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**AMENDED AND RESTATED DECLARATION OF COVENANTS,
CONDITIONS, RESTRICTIONS AND EASEMENTS FOR
SILVERSTONE SECTION 1**

THE STATE OF TEXAS §

COUNTY OF MONTGOMERY §

THIS AMENDED AND RESTATED DECLARATION OF COVENANTS, CONDITIONS, RESTRICTIONS AND EASEMENTS FOR SILVERSTONE SECTION 1 (“DECLARATION”), is made on the date hereinafter set forth by Silverstone Homeowners Association, Inc., a Texas non-profit corporation.

RECITALS:

Silverstone Homeowners Association, Inc. (the “Association”) is the property owners association for Silverstone, Section 1, which is a subdivision in Montgomery County, Texas, according to the map or plat thereof of record in Cabinet Q, Sheet 94 of the Map Records of Montgomery County, Texas (the “Subdivision”).

The Subdivision is subject to certain covenants, conditions and restrictions as set out in the Declaration of Covenants, Conditions, Restrictions and Easements for Silverstone, Section 1 dated September 17, 2002, which are filed for record under Clerk’s File Number 2002-098209, and Film Code Number 149-10-2671, in the Official Public Records of Real Property of Montgomery County, Texas (the “Original Declaration”).

The Original Declaration proceeds for and adopts a uniform plan of development for the Subdivision including assessments, conditions, covenants, easements, reservations and restrictions

designed to govern, control and preserve the value and amenities of the Subdivision for the development, improvement, sale, use and enjoyment of the Subdivision as a residential development.

Pursuant to the applicable provisions of the Original Declaration, the association was created as a non-profit corporation under the laws of the State of Texas.

The Original Declaration provides, in relevant part, that the restrictions and covenants contained therein may be amended by an instrument executed by the President of the Association, when approved by members entitled to cast not less than two-thirds (2/3) of the aggregate of the votes of both classes of membership and by such amendment being recorded in the Real Property Records of Montgomery County, Texas.

The Association has promulgated this Amended and Restated Declaration of Covenants, Conditions, Restrictions and Easements for Silverstone Section 1 which shall modify, amend, supplant, and replace the Original Declaration, and the covenants, conditions, restrictions, dedications and other provisions therein contained.

As set out in the Certification attached hereto, this Amended and Restated Declaration of Covenants, Conditions, Restrictions and Easements has been approved by a majority of the combined total votes of Class A and Class B Membership in the Association.

NOW, THEREFORE, in consideration of the premises, the Association hereby promulgates, ratifies, confirms and adopts this AMENDED AND RESTATED DECLARATION OF COVENANTS, CONDITIONS, RESTRICTIONS AND EASEMENTS FOR SILVERSTONE SECTION 1 and in so doing, declares that the Property (as hereinafter defined) shall be developed, improved, sold, used and enjoyed in accordance with, and subject to the following plan of

development, including the assessments, conditions, covenants, easements, reservations, and restrictions hereinafter set forth, all of which are hereby adopted for, and placed upon said Property and shall run with the Property and be binding on all parties, now and at anytime hereinafter, having or claiming any right, title or interest in the Property or any part thereof, their heirs, executors, administrators, successors and assigns, regardless of the source of, or the manner in which any such right, title or interest is or may be acquired, and shall inure to the benefit of each Owner of any part of the Property.

THIS AMENDED AND RESTATED DECLARATION OF COVENANTS, CONDITIONS, RESTRICTIONS AND EASEMENTS FOR SILVERSTONE SECTION 1 IS INTENDED TO AND DOES MODIFY, AMEND, SUPPLANT AND REPLACE THE ORIGINAL DECLARATION.

ARTICLE I
DEFINITIONS

Section 1.1 "Association" shall mean and refer to the Silverstone Homeowners Association, Inc., a Texas non-profit corporation, its successors and assigns. The Association shall be governed through its Board of Directors, who shall establish By-laws in accordance with the guidelines and requirements of the Texas Non-Profit Corporation Act.

Section 1.2 "Builder" shall mean and refer to an individual or entity undertaking the construction of a single family residence on a Lot within the Properties for the purpose of selling same.

