areas of interior living space for Residential Dwellings constructed or to be constructed on Lots in the land area being annexed.

8. Article III, Section 3.3.A. of the Declaration, entitled "Permitted Fences" is amended and restated to read as follows:

> A. **PERMITTED FENCES.** All walls and fences constructed on a Lot by an Owner require the prior written approval of the Architectural Review Committee and must comply with the Guidelines, if any. Any fence constructed along the front property line of a Lot, or along a roadway for a corner Lot, shall be a four-rail wooden fence constructed in accordance with the requirements set forth on Exhibit "B", attached hereto and incorporated herein. A front fence shall only be placed along the front property line (and not set back from the front property line) to ensure uniform placement from Lot to Lot. Side fences shall also be four-rail, wooden fences in accordance with the requirements of Exhibit "B" for a minimum of 75 feet from the front property line. Beyond 75 feet from the front property line, other types of fencing are permitted, with approval of the Architectural Review Committee. **CHAIN LINK OR BARBED WIRE FENCES ON A LOT, IN WHOLE OR IN PART, ARE PROHIBITED.**

9. Article VI, Section 6.8 of the Declaration, entitled "Capitalization Fee" is amended and restated to read as follows:

> **SECTION 6.8. CAPITALIZATION FEE.** Except as otherwise provided in this Declaration, upon the first sale of a Lot and upon each sale of the Lot thereafter, the purchaser of the Lot is required to pay to the Association a Capitalization Fee in a sum equal to the Annual Maintenance Charge in effect as of the date of closing on the sale of such Lot. The Capitalization Fee is due and payable on the date the deed conveying the Lot to the purchaser is recorded or, if a contract for deed or similar instrument, the date the contract for deed is executed. Payment of the Capitalization Fee will be in default if the Capitalization Fee is not paid on or before the due date for such payment. Capitalization Fees will bear interest at the rate of eighteen percent (18%) per annum or the maximum, non-usurious rate, whichever is less, from the due date until paid. A Capitalization Fee is default is also subject to late charges. The Board, in its sole discretion, may determine whether and in what proportions Capitalization Fees collected by the Association are to be used for operating costs or deposited into a reserve account established and maintained by the Association for capital improvements and/or the repair or refurbishment of the Common Area, if any. No Capitalization Fee paid by an Owner will be refunded to the Owner by the Association. The

Association may enforce payment of the Capitalization Fee in the same manner which the Association may enforce payment of Annual Maintenance Charges and Special Assessments pursuant to this Article VI.

Capitalized terms used herein have the same meanings as that ascribed to them in the Declaration, unless otherwise indicated.

Except as amended herein, all provisions in the Declaration remain in full force and effect.

[Signature pages follow.]

Executed on the date set forth below, to be effective upon recording in the Official Public Records of Washington County, Texas.

DECLARANT:

KM PROPERTY GROUP, LLC
a Texas limited liability company

By: _____
Print Name: Cale Kobza
Title: President

THE STATE OF TEXAS §
§
COUNTY OF Harris §

BEFORE ME, the undersigned Notary Public, on this day personally appeared Cale Kobza, the President of KM PROPERTY GROUP, LLC, a Texas limited liability company, known to me to be the person whose name is subscribed to the foregoing instrument and acknowledged to me that s/he executed the same for the purposes and consideration therein expressed and in the capacity stated.

GIVEN UNDER MY HAND AND SEAL OF OFFICE on this the 28th day of November, 2023.

ASHLEY ALEXIS MARRUFO
Notary ID #132402256
My Commission Expires
March 12, 2024

Ashley Alexis Marrufo
Notary Public, State of Texas

JOINDER OF LIENHOLDER

The undersigned, being the owner and holder of an existing mortgage and lien upon and against all or a portion of the real property described in the foregoing Declaration of Covenants, Conditions and Restrictions for Sunset Hills Estates and defined as the "**Community**" in said Declaration, as such mortgagee and lienholder, does hereby consent to and join in said Declaration of Covenants, Conditions and Restrictions for Sunset Hills Estates.

This consent and joinder shall not be construed or operate as a release of said mortgage or lien owned and held by the undersigned, or any part thereof, but the undersigned agrees that its said mortgage and lien shall hereafter be upon and against the Community and all appurtenances thereto, subject to the provisions of the Declaration hereby agreed to.

4th SIGNED AND ATTESTED by the undersigned officers heretofore authorized, this the 4th day of December, 2023.

Cadence Bank

By: _____

Print Name: CINDY K. PICAZO

Title: SVP

THE STATE OF TEXAS §
§
COUNTY OF HARRIS §

Before me, the undersigned authority, on this day personally appeared CINDY K. PICAZO, SVP of Cadence Bank, known to me to be the person whose name is subscribed to the foregoing instrument, and acknowledged to me that he/she executed the same for the purposes and consideration therein expressed, in the capacity therein stated and as the act and deed of said corporation.

Given under my hand and seal of office on this 4th day of December, 2023.

ADRIANE BRADY DYE - # 133243987-2 NOTARY PUBLIC STATE OF TEXAS EXPIRES 07-30-2025

_____
Notary Public, State of Texas

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DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS
for
SUNSET HILLS ESTATES

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DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS
for
SUNSET HILLS ESTATES

THE STATE OF TEXAS §
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COUNTY OF WASHINGTON §

This Declaration is made on the date hereafter set forth KM Property Group, LLC, a Texas limited liability company (""**Declarant**").

WHEREAS, Declarant is the owner of the following real property in Washington County, Texas:

> All that certain tract or parcel of land, containing 94.377 acres of land, more or less, lying and being situated in Washington County, Texas, part of the William Munson Survey, Abstract Number 90, said tract or parcel of land being more fully described by metes and bounds in **Exhibit "A"** attached hereto and incorporated herein (the "**Property**"),

and,

WHEREAS, Declarant desires to establish and preserve a general and uniform plan for the improvement, development, sale and use of such real property (and any other real property that may be annexed and subjected to the provisions of this Declaration) for the benefit of the present and future owners of the Property; and

NOW, THEREFORE, Declarant hereby declares that the Property will be held, transferred, sold, conveyed, occupied and enjoyed subject to the covenants, conditions, restrictions, easements, liens and charges set forth in this Declaration, all of which shall run with the land, as such Declaration may hereafter be amended and supplemented.

ARTICLE I
DEFINITIONS

As used in this Declaration, the terms set forth below have the following meanings:

A. ANNUAL MAINTENANCE CHARGE - The annual assessment made and levied by the Association against each Owner and the Owner's Lot in accordance with the provisions of this Declaration.

B. ARCHITECTURAL REVIEW COMMITTEE - The Architectural Review Committee established and empowered in accordance with Article IV of this Declaration.

C. ASSOCIATION – Sunset Hills Estates Homeowners Association, Inc., a Texas non-profit corporation, its successors and assigns.

D. BOARD or BOARD OF DIRECTORS - The Board of Directors of the Association.

E. BUILDER - A person or entity other than Declarant who either purchases a Lot within the Community for the purpose of constructing a Residential Dwelling thereon or is engaged

by the Owner of a Lot within the Community for the purpose of constructing a Residential Dwelling on the Owner's Lot.

F. **BYLAWS** - The Bylaws of the Association.

G. **CERTIFICATE OF FORMATION** - The Certificate of Formation of the Association.

H. **COMMON AREA** - Any real property and Improvements thereon owned or maintained by the Association for the common use and benefit of the Owners.

I. **COMMUNITY** - All the property subjected to the provisions of this Declaration, and all land subject to the provisions of this Declaration in the future pursuant to an annexation instrument or by a Supplemental Declaration duly executed and recorded in the Official Public Records of Washington County, Texas. Declarant reserves the right to facilitate the development, construction, and marketing of the Community and the right to direct the size, shape, and composition of the Community throughout the Development Period.

J. **DECLARANT** – KM Property Group, LLC, a Texas limited liability company, or its successors and assigns that have been designated as such by Declarant pursuant to a written instrument duly executed by Declarant and recorded in the Official Public Records of Washington County, Texas.

K. **DECLARATION** - This Declaration of Covenants, Conditions and Restrictions for Sunset Hills Estates.

L. **DEVELOPMENT PERIOD** - The period during which Declarant reserves the right to facilitate the development, construction, and marketing of the Community. The Development Period will exist until December 31, 2035, or as long as Declarant owns any part of the Property subject to the provisions of this Declaration, whichever period is longer, unless Declarant terminates the Development Period on an earlier date by an instrument duly executed by Declarant and recorded in the Official Public Records of Washington County, Texas.

M. **GUIDELINES** – Architectural Guidelines that may be promulgated by the Declarant or, after the termination of the Development Period, the Architectural Review Committee, which set forth the minimum acceptable architectural and/or construction guidelines. The Guidelines may include detailed style or construction specifications and may be amended and updated from time to time.

N. **IMPROVEMENT** - A Residential Dwelling, building, structure, fixture, or fence constructed or to be constructed on a Lot; a transportable structure placed or to be placed on a Lot, whether or not affixed to the land; and an addition to or modification of an existing Residential Dwelling, building, structure, fixture or fence.

O. **LOT or LOTS** - Each of the Lots shown on the Plat for any property subject to the provisions of this Declaration and the jurisdiction of the Association. Common Area shall not be considered a Lot or Lots.

P. **MAINTENANCE FUND** - Any accumulation of the Annual Maintenance Charges collected by the Association in accordance with the provisions of this Declaration and interest, penalties, other types of assessments, and other sums and revenues collected by the Association pursuant to the provisions of this Declaration.

Q. **MEMBER or MEMBERS** - All Lot Owners who are members of the Association as provided in Article V hereof.

R. **MORTGAGE** - A security interest, mortgage, deed of trust, or lien instrument granted by an Owner of a Lot to secure the payment of a loan made to such Owner, duly recorded

in the Official Public Records of Washington County, Texas, and creating a lien or security interest encumbering a Lot and some or all Improvements thereon.

S. **OWNER or OWNERS** - Any person or persons, firm, corporation or other entity or any combination thereof that is the record owner of fee simple title to a Lot, including contract sellers, but excluding those having an interest merely as a security for the performance of an obligation.

T. **PLAT** – The recorded plat for Sunset Hills Estates, the plat for each other subdivision annexed and made a part of the Community, if any, and any amending plat, replat or partial replat of any such plat.

U. **PLANS** - The final construction plans and specifications (including a related site plan) of any Residential Dwelling or other Improvement of any kind to be erected, placed, constructed, maintained or altered on any Lot.

V. **PROPERTY** - The property that is initially encumbered by this Declaration, as more particularly described in Exhibit "A". Upon the recording of each platted section of land initially described via metes and bounds on Exhibit "A", the Property will be as set forth on the recorded plat without further action required by Declarant.

W. **RESERVE** – Each of the reserves shown on the Plat for any property subject to the provisions of this Declaration and the jurisdiction of the Association.

X. **RESIDENTIAL DWELLING** - The single-family residence constructed on a Lot.

Y. **RULES AND REGULATIONS** - Rules and regulations adopted from time to time by the Board concerning the management and administration of the Community for the use, benefit and enjoyment of the Owners, including without limitation, rules and regulations governing the use of Common Area, if any. Such Rules and Regulations may include, without limitation, policies adopted by the Board to regulate issues addressed in Chapter 202 and Chapter 209 of the Texas Property Code, provided that such policies do not conflict with applicable law.

Z. **SPECIAL ASSESSMENT** - Any Special Assessment as provided in Article VI, Section 6.5, of this Declaration.

AA. **SUPPLEMENTAL DECLARATION** – A recorded instrument by which additional land is annexed to the Community and subjected to the provisions of this Declaration and the jurisdiction of the Association. A Supplemental Declaration may include additional and/or different restrictions that are applicable to the Lots subject to the provisions of the Supplemental Declaration so long as the additional or different restrictions are consistent with the general plan and scheme of development for the Community as established by this Declaration.

BB. **UTILITY COMPANY or UTILITY COMPANIES** - Any public entity, utility district, governmental entity (including without limitation, districts created under Article III, Section 52, or Article XVI, Section 59, of the Texas Constitution) or one or more private entities that regulate, provide or maintain utilities and drainage.

ARTICLE II
USE AND OCCUPANCY

SECTION 2.1. USE RESTRICTIONS.

A. **SINGLE FAMILY RESIDENTIAL USE.** Each Owner must use his Lot and the Residential Dwelling on his Lot only for single family residential purposes. As used herein, the term

"single family residential purposes" is deemed to specifically prohibit, without limitation, the use of a Lot for (i) a duplex apartment, a garage apartment or any other apartment, (ii) any multi-family use or (iii) any business, professional or other commercial activity of any type, unless such business, professional or commercial activity is unobtrusive and merely incidental to the primary use of the Lot and the Residential Dwelling for single family residential purposes. As used herein, the term "unobtrusive" means, without limitation, there is no business, professional, or commercial related sign, logo or symbol displayed on the Lot; there is no business, professional, or commercial related sign, logo or symbol displayed on any vehicle on the Lot; there are no clients, customers, employees or the like who go to the Lot for any business, professional, or commercial related purpose on any regular basis; and the conduct of the business, professional, or commercial activity is not otherwise apparent by reason of noise, odor, vehicle and/or pedestrian traffic and the like.