Section 1.3 "Building Guidelines" shall mean such building guidelines as from time to time may be promulgated by the Architectural Control Committee (hereinafter defined), as same may be from time to time amended by such committee at its discretion.

Section 1.4 "Common Area" shall mean all real property and improvements thereon owned by the Association for the common use and enjoyment of the Owners, in which the Association has an interest, or in which the Owners have any right or privilege for use and enjoyment, either alone or together with other persons or entities.

Section 1.5 "Common Household Group" shall mean one (1) or more natural Persons, each related to the other by blood, marriage or legal adoption, or a group of no more than four (4) such persons not all so related, together with his, her or their domestic servants, all of whom maintain a common household in a Dwelling Unit on a Lot within the Properties.

Section 1.6 "Dwelling Unit" shall mean a residential building designed for, and limited and restricted to occupancy by a Common Household Group on a Lot, not including an accessory building or garage.

Section 1.7 "Lot" shall mean and refer to any lot or plot of land shown in any recorded subdivision map or plat of any portion of the Properties with the exception of the Common Area and Reserves.

Section 1.8 "Owner" shall mean and refer to the record Owner, whether one or more persons or entities, of fee simple title to any "Lot" which is part of the Properties, including contract sellers, but excluding those having such interest merely as security for the performance of an obligation.

Section 1.9 "Plat", "Plats" or "Subdivision Plat" shall mean and refer to all plats filed for record in the office of the County Clerk of Montgomery County, Texas with respect to any property within the jurisdiction of the Association, including but not limited to the plat of the Silverstone Section, 1, recorded in the office of the County Clerk of Montgomery County, Texas in Cabinet Q,

Sheet 94 of Map of Records of Montgomery County, Texas and all amendments thereto and all replats and partial replats thereof ("Initial Plat").

Section 1.10 "Property" or "Properties" shall mean and refer to that certain real property described hereinabove and known as Silverstone, Section 1, and such additions thereto as may hereafter be brought within the jurisdiction of the Association.

Section 1.11 "Related User" shall mean and refer to any member of the Common Group of an owner who resides with such owner, guests and invitees of any Owner; employees of any owner; and occupants, tenants and contract purchasers residing in a Dwelling Unit of an owner who claim by, through or under an Owner.

Section 1.12 "Reserves" shall mean and refer to any parcel or segment of land designated as a "reserve" on a Plat.

Section 1.13 "Lake Lot" shall mean and refer to Lots 3 through 17 inclusive in Block 1 of Silverstone, Section 1.

Section 1.14 "Rules and Regulations" shall mean and refer to such rules and regulations concerning the Common Areas, the general welfare of the Association, the Properties and/or the Members, or any other matter deemed appropriated by the Board, as may be promulgated from time to time by the Board or a Committee appointed by the Board.

Section 1.15 "Domestic Quarters" shall mean and refer to an outbuilding on the Lot that is not part of the main residence and is primarily used for the housing of servants of the Owners of such Lot.

ARTICLE II
PROPERTY RIGHTS

Section 2.1 *Owner's Easements of Enjoyment*: Every Owner shall have a non-exclusive right and easement of enjoyment in and to the Common Area which shall be appurtenant to and shall pass with the title to every Lot, subject to Section 2.3 below and further subject to the following provisions and rights:

- a) the right of the Association to charge reasonable admission and other fees for the use of any recreational facility, which may at any time be situated upon the Common Area;
- b) the right of the Association to establish reasonable rules and regulations promulgated by the Board of Directors of the Association regarding the use of the Common Areas;
- c) the right of the Association to suspend the voting rights and right to use of the recreational facilities by an Owner:
 - (i) for any period during which any assessment against his Lot is due and remains unpaid; and
 - (ii) for such period as determined by the Board for any infraction of its Rules and Regulations;
- d) the right of the Association, with the consent of two-thirds (2/3) of the members, to dedicate or transfer, or to enter into other agreements with respect to all or any part of the Common Area owned by the Association, to or with any public agency, authority or utility, for such purposes and subject to such conditions as may be deemed to be reasonable and appropriate by the Board;