An Owner may not use or permit such Owner's Lot or Residential Dwelling to be used for any purpose that would (i) constitute a public or private nuisance, which determination may be made by the Board in its sole discretion; (ii) constitute a violation of the provisions of this Declaration, any applicable law, or any published Rules and Regulations of the Association or (iii) unreasonably interfere with the use and occupancy of any Lot in the Community or Common Area by other Owners.

An Owner is not permitted to lease his Lot for a period less than six (6) months. An Owner is not permitted to lease a room or rooms in the Residential Dwelling on the Owner's Lot or any other portion of the Residential Dwelling or other Improvement on the Owner's Lot. An Owner may only lease the entirety of the Lot, together with the Residential Dwelling and other Improvements on the Lot, for a minimum six (6) month term. The use of a Residential Dwelling or other Improvement on a Lot for short-term leasing, vacation rentals or a bed and breakfast is strictly prohibited. Every lease must provide that the lessee is bound by and subject to all the obligations under this Declaration and a failure to comply with the provisions of this Declaration will be a default under the lease. The Owner making such lease is not relieved from any obligation to comply with the provisions of this Declaration. The Board of Directors may adopt Rules and Regulations relating to leasing consistent with the provisions in this Section.

No garage sale, rummage sale, estate sale, moving sale or similar type of activity is permitted on a Lot.

B. STORAGE OF AUTOMOBILES, BOATS, TRAILERS AND OTHER. No automobiles, boats, boat trailers, travel trailers, trucks, tractor-trailers, campers, or vehicles of any kind shall be semi-permanently or permanently stored in the public street right-of-way or on driveways. Storage of such items and vehicles must be screened from public view, either within the garage or behind a fence which encloses the rear of the Lot. No inoperable automobiles, boats, boat trailers, travel trailers, trucks, tractor-trailers, campers or vehicles of any kind shall be semi-permanently or permanently stored on any Lot unless completely concealed from public view in an enclosed garage or other approved structure.

C. NUISANCES. No Lot or Residential Dwelling or other Improvement on a Lot may have any conspicuous infestation of pests, rodents, insects or other vermin or accumulation of trash, debris or other waste which the Board of Directors, acting reasonably and in good faith, determines to be offensive to surrounding residents or detrimental to the health or well-being of surrounding residents. No condition or activity is permitted on a Lot which is offensive to surrounding residents of ordinary sensibilities by reason of noise, odor, dust, fumes or the like or which adversely affects the desirability of the Lot or surrounding Lots. No nuisance is permitted to exist or operate on a Lot. The Board of Directors has the authority to determine whether an activity or condition on a Lot is

offensive or an annoyance to surrounding residents of ordinary sensibilities, or is a nuisance, or adversely affects the desirability of the Lot or surrounding Lots, and its reasonable good faith determination will be conclusive and binding on all parties.

D. **TRASH, TRASH CONTAINERS AND TRASH COLLECTION SERVICE.** No garbage or trash or garbage or trash container may be maintained on a Lot so as to be visible from a street in the Community, a neighboring Lot at ground level, or a Common Area except to make the same available for collection and then only on the day for collection. Garbage and trash made available for collection must be placed in trash cans with tight-fitting lids, or in trash receptables required pursuant to a trash disposal contract entered into by the Association.

Owners must independently contract with a private trash collection service. The fees for trash collection service will be paid by the Owners directly to the trash collection service. The Association has the right but not the obligation to determine the private trash collection service that must be utilized by all Owners. The purpose for a selecting a single trash collection service by the Association is to limit the number trash collection days and trash collection vehicles in the Community. An Owner's failure or refusal to enter a trash collection service with the company selected by the Association shall be a violation of this Declaration.

E. **RIGHT TO INSPECT.** During reasonable hours, Declarant, any member of the Architectural Review Committee, any member of the Board, or any authorized representative of any of them, has the right to enter upon and inspect a Lot, and the exterior of the Improvements thereon, for the purpose of ascertaining whether or not the provisions of this Declaration have been or are being complied with, and such persons will not be deemed guilty of trespass by reason of such entry.

F. **ANIMALS.** The keeping or raising of animals, except for domesticated household pets, such as dogs and cats, is expressly prohibited. In no event are more than five (5) total domesticated household pets, only three (3) of which may be housed outside, permitted to be kept on any Lot. At all times Owners with domesticated household pets must be able to demonstrate proof of current rabies vaccinations from a licensed veterinarian. No pets may be permitted to roam freely in the Community. No domesticated household pets shall be kept for breeding or commercial purposes. Livestock, poultry, wolves, and exotic pets, including, without limitation, reptiles, swine, monkeys, arachnids and large cats or other species of a wild or non-domesticated nature are strictly prohibited. Notwithstanding the foregoing, an Owner may keep up to six (6) chickens on a Lot at any time; provided, however, (i) roosters are not permitted at any time, and (ii) chickens must be maintained at all times in a chicken coop that has received prior written approval from the Architectural Review Committee.

G. **DISEASES AND INSECTS.** No Owner is permitted to allow any thing or condition to exist on a Lot which may induce, breed or harbor infectious plant diseases or noxious insects, including, without limitation, the failure to properly maintain a swimming pool or other type of water amenity on a Lot.

H. **RESTRICTION ON FURTHER SUBDIVISION.** The further subdivision of a Lot is prohibited, except by Declarant during the Development Period. The conveyance of a portion of a Lot less than the entirety of the Lot as shown on the applicable Plat by an Owner, other than Declarant, is prohibited.

I. **CONSOLIDATION OF LOTS.** Prior to construction of a Residential Dwelling, the Owner of one or more adjoining Lots may consolidate such Lots into one building site, in which

case the setback requirements shall be measured from the resulting perimeter Lot lines of the consolidated Lot.

J. **SIGNS.** No sign may be erected or maintained on a Lot except:

(i) Street signs and such other signs as may be required by law;

(ii) During the time of marketing a Builder-owned Lot, one (1) ground-mounted Builder identification sign having a face area not larger than six (6) square feet and located in the front yard of the Lot;

(iii) One (1) ground-mounted "for sale" or "for lease" sign not larger than six (6) square feet and extending not more than four (4) feet above the ground;

(iv) Ground mounted political signs as permitted by law; provided that, only one (1) sign for each candidate or ballot item may be displayed on a Lot earlier than the 90th day before the date of the election to which the sign relates or longer than the 10th day after the election date; and

(v) Home security signs and school spirit signs, if approved by the Architectural Review Committee.

Declarant, during the Development Period, and, thereafter, the Association, has the authority to go onto a Lot and remove and dispose of any sign displayed on the Lot in violation of this Section or that may be deemed offensive as determined in the sole discretion of the Board without liability in trespass or otherwise.

K. **EXEMPTIONS.** Notwithstanding the provisions of this Declaration, so long as the Development Period exists, Declarant has the authority to take any action reasonably determined by Declarant to be necessary for or convenient to the development, marketing, sale, operation or disposition of property within the Community and to allow Builders to take any action reasonably determined by Declarant to be necessary for or convenient to the development, marketing, sale, operation or disposition of property within the Community. Any action taken or allowed to be taken by Declarant for the purpose of the development, marketing, sale, operation or disposition of property within the Community during the Development Period will not be deemed to be a waiver of any provision in this Declaration. A bank or other lender providing financing to Declarant in connection with the development of the Community or Improvements thereon may erect signs on Lots owned by Declarant to identify such lender and the fact that it is providing such financing.

L. **LOT MAINTENANCE.** The Owner, lessee or other occupant of a Lot must at all times maintain the lawn and landscaping on the Lot. In no event is an Owner, lessee or other occupant of a Lot permitted to store materials or equipment on a Lot in view from a street Common Area or permit the accumulation of garbage, trash or rubbish of any kind thereon. An Owner, lessee or other occupant of a Lot is prohibited from burning leaves, trash, debris or the like on the Lot or in a street. Yard equipment, wood piles and storage piles must be screen from public view in a suitable enclosure approved in writing by the Architectural Review Committee. During the Development Period, Declarant has the exclusive authority to determine whether a Lot is being maintained in a reasonable manner and in accordance with the standards of the Community, and Declarant's determination will be conclusive and binding on all parties; thereafter, the Board of Directors will have the exclusive authority to determine whether a Lot is being maintained in a reasonable manner and in accordance with the standards of the Community and the Board of Directors' determination will be conclusive and binding on all parties. In the event the Owner, lessee, or other occupant of a Lot fails to maintain the Lot in a reasonable manner as required by

this Section and such failure continues after not less than ten (10) days written notice from the Association, the Association may, at its option, without liability to the Owner, lessee or other occupant in trespass or otherwise, enter upon the Lot and cause the Lot to be mowed, edged and cleaned, cause the landscaping beds to be weeded and cleaned, cause shrubs and trees to be trimmed or pruned, and do every other thing necessary to secure compliance with the provisions of this Declaration, and charge the Owner of the Lot for the cost of such work. The Owner agrees by the purchase of the Lot to pay such charge, plus fifty percent (50%) of such costs for overhead and supervision, immediately upon receipt of the corresponding statement. Payment of such charges is secured by the lien created in Article VI of this Declaration and subject to the same remedies for non-payment as the remedies available to the Association for non-payment of the Annual Maintenance Charges and other assessments. Interest thereon at the rate of eighteen percent (18%) per annum or the maximum non-usurious rate, whichever is less, will begin to accrue on such sum on the thirty-first (31st) day after a written invoice is delivered to the Owner.

M. FIREARMS. No firearms or explosives shall be discharged within the Community except (i) for the protection of Owners of the Lots and their property from predators or nuisance varmints; (ii) upon written permission of the Association; or (iii) as otherwise permitted by Section 202.020 of the Texas Property Code or its successor statute.

SECTION 2.2. ALTERATION AND REPAIRS.

A. ALTERATIONS. Subject to the provisions of this Declaration, the Rules and Regulations, and the Guidelines, each Owner has the right to alter, modify, repair, decorate, redecorate or improve the Residential Dwelling and other Improvements on such Owner's Lot, provided that all such action is performed with a minimum inconvenience to other Owners and does not constitute a nuisance. Notwithstanding the foregoing, the Board of Directors has the authority to require an Owner to remove or eliminate any object situated on such Owner's Lot or the Residential Dwelling or other Improvement on the Lot that is visible from a street in the Community, another Lot or Common Area, if, in the Board of Directors' sole judgment, such object detracts from the visual attractiveness or desirability of the Community.

B. REPAIRS. No Residential Dwelling or other Improvement on a Lot is permitted to fall into disrepair. Each Residential Dwelling or other Improvement on a Lot must at all times be kept in good condition and repair and adequately painted or otherwise finished by the Owner of the Lot at the Owner's sole cost and expense. During the Development Period, Declarant has the exclusive authority to determine whether an Owner is maintaining his Lot and the Residential Dwelling and other Improvements on the Lot in a reasonable manner and in accordance with the standards of the Community and Declarant's determination will be conclusive and binding on all parties. When the Development Period expires, the Board of Directors will have the exclusive authority to determine whether an Owner is maintaining his Lot and the Residential Dwelling and other Improvements on the Lot in a reasonable manner and in accordance with the standards of the Community and the Board of Directors' determination will be conclusive and binding on all parties. In the event the Owner of a Lot fails to keep the exterior of the Residential Dwelling or other Improvement on the Lot in good condition and repair, and such failure continues after not less than ten (10) days written notice from the Association, the Association may, at its option, without liability to the Owner, lessee or other occupant in trespass or otherwise, enter upon the Lot and repair and/or paint the exterior of the Residential Dwelling or other Improvement on the Lot and otherwise cause the Residential Dwelling or other Improvement on the Lot to be placed in good condition and repair, and do every other thing necessary to secure compliance with this

Declaration, and may charge the Owner of the Lot for the cost of such work. The Owner agrees by the purchase of such Lot to pay such charge, plus fifty percent (50%) of such costs for overhead and supervision, immediately upon receipt of the corresponding statement for such costs. Payment of such charges is secured by the lien created in Article VI of this Declaration and subject to the same remedies for non-payment as the remedies available to the Association for the non-payment of Annual Maintenance Charges and other assessments. Interest thereon at the rate of eighteen percent (18%) per annum or the maximum, non-usurious rate, whichever is less, will begin to accrue on such sum on the thirty-first (31st) day after a written invoice is delivered to the Owner.

ARTICLE III
DESIGN, CONSTRUCTION AND MATERIALS

SECTION 3.1. BUILDINGS AND OTHER EXTERIOR IMPROVEMENTS.

A. TYPES OF BUILDINGS. No building may be erected, placed or permitted to remain on a Lot other than (i) one detached Residential Dwelling, together with an attached or detached private garage capable of storing not more than five (5) vehicles, (ii) one (1) guest house, which may not exceed the Residential Dwelling in height or square footage, and (iii) one (1) accessory building, such as a small shed or storage building, and (iv) one (1) permitted play structure, all of which are subject to prior written approval by the Architectural Review Committee and must comply with the Guidelines, if any. All such permitted structures must be located behind the Residential Dwelling.

B. STORAGE. Without the prior written consent of the Architectural Review Committee, no building materials of any kind or character may be placed or stored on a Lot more than fifteen (15) days before the construction of a Residential Dwelling or other Improvement on the Lot is commenced. All materials permitted to be placed on a Lot must be placed within the property lines of the Lot. After the commencement of construction of any Residential Dwelling or Improvement on a Lot, the work thereon must be prosecuted diligently, to the end that the Residential Dwelling or Improvement does not remain in a partly finished condition any longer than reasonably necessary for completion. In any event, substantial completion of a Residential Dwelling on a Lot must be achieved within two hundred seventy (270) days of the date of commencement of construction of the Residential Dwelling, unless a longer period is approved in writing by the Architectural Review Committee; substantial completion of any other Improvement must be achieved within one hundred eighty (180) days of the date of commencement of construction of the Improvement, unless a longer period is approved in writing by the Architectural Review Committee. For purposes hereof, construction of a Residential Dwelling or other Improvement is deemed to have commenced on the date that any equipment or building material relating to such construction is moved onto the Lot. Also for purposes hereof, a Residential Dwelling is deemed to be substantially completed on the date an occupancy permit is issued by any governmental authority having jurisdiction or, if no such occupancy permit is required, the date the Residential Dwelling is ready to be occupied; any other Improvement is deemed to be substantially completed on the date the Improvement is capable of being used for its intended purpose. Upon the completion of the construction, any unused materials must be promptly removed from the Lot.

C. TEMPORARY STRUCTURES; ACCESSORY BUILDINGS. No building or structure of a temporary character, trailer (with or without wheels and whether or not attached to a foundation), mobile or manufactured home (with or without wheels and whether or not attached

to a foundation), modular or prefabricated home, shack, or other building may be placed on a Lot either temporarily or permanently. The foregoing prohibition is not intended to apply to the permanent Residential Dwelling, an attached or detached garage, a guest house, one (1) permitted accessory building, such as a small shed or storage building, and one (1) play structure, all of which must be approved in writing by the Architectural Review Committee. No residence house, garage or other structure may be moved onto a Lot from another location.

Notwithstanding the foregoing, Declarant reserves the exclusive right during the Development Period to erect, place and maintain, and to permit Builders to erect, place and maintain, such facilities in and upon a Lot owned by Declarant or the Builder as may be necessary or convenient during the period of and in connection with the sale of the Lot, and the construction and sale of Residential Dwellings and construction of other Improvements in the Community.

D. GARAGES/CARPORTS. A garage and a porte cochere require the prior written approval of the Architectural Review Committee and must be consistent with the design of the Residential Dwelling in all respects as to type, location and configuration. A detached garage may not exceed 2,400 square feet in size. Garage doors must also complement the design of the Residential Dwelling and may not be face the fronting street. Garages must be provided for all Residential Dwellings and in no case is a porte cochere permitted to act as or be substituted for a garage. Each garage on a Lot is required to be used for housing vehicles used or kept by the persons who reside on the Lot. The conversion of a garage into living area, in whole or in part, is prohibited. A detached carport on a Lot is prohibited.

E. AIR CONDITIONERS. No window, roof or wall type air conditioner or fan that is visible from a street in the Community, a neighboring Lot at ground level, or Common Area, is permitted to be used, placed or maintained on or in a Residential Dwelling, garage or other Improvement.

F. ANTENNAS. Satellite dish antennas which are forty inches (40") or smaller in diameter and antennas designed to receive television broadcast signals may be installed, provided they are installed in the least obtrusive location that allows reception of an acceptable quality signal. All other antennas are prohibited. As used herein, "least obtrusive location" primarily means a location that is not readily visible from the street in front of the Lot, and secondarily means, in the case of a Corner Lot or a Common Area, a location that is not readily visible from the side street or the Reserve or Common Area, as the case may be. The provisions of this Section are intended to be consistent with the Telecommunications Act of 1996 (the "**Act**") and FCC regulations promulgated under the Act, as the same currently exist or may hereafter be amended; the provisions of this Section are to be construed to be as restrictive as possible without violating the provisions of the Act or applicable FCC regulations.

G. EXTERIOR FINISH. The types, quantities, repetition and colors of exterior materials must be approved in writing by the Architectural Review Committee prior to construction or application. In general, masonry brick, stone, and Hardie Plank materials are acceptable. A minimum of 25% of the exterior finish material must be brick or stone. Wood paneling is prohibited.

H. MAILBOXES. Cluster mailboxes will be used in the Community; therefore, an individual mailbox on a Lot is prohibited. The Association will maintain the cluster mailboxes.

I. ROOFS. The materials used for the roof of the Residential Dwelling and each Improvement, the roof pitch, and the type and location of roof top accessories must be approved in writing by the Architectural Review Committee prior to construction. Composition shingles, tiles, metal or slate roofing is generally acceptable.

J. **CHIMNEYS.** The exterior materials used for a chimney in the Residential Dwelling or other Improvement must complement the exterior design of the Residential Improvement and be approved by the Architectural Review Committee. A cap on a chimney is required.

K. **WINDOWS AND DOORS.** Windows initially installed in a Residential Dwelling or other Improvement and replacement windows and windows installed in an addition to or modification of a Residential Dwelling or other Improvement after initial construction of the Residential Dwelling must be approved in writing by the Architectural Review Committee and comply with the Guidelines, if any. Reflective glass is not permitted on the exterior of a Residential Dwelling or other Improvement on a Lot. No foil or other reflective materials may be installed on any windows or used for sunscreens, blinds, shades or other purposes except as approved in writing by the Architectural Review Committee. Security bars are not permitted on the interior or exterior of windows or doors. Screen doors are prohibited on the front or side of a Residential Dwelling. An aluminum or metal door with a glass front (e.g., storm door) is permitted on the front of a Residential Dwelling, so long as the door is approved in writing by the Architectural Review Committee prior to installation and the door does not have a screen or bars.

L. **MECHANICAL EQUIPMENT.** All mechanical equipment, including, without limitation, air conditioning units, utility pedestals, meters, transformers, and pool equipment, must be located, to the extent possible, at the side or rear of each Residential Dwelling, out of view, or screened from view with evergreen shrubs in a manner approved in writing by the Architectural Review Committee.

M. **PLAY STRUCTURES.** A play structure requires the written approval of the Architectural Review Committee prior to placement or construction on a Lot. A play structure must be located behind the Residential Dwelling and may not exceed twelve (12) feet in height.

N. **LANDSCAPING.** Grass is required to be planted on areas of the Lot that are disturbed during construction. Landscaping and sod shall be installed on a Lot at the time of initial construction of a Residential Dwelling, in conformance with Plans related to landscaping submitted to the Architectural Review Committee. Landscaping and sod must be maintained in a live and attractive condition at all times. After initial installation of landscaping, any replacement plants must generally conform to the original design and plant materials installed at the time of initial construction of a Residential Dwelling on a Lot. Substantial modifications to planting beds or plant materials and additional landscaping after the initial landscaping require the prior written approval of the Architectural Review Committee. Irrigation is required for all visible yard areas.

O. **SEASONAL DECORATIONS.** Seasonal or holiday decorations must be reasonable in quantity and scope and displayed on a Lot or Residential Dwelling or other Improvement on a Lot only for a reasonable period before and after the holiday to which the holiday decorations relate. In the event of a dispute as to either the quantity or scope of decorations displayed on a Lot or the duration of the display, the reasonable, good faith decision of the Board of Directors concerning whether the quantity or scope of the decorations is reasonable or whether the duration of the display of the decorations is reasonable will be conclusive and binding on all parties.

P. **SWIMMING POOLS AND OTHER WATER AMENITIES.** No swimming pool, outdoor hot tub, reflecting pond, sauna, whirlpool, lap pool or other water amenity may be constructed, installed, and maintained on a Lot without the prior written approval of Architectural Review Committee, and may only be located behind a Residential Dwelling. Above-ground swimming pools are prohibited. A fountain in the front yard of a Lot is prohibited.

Q. **DRIVEWAYS, WALKWAYS, SIDEWALKS, AND GATES.** No driveway, walkway, sidewalk or gate may be constructed or modified on a Lot without the prior written approval of the Architectural Review Committee as to location, materials used in construction, and width. Driveways, walkways, sidewalks, and gates on a Lot must be properly maintained by the Owner of the Lot.

R. **EXTERIOR COLORS.** The color(s) of paint and color impregnation proposed to be used on the exterior of a Residential Dwelling or other Improvement on a Lot must be approved in writing by the Architectural Review Committee prior to application. Earth-tone colors, as determined in the discretion of the Architectural Review Committee are generally acceptable. Any change in the color scheme of the Residential Dwelling and related Improvements after initial construction, any repainting, and the color scheme for any new Improvement or addition to the Residential Dwelling or other Improvement on a Lot must be approved in writing by the Architectural Review Committee.

S. **BASKETBALL GOALS, BASKETBALL COURTS AND SPORT COURTS.** Only portable basketball goals are permitted on Lots in the Community, such goals must be stored upright beside or behind the Residential Dwelling when not in use. No basketball goal may be mounted on a Residential Dwelling, garage or other structure. A basketball court or sport court requires approval in writing by the Architectural Review Committee.

T. **SEPTIC SYSTEM.** Prior to occupancy of a Residential Dwelling or guest house on a Lot, each Owner shall construct, install and maintain a septic tank and soil absorption system in accordance with the specifications for same as established by the laws of the State of Texas and the requirements of Washington County, Texas. Septic system plans must be submitted with an Owner's application for new construction. If such septic system complies with such specifications but still emits foul or noxious odors or unsafe discharge onto streets, ditches or adjoining Lots, such system must be modified to eliminate such foul or noxious odors or unsafe discharge.

U. **WATER SYSTEM.** Prior to occupancy of a Residential Dwelling or guest house on a Lot, each Owner shall drill and maintain a water well on the Lot in accordance with the laws of the State of Texas and the requirements of Washington County, Texas.

V. **PROPANE TANKS.** Above-ground propane tanks are prohibited on a Lot.

SECTION 3.2. SIZE AND LOCATION.

A. **MINIMUM ALLOWABLE AREA OF INTERIOR LIVING SPACE.** The minimum allowable area of interior living space in a Residential Dwelling on a Lot is 2,000 square feet. The term "interior living space" excludes steps, porches, exterior balconies, and garages. A document annexing additional land into the Community may set forth different minimum allowable areas of interior living space for Residential Dwellings constructed or to be constructed on Lots in the land area being annexed.

B. **MAXIMUM ALLOWABLE HEIGHT OF BUILDING.** No Residential Dwelling may exceed a reasonable height required for two (2) stories of living space (above finished grade) plus a pitched roof. No Residential Dwelling may have more than two (2) stories of living space above finished grade, except in a case where a third (3rd) story of living space is contained within the volume defined by the roof plans of the Residential Dwelling.

C. **LOCATION OF IMPROVEMENT SETBACKS.** Unless otherwise set forth on the applicable Plat, a Residential Dwelling and all Improvements on a Lot, other than approved landscaping and approved fencing on side and rear property lines, must be located on a Lot in

accordance with the following setbacks: (i) not less than fifty (50) feet from the front Lot line, and (ii) not less than twenty (20) feet from the side and rear Lot lines. Notwithstanding the foregoing, the Architectural Review Committee may grant a variance from an applicable setback in the manner provided in Article IV, Section 4.7, when, in its sole discretion, a variance is deemed necessary or appropriate.

SECTION 3.3. WALLS AND FENCES.

A. PERMITTED FENCES. All walls and fences constructed on a Lot by an Owner require the prior written approval of the Architectural Review Committee and must comply with the Guidelines, if any. Any fence constructed along the front property line of a Lot, or along a roadway for a corner Lot, shall be a four-rail wooden fence constructed in accordance with the requirements set forth on Exhibit "B", attached hereto and incorporated herein. A front fence shall only be placed along the front property line (and not set back from the front property line) to ensure uniform placement from Lot to Lot. Side fences shall also be four-rail, wooden fences in accordance with the requirements of Exhibit "B" for a minimum of 75 feet from the front property line. Beyond 75 feet from the front property line, other types of fencing are permitted, with approval of the Architectural Review Committee. **CHAIN LINK OR WIRE FENCES ON A LOT, IN WHOLE OR IN PART, ARE PROHIBITED.**

B. MAINTENANCE OF FENCES. Except as otherwise expressly provided in this Declaration, ownership of a wall or fence erected on a Lot will pass with title to such Lot and it is the Lot Owner's responsibility to maintain, repair or replace, as necessary, such wall or fence. If a fence is located on the property line separating two (2) Lots, the Owners of the two (2) Lots have equal responsibility to maintain, repair and/or replace the fence. The Board of Directors has the exclusive authority to determine whether an Owner is maintaining a fence or wall on his Lot in a reasonable manner and in accordance with the standards of the Community, and whether a fence or wall requires maintenance, repair or replacement, and the Board of Directors' determination will be conclusive and binding on all parties.