- e) the right of the Association to limit the number of guests of Owners regarding use of Common Areas and to regulate the methods of use thereof;
- f) the right of the Association, with the consent of two-thirds (2/3) of the Members, to borrow money for the purpose of adding to or improving the Common Area, and in aid thereof to mortgage the Common Area owned by the Association. The rights of any such Mortgagee in said properties shall be superior as to the rights of the Owners hereunder at the mortgagee's election; provided however, that the rights of any such Mortgagee shall be subject to the restrictions on the Common Area pledged as contained in this Declaration or any amendment hereof, or the Rules and Regulations;
- g) the right of the Association to enter into agreements for joint use of Common Areas by owners and related users in other residential property owner's associations, and/or joint use by Owners of common areas or facilities in other subdivisions, on such basis as is deemed reasonable by the majority of the Board of Directors. The affirmative vote of the majority of the Board of Directors shall be conclusive evidence of the reasonableness and acceptability to the Members of any such agreement; and
- h) the right of the Association to enter into such agreements with and to do such things as required by the City of Conroe and/or are deemed necessary by the Board in order to establish and maintain private streets within the Properties.

Section 2.2 *Delegation of Use:* Any Owner may delegate, in accordance with the Association's By-Laws and Rules and Regulations, his, her or its rights of enjoyment of the Common

Area to the members of his or her family, or his, her, or its tenants or contract purchasers who reside on such Owners Lot.

Section 2.3 *Reservation of Rights:* The Association further hereby reserves the right to make such reservations and/or conveyances of easements and any other rights deemed necessary by the Association in furtherance of completion of development of the Properties as to any and/or all Reserves and/or Common Areas which may at any time be annexed into the Properties, in any annexation agreements respecting such additional Reserves and/or Common Area.

Section 2.4 *Lake and Use of Lake:* The area designated as Restricted Reserve "C" on the Initial Plat, is a Common Area lake and may be used by the Owners as provided herein. No boating, swimming, wading or fishing is permitted in such lake.

Section 2.5 *Private Streets:* The entry gate or any other entry security device and streets in Silverstone, Section 1 shall be and are "Private" and constitute a portion of the Common Area which is subject to the jurisdiction and administration by the Association. The streets in Silverstone, Section 1 are not dedicated to the public, but shall be operated as private streets by the Association, with each Owner having an easement for the use and benefit of such Owner of a Lot fronting thereon or adjacent thereto, which easements shall include rights of ingress and egress, and passage over and along said streets in favor of the Association, the Owners and their respective legal representatives, successors and assigns, guests, invitees, licensees, designees, and the successors-in-title to each Lot Owner and in favor of the invitees and designees of each successor-in-title to each Lot Owner, but not in favor of the public.

Subject to the terms and conditions of this Section 2.5, the private roads and streets in Silverstone, Section 1, as shown on the Initial Plat are hereby dedicated utility easements strictly for

the purpose of constructing, operating, maintaining and repairing a system(s) of electric lighting, electrical power, telegraph and telephone lines, gas lines, sewers, water lines, storm drainage (surface or underground) or any other utilities that the Association sees fit to install (or permit to be installed) in, across and/or under the Property. The dedication of the private roads and streets as utility easements shall not affect the Association or the Association's operation of the roads and streets in Silverstone, Section 1 as private roads and streets, as set forth above in this Section 2.5.

Notwithstanding the Association's operation of the roads and streets in Silverstone, Section 1 as private streets, the Association hereby grants to law enforcement agencies and officers of Montgomery County, City of Conroe and the State of Texas, other governmental law enforcement bodies, fire equipment, ambulances, U.S. Postal Service, school buses, Montgomery County officials and personnel and other governmental officials and personnel, rights of ingress and egress and passage over and along said private roads and streets of Silverstone, Section 1 in connection with the performance of their official functions. In addition to the other provisions appearing within this Article, the Board of Directors of the Association and the Association is specifically authorized to recommend, adopt, implement and enforce rules, regulation, mechanism and procedures governing use of the entry gate, streets and roads covering items such as (but not necessarily limited to):

- a) Entry gate identification and/or entry programs for Owners and their respective immediate families, their guests and invitees and vehicles owned or driven by any of them;
- b) speed limits, designated parking area, restricted parking areas and no-parking areas;
- c) signs and graphics to provide announcements to unauthorized personnel concerning potential criminal trespass matters;

- d) a "fines" system through which the Association can levy and collect fines from its Members for violations of the applicable rules and regulations; and
- e) disclaimers of liability for any and all matters or occurrences on or related to the Common Areas.