C. FENCES ERECTED BY DECLARANT. Declarant has the authority, but not the obligation, to erect fencing along the rear or side property lines of Lots along the perimeter of the Community to enhance the appearance of the Community from locations adjacent to the Community. Declarant has the authority to determine the height, type and materials for such fencing, and on which Lots such fencing will be erected. If such fencing is installed, it shall be maintained, repaired and replaced by the Association, in the manner deemed necessary in the sole discretion of the Board of Directors. At the time of recording this Declaration, it is anticipated that Declarant will install fencing along the boundary of the Property adjacent to F.M. 2447, as depicted on Exhibit "C", attached hereto and incorporated herein. Declarant hereby reserves for itself and the Association a perpetual easement upon and across the Lots upon which or adjacent to which the Declarant installs fencing for the purpose of erecting, maintaining, repairing and replacing such fencing. The area subject to the easement is five (5) feet in width and extends along the entirety of the identified rear or side property line of each of such Lots. No Owner of any one (1) of these Lots has the authority to remove or in any way alter any portion of the fence on or adjacent to the Lot erected by Declarant or, thereafter, by the Association. An Owner is responsible for any damage to a fence constructed by or at the direction of Declarant or, thereafter, the Association, which is caused by such Owner or the Owner's family members, or the negligent, but not the intentional, acts of the Owner's guests, agents or invitees. The cost to maintain, repair and replace the fencing on the Lots subject to an easement will be a common expense of the

Association.

SECTION 3.4. GENERAL CONSTRUCTION RULES.

Rules and Regulations related to all matters pertaining to construction, including without limitation, vehicle parking, hours of construction, port-a-cans, and the removal of construction debris, may be adopted by the Board of Directors or the Architectural Review Committee. Construction shall only be permitted between the hours of 7:00 a.m.-5:30 p.m., Monday through Saturday, and between 10:00 a.m.-5:00 p.m. on Sunday.

SECTION 3.5. RESERVATIONS AND EASEMENTS.

A. UTILITY EASEMENTS. Certain utility and other easements are filed of record that affect the Property. In addition, Declarant reserves the utility easements, drainage and access easements, roads and rights-of-way shown on the Plat for the construction, addition, maintenance and operation of all necessary utility systems including systems of electric light and power supply, telephone service, cable television service, gas supply, water supply and sewer service, including systems for utilization of services resulting from advances in science and technology. There is hereby created an easement upon, across, over and under all of the Community for ingress and egress for the purpose of installing, replacing, repairing and maintaining all utilities. By virtue of this easement, it is expressly permissible for the Utility Companies and other entities supplying services to install and maintain pipes, wires, conduits, service lines, or other utility facilities or appurtenances thereto, under the land within the utility easements now or from time to time existing and from service lines situated within such easements to the point of service on or in any structure. Notwithstanding anything contained in this Section, no utilities or appurtenances thereto may be installed or relocated on the Community until approved by Declarant or the Board.

B. ADDITIONAL EASEMENTS. Declarant reserves the right to impose further restrictions and dedicate additional easements and roadway rights of way by instrument recorded in the Official Public Records of Washington County, Texas or by express provisions in conveyances, with respect to Lots that have not been sold by Declarant.

C. CHANGES TO EASEMENTS. Declarant reserves the right to make changes in and additions to all easements for the purpose of aiding in the most efficient and economic installation of utility systems.

D. MINERAL RIGHTS. By acceptance of a deed to a Lot in the Community, each Owner acknowledges and agrees that title to the Lot conveyed by Declarant does not include, and will not be construed to include, title to any oil, gas, coal, lignite, uranium, iron, ore, or other minerals. Further, by acceptance of a deed to a Lot in the Community, each Owner acknowledges and agrees that title to the Lot conveyed by Declarant does not include, and will not be construed to include, title to any water (surface or underground), gas, sewer, storm sewer, electric light, electric power, or telephone lines, poles, conduits or any utilities or appurtenances thereto constructed by or under authority of Declarant, or by a Utility Company through, along or within an easement or portion of an easement that serves a Lot or any other property within the Community. Declarant reserves the right to maintain, repair, sell or lease such utilities, lines, facilities and appurtenances to any public service corporation, any governmental agency, or any other party. Further, Declarant reserves the authority to represent all Owners of Lots and other property within the Community with respect to the use of the surface area within the Community for the exploration and production of minerals.

E. DRAINAGE. Except as shown on the drainage plan for the Community, if any, no Owner of a Lot is permitted to construct improvements on such Lot or to grade such Lot or permit such Lot to remain in or be placed in such condition that rain water falling on such Lot drains to any other Lot. It is the intent of this provision to preserve natural drainage; provided that, the provisions of this Section are not applicable to Declarant, or Lots contoured or specially graded by Declarant. Each Owner shall keep drainage easements, access easements, ditches, swales, ponds and natural drainage features located on Lots free of blockage, obstruction, debris, and trash at all times. Each Owner shall be responsible for mowing and maintaining any easements, ditches, swales, ponds and natural drainage features located on their Lot. The Association shall have the right, but not the obligation, to access Lots to inspect and/or maintain easements, ditches, swales, ponds or natural drainage features.

F. COMMON AREA. The Common Area, if any, is reserved for the common use, benefit and enjoyment of the Owners, subject to such reasonable Rules and Regulations governing the use thereof as may be promulgated by the Association. An Owner's right to use the Common Area (as limited by any Rules and Regulations) is appurtenant to title to a Lot. The Association has the right to charge a reasonable fee for the use of any facility situated on Common Area. Each Owner, lessee and other occupant of a Lot must observe and comply with any reasonable Rules and Regulations promulgated and published by the Association relating to the Common Area and is deemed to acknowledge and agree that all such Rules and Regulations, if any, are for the mutual and common benefit of all Owners, lessees and other occupants. Declarant has the authority to add Common Area to the Community. All Common Area will be maintained by the Association. During the Development Period, the Association is authorized to convey Common Area as deemed necessary and appropriate so long as the conveyance of Common Area is in furtherance of the development of the Community. When the Development Period expires, no Common Area may be conveyed by the Association without the written approval of Owners representing not less than seventy-five percent (75%) of the Lots and any attempted conveyance of Common Area without such approval will be void.

G. DRAINAGE FEATURES. No drainage feature on a Lot, including but not limited to a pond, ditch, or swale, may be altered or modified in any way without prior written approval of the Architectural Review Committee, as provided in Article IV of this Declaration.

ARTICLE IV
ARCHITECTURAL REVIEW AND APPROVAL

SECTION 4.1. ARCHITECTURAL REVIEW COMMITTEE. The Architectural Review Committee will consist of three (3) members. During the Development Period, Declarant has the exclusive right to appoint all three (3) members of the Architectural Review Committee. Thereafter, the Board will have the right to appoint all members. As long as Declarant has the authority to appoint members of the Architectural Review Committee, members of the Architectural Review Committee may, but need not be, Members of the Association. After Declarant's authority to appoint members of the Architectural Review Committee ceases, members of the Architectural Review Committee must be Members of the Association. Members of the Architectural Review Committee appointed by Declarant may be removed at any time and will serve until resignation or removal by Declarant. Members of the Architectural Review Committee appointed by the Board may be removed at any time by the Board, and will serve for such term as may be designated by the Board or until resignation or removal by the Board.

SECTION 4.2. APPROVAL OF IMPROVEMENTS REQUIRED. Plans for the Residential Dwelling and other Improvements to be initially constructed on a Lot must be submitted to and approved by the Architectural Review Committee. Plans for any Improvements to be placed or constructed on a Lot after the initial construction of the Residential Dwelling, as well as Plans for an addition to or modification of the Residential Dwelling or other Improvement on a Lot, must be submitted to and approved by the Architectural Review Committee.

The Architectural Review Committee has the authority to disapprove any Plans on any ground which is consistent with the objectives and purposes of this Declaration, including purely aesthetic considerations; failure to comply with any of the provisions of this Declaration or the Guidelines; failure to provide requested information; objection to exterior design, appearance or materials; objection on the ground of incompatibility of any such proposed Improvement with the general plan and scheme of development for the Community; objection to the location of any proposed Improvement; objection to the landscaping plan for such Lot; objection to the color scheme, finish, proportions, style of architecture, height, bulk or appropriateness of the Residential Dwelling or other Improvement; or any other matter which, in the sole judgment of the Architectural Review Committee, would render the proposed Residential Dwelling or other Improvement inharmonious with the general plan and scheme of development for the Community. The Architectural Review Committee has the authority to approve any submitted Plans with conditions or stipulations by which the Owner of such Lot is obligated to comply and must be incorporated into the Plans for such Residential Dwelling or other Improvement. Approval of Plans by the Architectural Review Committee for Improvements on a particular Lot will not be deemed an approval or otherwise obligate the Architectural Review Committee to approve similar Plans for proposed Improvements for another Lot.

The Association is authorized to charge reasonable fees for the review of Plans; the fees may vary depending upon the required scope of the review.

Any revisions, modifications or changes in Plans previously approved by the Architectural Review Committee must be approved by the Architectural Review Committee in the same manner specified above prior to constructing the Improvement on the basis of the proposed revisions, modifications or changes.

SECTION 4.3. FAILURE OF COMMITTEE TO ACT ON PLANS. Any request for approval of a proposed Improvement on a Lot by the submission of appropriate Plans will be deemed to be disapproved by the Architectural Review Committee unless written approval is transmitted to the Owner by the Architectural Review Committee within thirty (30) days of submission of the Plans and all information required by the Architectural Review Committee. Notwithstanding the written approval of the Architectural Review Committee of Plans for a proposed Improvement, an Owner or Builder is not authorized to construct or maintain an Improvement on a Lot that violates any provision of this Declaration or the Guidelines, the Architectural Review Committee at all times retaining the right to object to an Improvement on a Lot that violates any provision of this Declaration or the Guidelines. After the date that the Board of Directors obtains the authority to appoint the members of the Architectural Review Committee, an applicant will have the right to appeal an adverse decision of the Architectural Review Committee to the Board of Directors. The Board of Directors has the authority to adopt procedures for appeals of decisions of the Architectural Review Committee. In the event of an appeal, the decision of the Architectural Review Committee will remain in effect during the pendency of the appeal. The decision of the Board of Directors will be conclusive and binding on all parties.

SECTION 4.4. PROSECUTION OF WORK AFTER APPROVAL. After approval of a proposed Improvement on a Lot, the proposed Improvement must be prosecuted diligently and continuously and be completed within the time frame approved by the Architectural Review Committee and in strict conformity with the description of the proposed Improvement in the Plans submitted to and approved by the Architectural Review Committee. An approved Residential Dwelling must be completed within twelve (12) months of receipt of approval of plans. Other Improvements must be completed within a reasonable period of time, as determined in the sole discretion of the Board, based on the scope of construction.

SECTION 4.5. INSPECTION OF WORK. The Architectural Review Committee or its duly authorized representative has the right, but not the obligation, to inspect an Improvement on a Lot before or after completion, provided that the right of inspection will terminate sixty (60) days after the Architectural Review Committee has received a notice of completion from the applicant or, if a notice of completion is not submitted, ninety (90) days after the date that the Architectural Review Committee reasonably concludes that the Improvement has been completed.

SECTION 4.6. NO IMPLIED WAIVER OR ESTOPPEL. No action or failure to act by the Architectural Review Committee or by the Board of Directors will constitute a waiver or estoppel with respect to future action by the Architectural Review Committee or the Board of Directors. Specifically, the approval by the Architectural Review Committee of an Improvement on a Lot will not be deemed a waiver of any right or an estoppel against withholding approval or consent for any similar Improvement on another Lot or any similar Plans submitted with respect to any other Improvement on a Lot.

SECTION 4.7. POWER TO GRANT VARIANCES. The Architectural Review Committee may authorize variances from compliance with any of the provisions of Article II of this Declaration (except for the provisions relating to single family residential construction and use), including restrictions upon placement of structures, the time for completion of construction of Improvements on a Lot, or similar restrictions, when circumstances such as topography, natural obstructions, hardship, aesthetic, environmental, or other relevant considerations may require; provided that, the basis for a variance must be meaningful, not merely for the convenience of the applicant. Such variances must be evidenced in writing and will become effective when signed by at least a majority of the members of the Architectural Review Committee. If any such variance is granted, no violation of the provisions of this Declaration will be deemed to have occurred with respect to the matter for which the variance was granted; provided, however, that the granting of a variance will not (a) operate to waive any of the provisions of this Declaration or the Guidelines for any purpose except as to the particular Lot and the particular provision in the Declaration or the Guidelines covered by the variance, (b) affect the jurisdiction of the Architectural Review Committee other than with respect to the subject matter of the variance, or (c) affect in any way the Owner's obligation to comply with all governmental laws and regulations affecting the property concerned.

SECTION 4.8. COMPENSATION OF ARCHITECTURAL REVIEW COMMITTEE MEMBERS. The members of the Architectural Review Committee are entitled to reimbursement for reasonable expenses incurred by them in the performance of their duties hereunder as the Board from time to time may authorize or approve, but they may not otherwise be compensated by the Association. The Board of Directors is authorized to engage the Association's managing agent, an architect or another third party to assist in the review of Plans for proposed Improvements and to compensate such person(s) for their services, as deemed appropriate by the Board of Directors.

SECTION 4.9. ESTOPPEL CERTIFICATES. The Board of Directors, upon the reasonable request of an interested party and after confirming any necessary facts with the Architectural Review Committee, may furnish a certificate with respect to the approval or disapproval of an

Improvement on a Lot or with respect to whether an Improvement on a Lot was constructed in compliance with the provisions of this Declaration and the Guidelines. Any person, without actual notice of any falsity or inaccuracy of such a certificate, is entitled to rely on such certificate with respect to all matters set forth therein. The Association is authorized to charge a reasonable fee for the issuance of an estoppel certificate.

SECTION 4.10. NONLIABILITY FOR ARCHITECTURAL REVIEW COMMITTEE ACTION. None of the members of the Architectural Review Committee, the Association, any member of the Board of Directors, or Declarant will be liable for any loss, damage, or injury arising out of or in any way connected with the performance of the duties of the Architectural Review Committee, except to the extent caused by the willful misconduct or bad faith of the party to be held liable. In reviewing a matter, the Architectural Review Committee does not expressly or impliedly inspect, guarantee or warrant the workmanship of the Improvement, including its design, construction, safety, whether structural or otherwise, conformance with building codes, or other governmental laws or regulations or whether the Improvement is suitable or fit for its intended purpose. It is the responsibility of the Builder or Owner, as applicable to assure that any Improvement is adequately designed and constructed and that the Improvement complies with all applicable building codes and governmental laws and regulations.

SECTION 4.11. CONSTRUCTION PERIOD EXCEPTION. During the course of actual construction of a permitted Improvement on a Lot, and provided construction is proceeding with due diligence, the Architectural Review Committee may temporarily suspend the provisions of Article II set forth in this Declaration as to the Lot upon which the construction is taking place to the extent necessary to permit such construction; provided, however, that during the course of any such construction, nothing may be done that will result in a violation of any of the provisions of this Declaration upon completion of construction or that will constitute a nuisance or unreasonable interference with the use and enjoyment of other property within the Community.

SECTION 4.12. SUBSURFACE CONDITIONS. The approval of Plans by the Architectural Review Committee for a Residential Dwelling or other Improvement on a Lot will not be construed in any respect as a representation or warranty by the Architectural Review Committee or Declarant to the Owner submitting such Plans or to any of the successors or assigns of such Owner that the surface or subsurface conditions of such Lot are suitable for the construction of the Improvement contemplated by such Plans. It is the sole responsibility of each Builder or Owner, as applicable, to determine the suitability and adequacy of the surface and subsurface conditions of a Lot for the construction of any contemplated Improvement thereon.

ARTICLE V
MANAGEMENT AND OPERATION OF THE COMMUNITY

SECTION 5.1. MANAGEMENT BY ASSOCIATION. The affairs of the Community will be administered by the Association. The Association has the right, power and authority to provide for the management, administration, and operation of the Community as herein provided for and as provided for in the Certificate of Formation, the Bylaws, and the Rules and Regulations. The business and affairs of the Association will be managed by its Board of Directors. The period of Declarant control of the Association during which Declarant may appoint and remove members of the Board of Directors and officers of the Association is the same as the Development Period. During this period, Declarant will determine the number of Directors and appoint, dismiss and reappoint all of the members of the Board and all officers of the Association. Provided that, regardless of the specified period of Declarant control of the Association, on or before the tenth

(10th) anniversary of the date this Declaration is recorded, at least one-third (1/3rd) of the Board of Directors must be elected by Members other than Declarant. The Association, acting through the Board, is entitled to enter into such contracts and agreements concerning the Community as the Board deems reasonably necessary or appropriate to maintain and operate the Community in accordance with the provisions of this Declaration, including without limitation, the right to grant utility and other easements for uses the Board deems appropriate and the right to enter into agreements for maintenance, trash pick-up, repair, administration, patrol services, traffic, operation of recreational facilities, or other matters affecting the Community.

After the expiration of the Development Period, the Association is not prohibited from entering into a contract or agreement with an entity in which Declarant or an officer, director or member of Declarant who has a financial interest or a managerial position so long as the material facts of the interest or relationship are disclosed to or known by the Board of Directors of the Association, the contract or agreement is fair to the Association when approved, and the contract or agreement is approved in good faith and with ordinary care by not less than a majority of the Board of Directors of the Association.

SECTION 5.2. MEMBERSHIP IN ASSOCIATION. Each Owner of a Lot, whether one or more persons or entities, will upon and by virtue of becoming such Owner, automatically become and remain a Member of the Association until his ownership ceases for any reason, at which time his membership in the Association will automatically cease. Membership in the Association is mandatory and appurtenant to and will automatically follow the ownership of each Lot and may not be separated from such ownership.

SECTION 5.3. VOTING OF MEMBERS. Subject to any limitations set forth in this Declaration, each Member other than Declarant is a Class A Member entitled to one (1) vote per Lot owned on each matter submitted to a vote of the Members. Declarant is the Class B Member having ten (10) votes for each Lot owned. No Owner other than Declarant is entitled to vote at any meeting of the Association until such Owner has presented evidence of ownership of a Lot in the Community to the Secretary of the Association. In the event that ownership interests in a Lot are owned by more than one Class A Member of the Association, such Class A Members may exercise their right to vote in such manner as they may among themselves determine, but in no event may more than one (1) vote be cast for each Lot. Such Class A Members may appoint one of them as the Member who is entitled to exercise the vote of that Lot at any meeting of the Association. Such designation must be made in writing to the Board of Directors and will be revocable at any time by actual written notice to the Board. The Board is entitled to rely on any such designation until written notice revoking such designation is received by the Board. In the event that a Lot is owned by more than one Class A Member of the Association, and no single Class A Member is designated to vote on behalf of the Class A Members having an ownership interest in such Lot, then the Class A Member exercising the vote for the Lot will be deemed to be designated to vote on behalf of the Class A Members having an ownership interest in the Lot. All Members of the Association may attend meetings of the Association and all Members may exercise their vote at such meetings either in person or proxy, or by absentee ballot. Any person who occupies a Residential Dwelling on a Lot in the Community but is not an Owner may attend meetings of the Association and serve on committees (other than the Architectural Review Committee after the Development Period expires). Fractional votes and split votes are not permitted. Cumulative voting is not permitted.

Class B membership in the Association will cease and be converted to Class A membership when the Development Period expires, or on any earlier date selected by Declarant and evidenced by a written notice recorded in the Official Public Records of Washington County, Texas.

SECTION 5.4. MEETINGS OF THE MEMBERS. Annual and special meetings of the Members of the Association will be held at such place and time and on such dates as specified or provided in the Bylaws.

SECTION 5.5. PROFESSIONAL MANAGEMENT. The Board has the authority to retain, hire, employ or contract with such professional management companies or personnel as the Board deems appropriate to perform the day to day functions of the Association and to provide for the management, administration and operation of the Community as provided for in this Declaration and in the Bylaws.

SECTION 5.6. BOARD ACTIONS IN GOOD FAITH. Any action, inaction or omission by the Board made or taken in good faith will not subject the Board or any individual member of the Board to any liability to the Association, its Members, or any other party.

SECTION 5.7. IMPLIED RIGHTS; BOARD AUTHORITY. The Association may exercise any right or privilege given to it expressly by the provisions of this Declaration or its Certificate of Formation or Bylaws, or reasonably implied from or reasonably necessary to effectuate any such right or privilege. All rights and powers of the Association may be exercised by the Board of Directors without a vote of the membership except where expressly required by a provision in this Declaration, the Certificate of Formation, the Bylaws. The Board may institute, defend, settle or intervene on behalf of the Association in litigation, administrative proceedings, binding or non-binding arbitration or mediation in matters pertaining to (a) Common Areas or other areas in which the Association has or assumes responsibility pursuant to the provisions of this Declaration, (b) enforcement of this Declaration, the Rules and Regulations, and the Guidelines or (c) any other civil claim or action. However, no provision in this Declaration or the Certificate of Formation or Bylaws will be construed to create any independent legal duty to institute litigation on behalf of or in the name of the Association.

SECTION 5.8. STANDARD OF CONDUCT. The Board of Directors, the officers of the Association, and the Association have the duty to represent the interests of the Owners in a fair and just manner. Any act or thing done by any Director, officer or committee member taken in furtherance of the purposes of the Association, and accomplished in conformity with the Declaration, Certificate of Formation, Bylaws and the laws of the State of Texas, will be reviewed under the standard of the Business Judgment Rule as established by the common law of Texas, and such act or thing will not be a breach of duty on the part of the Director, officer or committee member if taken or done within the exercise of their discretion and judgment. The Business Judgment Rule means that a court may not substitute its judgment for that of the Director, officer or committee member. A court may not re-examine the decisions made by a Director, officer or committee member by determining the reasonableness of the decision as long as the decision is made in good faith and in what the Director, officer, or committee member believed to be in the best interest of the Association.

ARTICLE VI
MAINTENANCE FUND, CHARGES AND ASSESSMENTS

SECTION 6.1. MAINTENANCE FUND. All Annual Maintenance Charges collected by the Association and all interest, penalties, late charges, assessments and other sums and revenues collected by the Association constitute the Maintenance Fund. The Maintenance Fund will be held, managed, invested and expended by the Board, at its discretion, for the benefit of the Community and the Owners of Lots therein. The Board may, by way of illustration and not by way of limitation,

expend the Maintenance Fund for the administration, management, and operation of the Community; for the maintenance, repair and improvement of the Common Area; for the maintenance of any easements granted to the Association; for the enforcement of the provisions of this Declaration by action at law or in equity, or otherwise, and the payment of court costs as well as reasonable and necessary legal fees; and for all other purposes that are, in the discretion of the Board, desirable in order to maintain the character and value of the Community and the Lots therein. The Board and its individual members are not liable to any person as a result of actions taken by the Board with respect to the Maintenance Fund, except for willful neglect or intentional wrongdoings.

SECTION 6.2. COVENANTS FOR ANNUAL MAINTENANCE CHARGES AND ASSESSMENTS. Subject to Article VI, Section 6.7., below, each and every Lot in the Community is hereby severally subjected to and impressed with an Annual Maintenance Charge in an amount to be determined annually by the Board, which Annual Maintenance Charge will run with the land. Each Owner of a Lot, by accepting a deed to any such Lot, whether or not it so expressed in such deed, is hereby conclusively deemed to covenant and agree, as a covenant running with the land, to pay to the Association, its successors or assigns, each and all of the Annual Maintenance Charges and other assessments levied against his Lot and/or assessed against him by virtue of his ownership thereof, as the same become due and payable, without demand. The Annual Maintenance Charges and other assessments herein provided for, together with interest, late charges, costs and reasonable attorney's fees, are a charge and a continuing lien upon each Lot, together with all Improvements thereon, as hereinafter more particularly stated. All Annual Maintenance Charges and other assessments, together with interest, late charges, costs, and reasonable attorney's fees, are also the personal obligation of the person who was the Owner of the Lot at the time the obligation to pay the Annual Maintenance Charge or other assessment accrued, but no Member is personally liable for the payment of any Annual Maintenance Charge or other assessment, or sums made or becoming due and payable after his ownership ceases. No Member is exempt or excused from paying any such Annual Maintenance Charge or other assessment or sums by waiver of the use or enjoyment of the Common Area, or any part thereof, or by abandonment of his Lot or his interest therein.

SECTION 6.3. BASIS AND MAXIMUM ANNUAL MAINTENANCE CHARGE. Until January 1 of the year immediately following the date this Declaration is recorded in the Official Public Records of Washington County, Texas, the maximum Annual Maintenance Charge is $700.00 per Lot. From and after January 1 of the year immediately following the date this Declaration is recorded in the Official Public Records of Washington County, Texas, the maximum Annual Maintenance Charge may be automatically increased, effective January 1 of each year, by an amount equal to a ten percent (10%) increase over the prior year's maximum Annual Maintenance Charge without a vote of the Members of the Association. From and after January 1 of the year immediately following the date this Declaration is recorded in the Official Public Records of Washington County, Texas, the maximum Annual Maintenance Charge may be increased above ten percent (10%) only if approved either (i) in writing by a majority of the Members or (ii) by the vote of not less than two-thirds (2/3) of the Members present and voting, in person or by proxy, or by absentee ballot, at a meeting of the Members called for that purpose at which a quorum is present. After consideration of current maintenance costs and future needs of the Association, the Board of Directors may fix the Annual Maintenance Charge at an amount not in excess of the maximum amount established pursuant to this Section. Except as provided in Section 6.7., the Annual Maintenance Charge levied against each Lot must be uniform.