The streets and roads in Silverstone, Section 1 are dedicated for the private use and benefit of Owners within such subdivision. The Association shall be responsible for the maintenance and upkeep of the streets, roads and roadside ditches and shall be authorized to assess and collect a maintenance fee against the Lots and to expend funds so collected for such purposes. The Association may make an offer of public dedication of private streets if such dedication is authorized by the affirmative vote of two-thirds (2/3) of all Owners within Silverstone, Section 1. To be effective, an offered public dedication must be accepted by a formal vote of the governing body of the public entity which has jurisdiction over the streets. Until formally accepted, private streets which are offered for public dedication remain the responsibility of the Association.

ARTICLE III
DUTIES AND POWERS OF THE ASSOCIATION

Section 3.1 *General Duties and Powers of the Association:* The Association has been formed to further the common interest of the Members. The Association, acting through the Board of Directors or through persons to whom the Board of Directors has such powers (and subject to the provisions of the By-laws), shall have the duties and powers hereinafter set forth and, in general, the power to do anything that may be necessary or desirable to further the common interest of the members, to maintain, improve and enhance the Common Areas and to improve and enhance the attractiveness, desirability and safety of the Properties. The Association shall have the authority to

act as the agent to enter into any and all contracts on behalf of the Members in order to carry out the duties, powers and obligations of the Association as set forth in this Declaration.

Section 3.2 *Duty to Accept the Property and Facilities:* The Association shall accept title to any of the Common Areas or other real property, including any improvements thereon and personal property transferred to the Association by the original developer of the Subdivision, and equipment related thereto, together with the responsibility to perform any and all administrative functions and recreation functions associated (collectively herein referred to as "Functions"), provided that such property and Functions are not inconsistent with the terms of this Declaration. Property interests transferred to the Association may include fee simple title, easements, leasehold interests and licenses to use such property. Any property or interest in property transferred to the Association shall be within the boundaries of the Property. Any property or interest in property transferred to the Association shall, except to the extent otherwise specifically approved by resolution of the Board of Directors, be transferred to the Association free and clear of all liens and mortgages (other than the lien for property taxes and assessments not then due and payable), but shall be subject to the terms of this Declaration and all easements, covenants, conditions, restrictions and equitable servitudes or other encumbrances, which do not materially affect the Owners authorized to use such property. Except as otherwise specifically approved by resolution of the Board of Directors, no property or interest in property transferred to the Association shall impose upon the Association any obligation to make monetary payments to the original developer of the Subdivision, including, but not limited to, any purchase price, rent, charge or fee. The property or interest in property transferred to the Association shall not have any unreasonable or special burdens of ownership of property, including the management, maintenance, replacement and operation thereof.

Section 3.3 *Duty to Manage and Care for the Common Area:* The Association shall manage, operate, care for, maintain and repair all Common Areas and keep the same in a safe, attractive and desirable condition for the use and enjoyment of the Members. The duty to operate, manage and maintain the Common Areas shall include, but not be limited to the following: establishment, operation and maintenance of a security if any, for the Properties; landscaping, maintenance, repair and replacement of the nature trails; maintenance, repair and replacement of the drainage easements; mowing of street right-of-ways and other portions of the Properties; and management, maintenance, repair and upkeep of the Common Areas.

Section 3.4 *Other Insurance Bonds:* The Association shall obtain such insurance as maybe required by law, including workmen's compensation insurance, and shall have the power to obtain such other insurance and such fidelity, indemnity or other bonds as the Association shall deem necessary or desirable.