SECTION 6.4. DATE OF COMMENCEMENT AND DETERMINATION OF ANNUAL MAINTENANCE CHARGE. The initial maximum Annual Maintenance Charge provided for herein will be established as to all Lots on the date this Declaration is recorded in the Official Public Records of Washington County, Texas. However, the Annual Maintenance Charge will commence as to each Lot on the date of the conveyance of the Lot by Declarant and will be prorated according to the number of days remaining in the calendar year. On or before the 30th day of November in each year, the Board of Directors of the Association must fix the amount of the Annual Maintenance Charge to be levied against each Lot in the next calendar year. Written notice of the figure at which the Board of Directors of the Association has set the Annual Maintenance Charge must be sent to every Owner. Provided that, the failure to fix the amount of an Annual Maintenance Charge or to send written notice thereof to all Owners will not affect the authority of the Association to levy Annual Maintenance Charges or other assessments or to increase Annual Maintenance Charges as provided in this Declaration, nor will the failure to fix the amount of an Annual Maintenance Charge or to send written notice thereof to an Owner relieve the Owner of the obligation to pay Annual Maintenance Charges previously or thereafter levied.

SECTION 6.5. SPECIAL ASSESSMENTS. If the Board at any time, or from time to time, determines that the Annual Maintenance Charges assessed for any period are insufficient to provide for the continued operation of the Community or any other purposes contemplated by this Declaration, then the Board has the authority to levy a Special Assessment as it deems necessary to provide for such continued maintenance and operation of the Community. No Special Assessment will be effective until the same is approved either (a) in writing by at least a majority of the Members, or (b) by the vote of not less than two-thirds (2/3) of the Members present and voting, in person or by proxy, or by absentee ballot, at meeting of the Members called for that purpose at which a quorum is present. Special Assessments are payable in the manner determined by the Board and the payment thereof is subject to interest, late charges, costs and attorney's fees and secured by the continuing lien established in this Article, and may be enforced in the manner herein specified for the payment of the Annual Maintenance Charges.

SECTION 6.6. ENFORCEMENT OF ANNUAL MAINTENANCE CHARGE/ SUBORDINATION OF LIEN. The Annual Maintenance Charge assessed against each Lot is due and payable, in advance, on the date of the sale of such Lot by Declarant or its successor for that portion of the calendar year remaining, and on the first (1st) day of each January. Any Annual Maintenance Charge which is not paid and received by the Association by the thirty-first (31st) day of each January thereafter will be deemed to be delinquent, and, without notice, will bear interest at the rate of eighteen percent (18%) per annum or the maximum, non-usurious rate, whichever is less, from the date originally due until paid. Further, the Board of Directors of the Association has the authority to impose a monthly late charge on any delinquent Annual Maintenance Charge. The monthly late charge, if imposed, is in addition to interest. To secure the payment of the Annual Maintenance Charge, Special Assessments and Capitalization Fees (as provided in Section 6.8.) levied hereunder and any other sums due hereunder (including, without limitation, interest, costs, late charges, attorney's fees), there is hereby created and fixed a separate and valid and subsisting lien upon and against each Lot and all Improvements thereon for the benefit of the Association, and superior title to each Lot is hereby reserved in and to the Association. The lien described in this Section and the superior title herein reserved is deemed subordinate to any Mortgage for the purchase of the Lot and any renewal, extension, rearrangements or refinancing of such purchase money Mortgage. The collection of such Annual Maintenance Charge and other sums due hereunder may, in addition to any other applicable method at law or in equity, be enforced by suit for a money judgment and in the event of such suit, the expense incurred in collecting such

delinquent amounts, including interest, late charges, costs and attorney's fees, will be chargeable to and be a personal obligation of the defaulting Owner.

Notice of the lien referred to in the preceding paragraph may, but is not required to, be given by recording in the Official Public Records of Washington County, Texas an affidavit executed and acknowledged by a duly authorized representative of the Association, setting forth the name of the Owner or Owners of the affected Lot according to the books and records of the Association, the legal description of such Lot, and the fact that Annual Maintenance Charges and other sums are due on the Lot. The affidavit may, but is not required to, set forth the amount then due. Each Owner, by acceptance of a deed to his Lot, hereby expressly recognizes the existence of such lien as being prior to his ownership of such Lot and hereby vests in the Association the right and power to bring all actions against such Owner or Owners personally for the collection of such unpaid Annual Maintenance Charge and other sums due hereunder as a debt, and to enforce the aforesaid lien by all methods available for the enforcement of such liens, including both judicial and non-judicial foreclosure pursuant to Chapter 51 of the Texas Property Code (as same may be amended or revised from time to time hereafter); in addition to and in connection therewith, by acceptance of the deed to his Lot, each Owner expressly grants, bargains, sells and conveys to the President of the Association from time to time serving as trustee (and to any substitute or successor trustee as hereinafter provided for) such Owner's Lot, and all rights appurtenant thereto, in trust, for the purpose of securing the aforesaid Annual Maintenance Charge, Special Assessments, Capitalization Fees, and other sums due hereunder remaining unpaid hereunder by such Owner from time to time and grants to such trustee a power of sale. The trustee herein designated may be changed any time and from time to time by execution of an instrument in writing signed by the President or Vice President of the Association and filed in the Official Public Records of Washington County, Texas.

In the event of the election by the Board to foreclose the lien herein provided for nonpayment of sums secured by such lien, then it is the duty of the trustee, or his successor, as hereinabove provided, to enforce the lien and to sell such Lot, and all rights appurtenant thereto, in accordance with the provisions of Chapter 51 of the Texas Property Code as same may hereafter be amended. At any foreclosure, judicial or non-judicial, the Association is entitled to bid up to the amount of the sum secured by its lien, together with costs and attorney's fees, and to apply as a cash credit against its bid all sums due to the Association covered by the lien foreclosed. From and after any such foreclosure, the occupants of such Lot are required to pay a reasonable rent for the use of such Lot and such occupancy will constitute a tenancy-at-sufferance, and the purchaser at such foreclosure sale is entitled to the appointment of a receiver to collect such rents and, further, is entitled to sue for recovery of possession of such Lot by forcible detainer.

SECTION 6.7. PAYMENT OF ASSESSMENTS BY DECLARANT AND BUILDERS. Lots owned by Declarant are exempt from Annual Maintenance Charges, Special Assessments and Capitalization Fees during the Development Period. Provided that, during the Development Period, Declarant must pay any deficiency in the operating budget, less any portion of the Annual Maintenance Charges deposited in any reserve account established by the Association or otherwise set aside for reserves. A Lot owned by a Builder is subject to Annual Maintenance Charges, Special Assessments, and Capitalization Fees at a rate equal to one-half (1/2) the amount applicable to Lots other than Lots owned by Declarant.

SECTION 6.8. CAPITALIZATION FEE. Upon the first sale of a Lot after the completion of a Residential Dwelling thereon and upon each sale of the Lot thereafter, the purchaser of the Lot is required to pay to the Association a Capitalization Fee in a sum equal to the Annual Maintenance Charge in effect as of the date of closing on the sale of such Lot. The Capitalization Fee is due and

payable on the date the deed conveying the Lot to the purchaser is recorded or, if a contract for deed or similar instrument, the date the contract for deed is executed. Payment of the Capitalization Fee will be in default if the Capitalization Fee is not paid on or before the due date for such payment. Capitalization Fees in default will bear interest at the rate of eighteen percent (18%) per annum or the maximum, non-usurious rate, whichever is less, from the due date until paid. A Capitalization Fee in default is also subject to late charges. The Board in its sole discretion, may determine whether and in what proportions Capitalization Fees collected by the Association are to be used for operating costs or deposited into a reserve account established and maintained by the Association for capital improvements and/or the repair or refurbishment of the Common Area. No Capitalization Fee paid by an Owner will be refunded to the Owner by the Association. The Association may enforce payment of the Capitalization Fee in the same manner which the Association may enforce payment of Annual Maintenance Charges and Special Assessments pursuant to this Article VI.

SECTION 6.9. NOTICE OF SUMS OWING. Upon the written request of an Owner, the Association may provide to such Owner a written statement setting out the then current total of all Annual Maintenance Charges, Special Assessments, Capitalization Fees, and other sums, if any, owed by such Owner with respect to his Lot. In addition to such Owner, the written statement from the Association so advising the Owner may also be addressed to and be for the benefit of a prospective lender or purchaser of the Lot, as same may be identified by said Owner to the Association in the written request for such information. The Association is entitled to charge the Owner a reasonable fee for such statement.

SECTION 6.10. FORECLOSURE OF MORTGAGE. In the event of a foreclosure of a Mortgage on a Lot that is superior to the continuing lien created for the benefit of the Association pursuant to this Article, the purchaser at the foreclosure sale is not responsible for Annual Maintenance Charges, Special Assessments, Capitalization Fees, or other sums, if any, which accrued and were payable to the Association by the prior Owner of the Lot, but said purchaser and its successors are responsible for Annual Maintenance Charges, Special Assessments, Capitalization Fees, and other sums, if any, becoming due and owing to the Association with respect to said Lot after the date of foreclosure.

SECTION 6.11. ADMINISTRATIVE FEES AND RESALE CERTIFICATES. The Board of Directors of the Association may establish and change from time to time, if deemed appropriate, a fee sufficient to cover the administrative expense associated with providing information in connection with the sale of a Lot in the Community and changing the ownership records of the Association ("**Administrative Fee**"). An Administrative Fee must be paid to the Association or the managing agent of the Association, if agreed to by the Association, upon each transfer of title to a Lot. The Administrative Fee must be paid by the purchaser of the Lot, unless otherwise agreed by the seller and purchaser of the Lot. The Association also has the authority to establish and change from time to time, if deemed appropriate, a fee sufficient to cover the expense associated with providing a Resale Certificate in connection with the sale of a Lot. The fee for a Resale Certificate must be paid to the Association or the managing agent of the Association, if agreed to by the Association. The fee for a Resale Certificate is in addition to, not in lieu of, the Administrative Fee.

ARTICLE VII
INSURANCE AND SECURITY

SECTION 7.1. GENERAL PROVISIONS. The Board has the authority to determine whether to obtain insurance for the Association and, if insurance is obtained, the amounts thereof.

In the event that insurance is obtained, the premiums for such insurance will be an expense of the Association paid out of the Maintenance Fund.

SECTION 7.2. INDIVIDUAL INSURANCE. Each Owner, lessee or other occupant of a Residential Dwelling is responsible for insuring the Lot, the Residential Dwelling, and other Improvements on the Lot, and contents of and furnishings in the Residential Dwelling and other Improvements on the Lot. Each Owner, lessee or other occupant of a Residential Dwelling is, at his own cost and expense, responsible for insuring against the liability of such Owner, lessee or other occupant.

SECTION 7.3. INDEMNITY OF ASSOCIATION. Each Owner is responsible for any costs incurred as a result of such Owner's negligence or misuse or the negligence or misuse of the Owner's family, tenants, guests, invitees, agents, employees, or any lessee or other occupant of the Owner's Residential Dwelling, and by acceptance of a deed to a Lot does hereby agree to indemnify the Association, its officers, directors and agents, and all other Owners against any such costs.

SECTION 7.4. SECURITY. DECLARANT, THE ASSOCIATION, THEIR RESPECTIVE DIRECTORS, OFFICERS, MANAGERS, EMPLOYEES, AGENTS AND ATTORNEYS, ("ASSOCIATION AND RELATED PARTIES") ARE NOT IN ANY WAY TO BE CONSIDERED AN INSURER OR GUARANTOR OF SECURITY WITHIN THE COMMUNITY. THE ASSOCIATION AND RELATED PARTIES ARE NOT LIABLE FOR ANY LOSS OR DAMAGE BY REASON OF FAILURE TO PROVIDE ADEQUATE SECURITY OR THE INEFFECTIVENESS OF SECURITY MEASURES UNDERTAKEN. EACH OWNER, LESSEE AND OTHER OCCUPANT OF A LOT AND ON BEHALF OF HIMSELF/HERSELF AND HIS/HER GUESTS AND INVITEES ASSUMES ALL RISKS FOR LOSS OR DAMAGE TO PERSONS, TO RESIDENTIAL DWELLINGS AND TO THE CONTENTS OF THE RESIDENTIAL DWELLING AND FURTHER ACKNOWLEDGES THAT THE ASSOCIATION AND RELATED PARTIES HAVE MADE NO REPRESENTATIONS OR WARRANTIES NOR HAS ANY OWNER, LESSEE OR OTHER OCCUPANT ON BEHALF OF HIMSELF/HERSELF AND HIS/HER GUESTS OR INVITEES RELIED UPON ANY REPRESENTATIONS OR WARRANTIES, EXPRESSED OR IMPLIED.

ARTICLE VIII
FIRE OR CASUALTY: REBUILDING

SECTION 8.1. REBUILDING. In the event of a fire or other casualty causing damage or destruction to the Residential Dwelling or other Improvement on a Lot, the Owner of such damaged or destroyed Residential Dwelling or Improvement must, within ninety (90) days after such fire or casualty (or such longer period if agreed to in writing by the Board of Directors), contract to repair or reconstruct the damaged portion of Residential Dwelling or Improvement and cause the Residential Dwelling or Improvement to be fully repaired or reconstructed in accordance with the original Plans therefor, or in accordance with new Plans presented to and approved by the Architectural Review Committee, and promptly commence repairing or reconstructing such Residential Dwelling or Improvement, to the end that the Residential Dwelling or Improvement does not remain in a partly finished condition any longer than reasonably necessary for completion thereof. Plans for repairs or reconstruction must be submitted at least thirty (30) days prior to the deadline to contract to repair or reconstruct the damaged or destroyed Residential Dwelling or Improvement. Alternatively, such damaged or destroyed Residential Dwelling or Improvement must be razed and the Lot restored as nearly as possible to its original condition within ninety (90) days of its damage or destruction (or such longer period if agreed to in writing by the Board of Directors).

ARTICLE IX
DURATION, AMENDMENT, ANNEXATION AND MERGER

SECTION 9.1. DURATION. The provisions of this Declaration will remain in full force and effect until January 1, 2050, and be extended automatically for successive ten (10) year periods; provided however, that the provisions of this Declaration may be terminated on January 1, 2050, or on the commencement of any successive ten (10) year period by filing for record in the Official Public Records of Washington County, Texas, an instrument in writing signed by Owners representing not less than ninety percent (90%) of the Lots in the Community.

SECTION 9.2. AMENDMENT. For a period of ten (10) years after the date this Declaration is recorded, Declarant has the authority to amend this Declaration, but without the joinder or consent of any other party, so long as an amendment does not materially and adversely affect any substantive rights of the Lot Owners. After the expiration of the ten (10) year period, Declarant has the right to amend this Declaration, without the joinder or consent of any other party, for the purpose of clarifying or resolving any ambiguities or conflicts herein, correcting any inadvertent misstatements, errors, or omissions, or complying with a change in applicable law; provided, however, any such amendment must be consistent with and in furtherance of the general plan and scheme of development for the Community. In addition, the provisions of this Declaration may be amended at any time by an instrument in writing signed by the Secretary of the Association certifying that Owners representing not less than two-thirds (2/3) of the Lots have approved such amendment, in writing, setting forth the amendments, and duly recorded in the Official Public Records of Washington County, Texas; provided that, during the Development Period, an amendment of this Declaration must also be approved in writing by Declarant. Provided further that, without the joinder of Declarant, no amendment may diminish the rights of or increase the liability of Declarant under this Declaration. If there are multiple Owners of a Lot, the written approval of an amendment to this Declaration may be reflected by the signature of a single co-owner. Any legal challenge to the validity of an amendment to this Declaration must be initiated by filing a suit not later than one (1) year after the date the amendment document is recorded in the Official Public Records of Washington County, Texas.

SECTION 9.3. ANNEXATION. Additional land may be annexed and subjected to the provisions of this Declaration by Declarant, without the consent of the Members, during the Development Period. Thereafter, additional land may be annexed and subjected to the provisions of this Declaration only with the consent of not less than two-thirds (2/3) of the Members of the Association present and voting, in person or by proxy, or absentee ballot, at a meeting of the Members called for that purpose at which a quorum is present. The annexation of additional land will be effective upon filing of record an annexation instrument in the Official Public Records of Washington County, Texas.

Upon annexing additional land, Declarant, has the authority, in the annexation document, to impose additional restrictions upon the land being annexed and to modify provisions in this Declaration as such provisions apply to the annexed land, so long as the modifications are substantially consistent with the general plan and scheme of development for the Community as established by this Declaration. Further, Declarant has the authority to amend the provisions of an annexation document during the Development Period without the joinder or consent of any other party, so long as an amendment does not materially and adversely affect any substantive rights of the Lot Owners subject to the annexation document.

SECTION 9.4. DEANNEXATION OF LAND. Land made subject to this Declaration may be deannexed by an instrument signed by Owners representing not less than two-thirds (2/3) of the Lots in the Community and filed of record in the Official Public Records of Washington County, Texas. Provided that, no land made subject to this Declaration may be deannexed during the Development Period.

SECTION 9.5. MERGER. Upon a merger or consolidation of the Association with another association, the Association's properties, rights, and obligations may be transferred to another surviving or consolidated association or, alternatively, the properties, rights, and obligations of another association may be added to the properties, rights and obligations of the Association as a surviving corporation pursuant to a merger. The surviving or consolidated association will administer the covenants and restrictions applicable to the properties of the merging or consolidating associations as one scheme. No such merger or consolidation will effect any revocation, change or addition to the provisions of this Declaration.

ARTICLE X
MISCELLANEOUS

SECTION 10.1. SEVERABILITY. In the event of the invalidity or partial invalidity or partial unenforceability of any provision in this Declaration, the remainder of the Declaration will remain in full force and effect.

SECTION 10.2. NUMBER AND GENDER. Pronouns, whenever used herein, and of whatever gender, include natural persons and corporations, entities and associations of every kind and character, and the singular will include the plural, and vice versa, whenever and as often as may be appropriate.

SECTION 10.3. ARTICLES AND SECTIONS. Article and section headings in this Declaration are for convenience of reference and do not affect the construction or interpretation of this Declaration. Unless the context otherwise requires, references herein to articles and sections are to articles and sections of this Declaration.

SECTION 10.4. DELAY IN ENFORCEMENT. No delay in enforcing the provisions of this Declaration with respect to any breach or violation thereof will 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.

SECTION 10.5. LIMITATION OF LIABILITY. Notwithstanding anything provided herein to the contrary, neither the Declarant, the Architectural Review Committee, the Association, nor any agent, employee, representative, member, shareholder, partner, officer or director thereof, have any liability of any nature whatsoever for any damage, loss or prejudice suffered, claimed, paid or incurred by any Owner on account of (a) any defects in any Plans submitted, reviewed, or approved in accordance with the provisions of Article IV above, (b) any defects, structural or otherwise, in any work done according to such Plans, (c) the failure to approve or the disapproval of any Plans, or other data submitted by an Owner for approval pursuant to the provisions of Article IV, (d) the construction or performance of any work related to such Plans, (e) bodily injuries (including death) to any Owner, lessee or other occupant or the respective family members, guests, employees, servants, agents, invitees or licensees of any such Owner, lessee or other occupant, or other damage to any Residential Dwelling, Improvement or the personal property of any Owner, lessee or other occupant or the respective family members, guests, employees, servants, agents, invitees or licensees of such Owner or occupant, which may be caused by, or arise as result of, any defect, structural or otherwise, in a Residential Dwelling or Improvements or the Plans thereof or

any past, present or future soil and/or subsurface conditions, known or unknown and (f) any other loss, claim, damage, liability or expense, including court costs and attorney's fees suffered, paid or incurred by any Owner arising out of or in connection with the use and occupancy of a Lot, Residential Dwelling, or any other Improvements situated thereon.

SECTION 10.6. ENFORCEABILITY. The provisions of this Declaration will run with the Community and be binding upon and inure to the benefit of and be enforceable by Declarant, the Association, each Owner, lessee, and other occupant of a Lot in the Community, or any portion thereof, and their respective heirs, legal representatives, successors and assigns. Provided that, only the Association has the authority to enforce the provisions in Article VI of this Declaration relating to the payment of Annual Maintenance Charges and other sums to the Association. If notice and an opportunity to be heard are given as provided by law, the Association is entitled to impose reasonable fines for violations of the provisions of this Declaration, the recorded Rules and Regulations of the Association and the Guidelines and to collect reimbursement of actual attorney's fees and other reasonable costs incurred by it relating to violations of the provisions of this Declaration, the recorded Rules and Regulations, and the Guidelines. Such fines, fees and costs will be added to the Owner's assessment account, secured by the lien established in Article VI of this Declaration, and collected in the manner provided in Article VI of this Declaration. In the event any one or more persons, firms, corporations or other entities violate or attempt to violate any of the provisions of this Declaration, the Rules and Regulations or the Guidelines, Declarant, the Association, each Owner, lessee or other occupant of a Lot within the Community, may institute and prosecute any proceeding at law or in equity to abate, preempt or enjoin any such violation or attempted violation or to recover monetary damages caused by such violation or attempted violation.

SECTION 10.7. INTERPRETATION. The provisions of this Declaration are to be liberally construed to give effect to their purposes and intent.

SECTION 10.8. CERTIFICATES OF COMPLIANCE AND NON-COMPLIANCE. The Association has the authority to adopt and enforce policies and procedures relating to the inspection of Lots prior to sale or conveyance and the issuance of a certification that the Lot is or is not in compliance with the provisions of this Declaration, the Rules and Regulations, and the Guidelines. The Association also has the authority to charge a reasonable fee to the Owner of the Lot for the inspection of the Lot and the issuance of a Certificate of Compliance or Non-Compliance.

[Signature page follows.]

IN WITNESS WHEREOF, the undersigned, Declarant hereby executes this Declaration on this the 4 day of August, 2022, to become effective upon recording in the Official Public Records of Washington County, Texas.

DECLARANT:

KM PROPERTY GROUP, LLC,
a Texas limited liability company

By: _____
Printed: Cale Kobza
Its: President

THE STATE OF TEXAS §
§
COUNTY OF _____ §

BEFORE ME, the undersigned Notary Public, on this day personally appeared Cale Kobza, President of KM PROPERTY GROUP, LLC, known to me to be the person whose name is subscribed to the foregoing instrument and acknowledged to me that s/he executed the same for the purposes and consideration therein expressed and in the capacity stated.

GIVEN UNDER MY HAND AND SEAL OF OFFICE on this the 4 day of August, 2022.

ANNA NGUYEN
Notary Public, State of Texas
Comm. Expires 09-10-2023
Notary ID 13216508-4

_____
Notary Public in and for the State of Texas

JOINDER OF LIENHOLDER

The undersigned, being the owner and holder of an existing mortgage and lien upon and against all or a portion of the real property described in the foregoing Declaration of Covenants, Conditions and Restrictions for Sunset Hills Estates and defined as the "**Property**" in said Declaration, as such mortgagee and lienholder, does hereby consent to and join in said Declaration of Covenants, Conditions and Restrictions for Sunset Hills Estates.

This consent and joinder shall not be construed or operate as a release of said mortgage or lien owned and held by the undersigned, or any part thereof, but the undersigned agrees that its said mortgage and lien shall hereafter be upon and against the Property and all appurtenances thereto, subject to the provisions of the Declaration hereby agreed to.

9th SIGNED AND ATTESTED by the undersigned officers heretofore authorized, this the day of August, 2022.

BANCORPSOUTH BANK,

By: _____

Print Name: CINDY K. PICAZO

Title: SVP

THE STATE OF Texas §
§
COUNTY OF Harris §

Before me, the undersigned authority, on this day personally appeared Picazo, Cindy of BANCORPSOUTH BANK, known to me to be the person whose name is subscribed to the foregoing instrument, and acknowledged to me that he/she executed the same for the purposes and consideration therein expressed, in the capacity therein stated and as the act and deed of said corporation.

Given under my hand and seal of office on this 9th day of August, 2022.

KIM WILLIS NOTARY PUBLIC STATE OF TEXAS ID 10821357 EXP. 08/29/2026

_____
Notary Public in and for the State of Texas

EXHIBIT "A"

EXHIBIT A
LEGAL DESCRIPTION

All that certain tract or parcel of land, lying and being situated in Washington County, Texas, part of the William Munson Survey, A-90, consisting of all or part of the following tracts of land:

[1] Being a portion of the same land called 93.63 acres (Tract A-1) in a deed from McCarty Properties, LLC to Charles L. McDaniel & Lana J. McDaniel, dated August 14, 2015, recorded in Volume 1515, Page 404, Official Records of Washington County, Texas.

[2] Being all of the same tract of land called 41.88 acres in a deed from The Co-Trustee's of the Evie Melcher Non-Exempt Trust to McCarty Properties, LLC, dated October 5, 2010, recorded in Volume 1353, Page 239, Official Records of Washington County, Texas.

[3] Being part of Tract 2, all of Tract 3, all of Tract 4, all of Tract 5, all of Tract 6, part of Tract 7, part of Tract 8, all of Tract 9, all of Tract 10, part of Tract 11 and part of the access easement called 1.017 acres in a deed from William R. Gamble to McCarty Properties, Ltd., dated November 24, 2004, recorded in Volume 1141, Page 970, Official Records of Washington County, Texas.

[4] Being part of Tract II and part of Tract III in a deed from Patrick D. Murphy to McCarty Properties, Ltd., dated December 8, 2004, recorded in Volume 1143, Page 42, Official Records of Washington County, Texas.

[5] Being Tract 1, Tract 2, Tract 3 and Tract 4 described in Cause No. 37568, Styled Charles McDaniel and Lana J. McDaniel v. Elvira Seat, et al in the District Court of Washington County, Texas.