Section 3.5 *Duty to Prepare Budgets:* The Association shall prepare budgets for the Association, which budgets shall include a reserve fund for the maintenance of all Common Areas.

Section 3.6 *Duty to Levy and Collect the Maintenance Charge:* The Association shall levy, collect and enforce the Maintenance Charge and other charges and assessments as elsewhere provided in this Declaration.

Section 3.7 *Duties with Respect to Architectural Approvals:* The Association shall perform functions to assist the Architectural Control Committee as elsewhere provided in Article VI of this Declaration.

Section 3.8 *Duties to Maintain Drainage Easements:* The Association, its successors and assigns shall have the right to enter upon any Lot or Reserve for the purpose of improving,

construction or maintaining the drainage facilities in the drainage easements shown on the initial Plat. The Association, at its expense, shall maintain all drainage facilities as shown on the Initial Plat. Without limitation, the Association shall remove accumulated silt and shall regrade drainage easements as may be necessary to maintain roadside drainage and prevent damage to the roadside.

Section 3.9 *Power to Adopt Rules and Regulations:* The Association's Board of Directors may adopt, amend, repeal and enforce rules and regulations ("Rules and Regulations"), fines, levies and enforcement provisions as may be deemed necessary or desirable with respect to the interpretation and implementation of this Declaration, the operation of the Association, the use and enjoyment of the Common Areas, and the use of any other property, facilities or improvements owned or operated by the Association.

Section 3.10 *Power to Enforce Restrictions and Rules and Regulations:* The Association (and any Owner with respect only to the remedies described in (ii) below) shall have the power to enforce the provisions of this Declaration and the Rules and Regulations and shall take such action as the Board of Directors deems necessary or desirable to cause compliance by each Member and each Related User. Without limiting the generality of the foregoing, the Association shall have the power to enforce the provisions of this Declaration and of Rules and Regulations of the Association by any one or more of the following means:

- a) By entry upon any Lot in the Properties after notice and hearing (unless a bona fide emergency exists in which event this right of entry may be without notice (written or oral) to the Owner in such manner as to avoid any unreasonable or unnecessary interference with the lawful possession, use or enjoyment of improvements situated thereon by the Owner or any other person), without liability by the Association to the

Owner thereof, for the purpose of enforcement of this Declaration or the Rules and Regulations;

- b) by commencing and maintaining actions and suits to restrain or enjoin any breach or threatened breach of the provisions of this Declaration or the Rules and Regulations;
- c) by exclusion, after notice and hearing, of any Member or Related User from use of any recreational facilities within the Common Areas during and for up to sixty (60) days following any breach of this Declaration or such Rules and Regulations by such Member or any Related User, unless the breach is a continuing breach in which case exclusion shall continue for so long as such breach continues;
- d) by suspension, after notice and hearing, of the voting rights of a Member during and for up to sixty (60) days following any breach by such Member or a Related User of a provision of this Declaration or such Rules and Regulations, unless the breach is a continuing breach in which case such suspension shall continue for so long as such breach continues;
- e) levying and collecting, after notice and hearing, an assessment against any Member for breach of this Declaration or such Rules and Regulations by such Member or a Related User which assessment reimburses the Association for the costs incurred by the Association in connection with such breach;
- f) by levying and collecting, after notice and hearing, reasonable and uniformly applied fines and penalties, established in advance in the Rules and Regulations of the Association, from any Member or Related User for breach of this Declaration or such Rules and Regulations by such Member or a Related User; and

- g) by taking action itself to cure or abate such violation and to charge the expenses thereof, if any, to such violating Member, plus attorneys' fees incurred by the Association with respect to exercising such remedy.

Before the Board may invoke the remedies provided above, it shall give registered or certified notice of such alleged violation to the Owner, and shall afford the Owner a hearing. If, after the hearing, a violation is found to exist, the Board's right to proceed with the listed remedies shall become absolute. Each day a violation continues shall be deemed a separate violation. Failure of the Association or of any Owner to take any action upon any breach or default with respect to any of the foregoing violations shall not be deemed a waiver of their right to take enforcement action thereafter or upon a subsequent breach or default.