[6] Being a portion of the abandoned Chappell Hill Gravelly Point Road, and being more fully described by metes and bounds as follows, to-wit:

BEGINNING at a 5/8" iron rod found with "2972 cap" at a fence corner for the most westerly southwest corner hereof, being the southwest corner of said original 41.88 acre tract, common with an upper northwest corner of the residue of a High Meadows Land & Cattle, LLC tract called 102.180 acres (1373/659, O.R.W.C.,Tx.), being the northeast corner of a Chappell Hill Service Company, LLC tract called 5.773 acres (1392/694, O.R.W.C.,Tx.), and being the southeast corner of a Floyd Cegielski tract called 9.709 acres (731/784, O.R.W.C.,Tx.);

THENCE along the east line of said Cegielski tract, North 06 degrees 43 minutes 51 seconds East, 852.33 feet to a 3/8" iron rod found for a northwest corner hereof, common with the northeast corner of said Cegielski tract, being in the south line of a David S. Lancaster tract called 5.275 acres (1351/765, O.R.W.C.,Tx.), a 5/8" iron rod found with "2972 cap" at a fence corner bears South 04 degrees 53 minutes 29 seconds West, 41.53 feet;

THENCE along a portion of the south line of said Lancaster tract, North 86 degrees 43 minutes 20 seconds East, 487.47 feet to a 5/8" iron rod found with "2972 cap" at a fence corner for an interior corner hereof and of said original 41.88 acre tract, being the southeast corner of said Lancaster tract;

THENCE along west lines hereof, as follows:

North 02 degrees 36 minutes 27 seconds West, at 284.54 feet pass a 3/8" iron rod found for the northeast corner of said Lancaster tract, common with the southeast corner of a Brennan J. Peterson tract called 4.993 acres (1544/294, O.R.W.C.,Tx.), at a total distance of 534.04 feet to a 1/2" iron rod set at a fence corner for the northeast corner of said Peterson tract and for the southeast corner of Reserve A (called 7.146 acres) of Pecan Creek Subdivision (377A Plat Records of Washington County, Texas); and

North 01 degrees 44 minutes 04 seconds West, 389.59 feet to a 3/8" iron rod found at a fence corner for an upper northwest corner hereof, being in the east line of said Reserve A, common with the occupied southwest corner of a Claudell Lipscomb tract called 1 acre (1042/56, O.R.W.C.,Tx.), a 5/8" iron rod found bears North 09 degrees 10 minutes East, 0.73 feet;

THENCE along northerly lines hereof, being along occupied lines of said Lipscomb tract, as follows:

North 88 degrees 07 minutes 09 seconds East, 182.75 feet to a 1/2" iron rod found at a fence corner for an interior corner hereof;

North 09 degrees 39 minutes 46 seconds East, 52.84 feet to a 1/2" iron rod found at a fence corner for an exterior corner hereof;

North 86 degrees 51 minutes 27 seconds East, 136.49 feet to an 8" treated fence corner post for an interior corner hereof; and

North 02 degrees 55 minutes 59 seconds West, 223.76 feet to a 1/2" iron rod found with "1669 cap" at a fence corner on the occupied south margin of F. M. Highway 2447 for the upper northwest corner hereof, common with the occupied northeast corner of said Lipscomb tract;

THENCE along the occupied south margin of F. M. Highway 2447, being along a counterclockwise curve, having a radius of 1004.93 feet, an arc length of 287.87 feet, and a chord of North 61 degrees 05 minutes 32 seconds East, 286.89 feet to a 1/2" iron rod set for the upper northeast corner hereof;

THENCE through said original tracts and along east and north lines hereof, as follows:

South 02 degrees 55 minutes 59 seconds East, 726.97 feet to a 1/2" iron rod set for an interior corner hereof;

North 89 degrees 33 minutes 07 seconds East, 347.04 feet to a 5/8" iron rod found with "2972 cap" at a fence corner for the northeast corner of said original tract called 41.88 acres;

South 01 degrees 31 minutes 25 seconds East, 361.28 feet to a 1/2" iron rod set at a fence corner for an interior corner hereof; and

North 70 degrees 10 minutes 16 seconds East, 1388.43 feet to a 1/2" iron rod set at a fence corner for the most easterly northeast corner hereof, being in the west line of a Sena Family Trust U/T/A tract (Tract One) called 46.136 acres (1480/946, O.R.W.C.,Tx.);

THENCE along fenced east lines hereof, common with west lines of said Sena Family Trust U/T/A tract, as follows:

South 03 degrees 35 minutes 39 seconds East, 352.87 feet to a 1/2" iron rod set at a fence corner; and

South 02 degrees 27 minutes 58 seconds East, 1366.19 feet to a 1/2" iron rod set at a fence corner for the southeast corner hereof and of said original 93.63 acre tract, common with the southwest corner of said Sena Family Trust U/T/A tract, being in the north line of a Bull and Bear Ranch of Chappel Hill, Inc. tract called 240.407 acres (893/385, O.R.W.C.,Tx.);

THENCE along southerly lines hereof, as follows:

South 88 degrees 29 minutes 41 seconds West, 1351.35 feet to a square concrete monument found at a fence corner for the southwest corner of said original 93.63 acre tract, common with the northwest corner of said Bull and Bear Ranch of Chappel Hill, Inc. tract, being in the east line of said High Meadows Land & Cattle, LLC tract;

North 01 degrees 27 minutes 08 seconds West, 207.11 feet to a 5/8" iron rod found at a fence corner for an interior corner hereof and for the southeast corner of said original 41.88 acre tract, common with the northeast corner of said High Meadows Land & Cattle, LLC tract; and

South 87 degrees 33 minutes 14 seconds West, 1544.10 feet, along the south line of said original 41.88 acre tract, to the PLACE OF BEGINNING and containing 94.377 ACRES of land, more or less.

EXHIBIT "B"

Four Rail Fence Detail

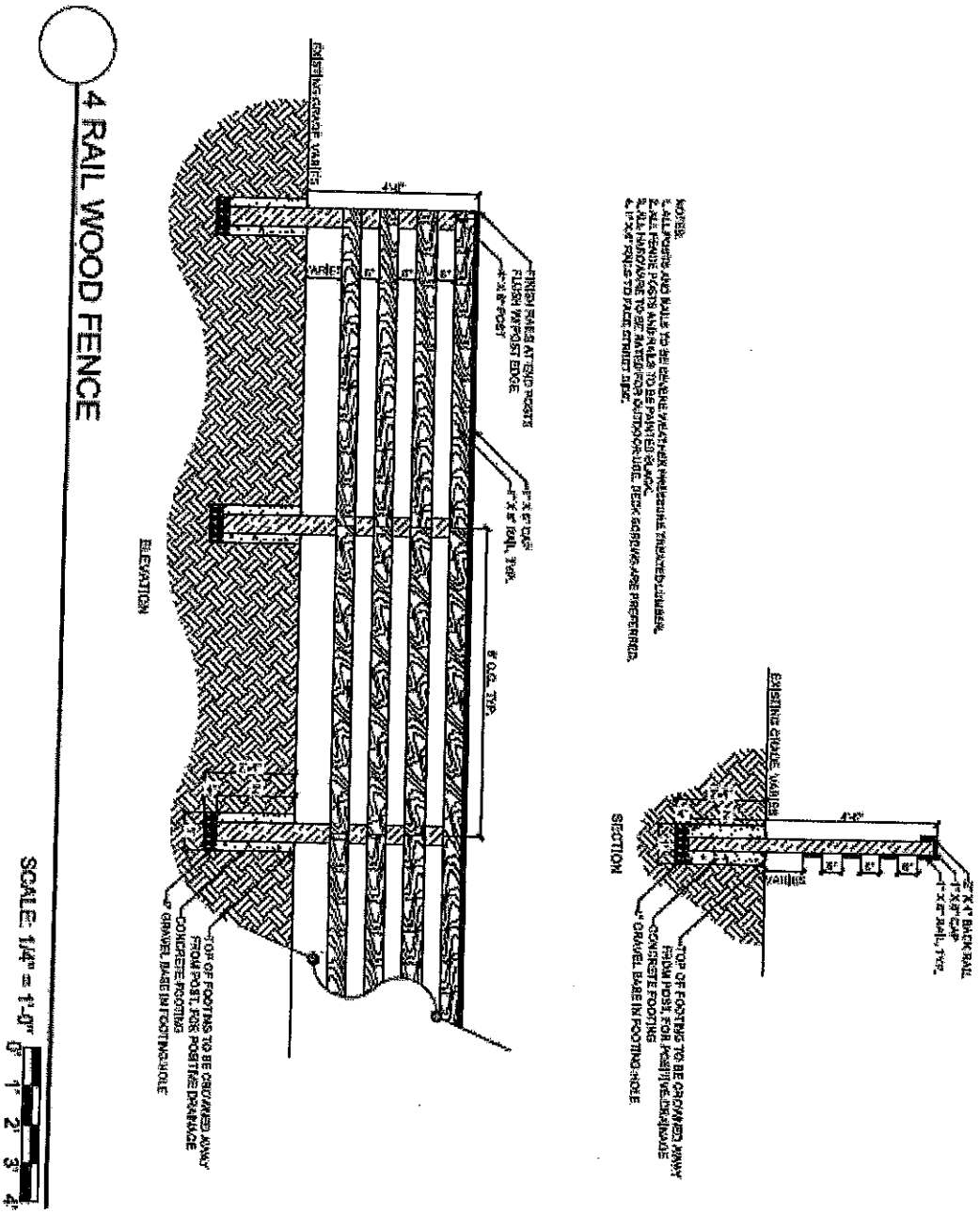
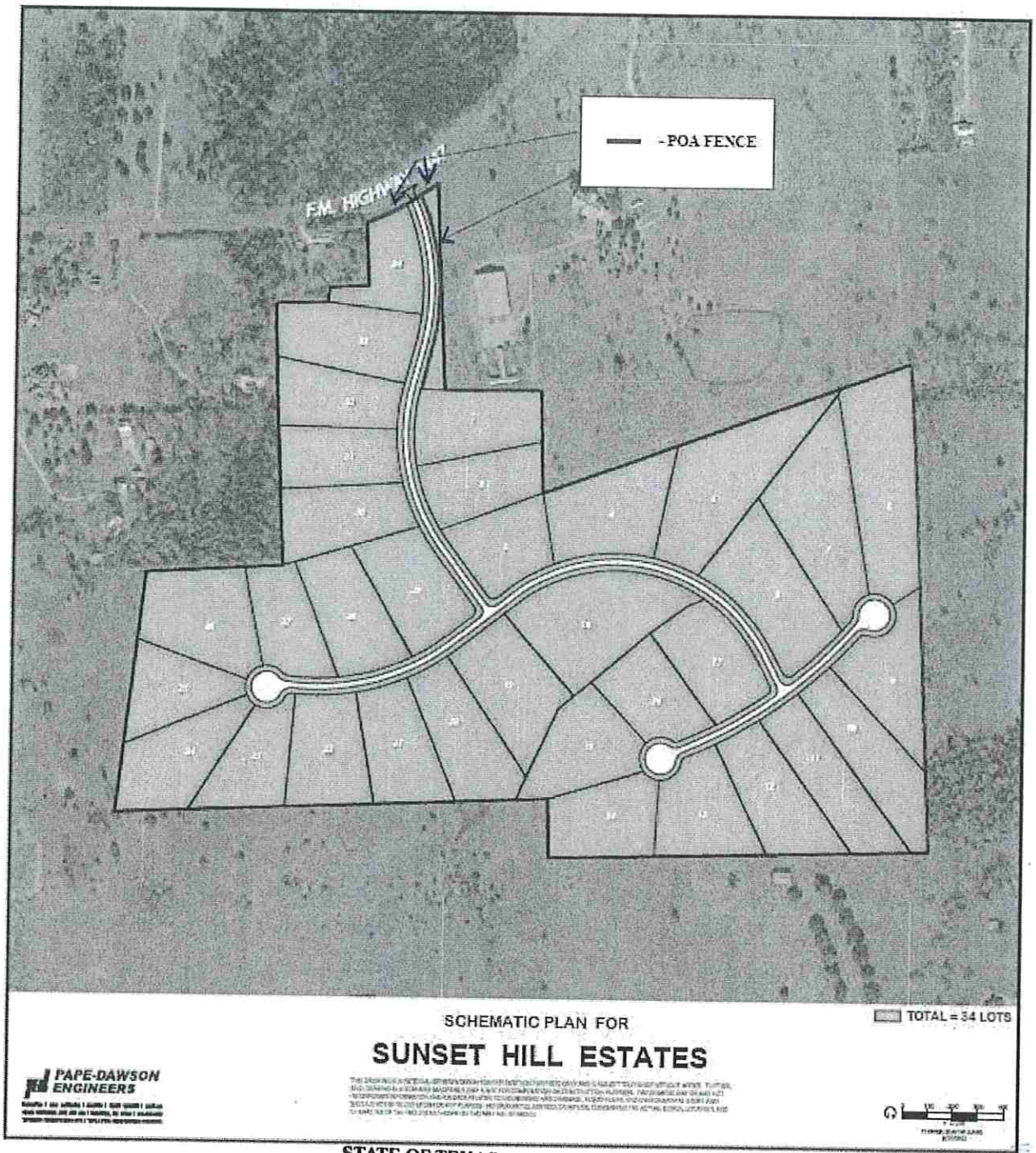


EXHIBIT "C"
Fences Maintained by Association



STATE OF TEXAS
COUNTY OF WASHINGTON

I hereby certify that this instrument was FILED on the date and at the time affixed hereon by me and was duly RECORDED in the volume and page of the OFFICIAL RECORDS of Washington County, Texas, as stamped hereon by me on AUG 17 2022

Beth A. Rothermel
Beth Rothermel, County Clerk
Washington County, Texas

FILED FOR RECORD
WASHINGTON COUNTY TEXAS
2022 AUG 16 PM 12:16
Beth A. Rothermel
WASHINGTON COUNTY CLERK