Section 3.11 *Power to Convey and Dedicate Property to Government Agencies:* The Association shall have the power to convey, dedicate or transfer any Common Areas or facilities to any public or governmental agency or authority for such purposes and subject to such terms and conditions as the Association's Board of Directors shall deem appropriate. The Association may, subject to the limitations of the preceding sentence, convey property to a public or governmental agency or authority in lieu of such property being condemned by such public or governmental agency or authority.

Section 3.12 *Power to Remove and Appoint Members of the Architectural Control Committee:* The Association's Board of Directors shall have the power to remove any member of the Architectural Control Committee with or without cause. At such time, the Association's Board of Directors shall also have the power to appoint new members to the Architectural Control Committee to fill any vacancies which may exist on the Architectural Control Committee.

ARTICLE IV

MEMBERSHIP AND VOTING RIGHTS

Section 4.1 Every Owner of a Lot, which is subject to assessment, shall be a member of the Association ("Member"). Membership shall be appurtenant to and may not be separated from ownership of any Lot, which is subject to assessment.

Section 4.2 The Association shall have one class of voting membership. Members shall be entitled to one (1) vote for each Lot owned. When more than one (1) person holds an interest in any Lot, all such persons shall be Members. The vote for such Lot shall be exercised as they among themselves determine, but in no event shall more than one (1) vote be cast with respect to any one (1) Lot.

ARTICLE V

COVENANT FOR MAINTENANCE ASSESSMENT

Section 5.1 *Creation of the Lien and Personal Obligation of Assessments:* Each Owner of any Lot within the Properties, by acceptance of a deed therefore, whether or not it shall be so expressed in such deed, is deemed to covenant and agree, to pay to the Association, and hereby does, or by acceptance of a deed for any Lot, is deemed to grant a lien on such Lot in favor of the Association for:

- a) annual assessments or charges which shall be payable as hereinafter set forth;
 - b) special assessments as declared by the Board from time to time as provided herein;
- and

- c) reimbursement assessments as declared by the Board from time to time as provided herein. All such assessments shall be established and collected as hereinafter provided.

The annual, special and reimbursement assessments (sometimes collectively herein referred to as "assessments"), together with interest as provided for herein and all costs and reasonable attorney fees incurred in the collection of any of such assessments, shall be a charge on the land and shall be a continuing lien upon the property against which each such assessment is made. Each such assessment, together with interest as herein provided for, and all costs and reasonable attorney fees incurred in the collection of the assessment, shall also be the personal obligation of each person or entity who was an Owner of a Lot at the time when the assessment accrued with respect thereto. The personal obligation for delinquent assessments shall not pass to such Owner's successors in title to such Lot unless expressly assumed by them, but the Lot shall continue to be impressed with the lien for such assessments until paid and further provided that such assumption shall in no way relieve such Owner from liability unless expressly agreed in writing by the Board at its sole discretion.

Section 5.2 *Purpose of Annual Assessments:* The annual assessments levied by the Association shall be used to promote the recreation, health, safety and welfare of the Owners and the residents of the Properties, including, but not limited to, improvement and maintenance of the Common Area, lighting, improving and maintaining and lighting the streets and private streets as shown on the Plat, collecting and disposing of garbage and refuse, employing security patrols or guards, policemen and/or watchmen, caring for vacant lots, esplanades, common area fencing, entrance ways and similar facilities serving the Properties, providing for a reserve fund, and doing

any other things necessary or desirable which the Board of Directors of the Association may deem to be in the best interests of the Members, the Association, or the Properties.

Section 5.3 *Maximum Annual Assessment:* Subject to the provisions of Section 5.6 hereof, the maximum annual assessment for the initial year shall be FIVE HUNDRED FIFTY AND NO/100 DOLLARS (\$550.00) per assessable Lot, as defined in section 5.7 hereof. From and after the first day of January of the year immediately following the date of commencement of the first annual assessment, the maximum annual assessment may be increased by the Board of Directors of the Association without a vote of the Members of the Association, effective the first day of January of each year, by an amount not in excess of twenty percent (20%) of the annual assessment for the immediately preceding year, which amount shall be determined by the Board from time to time and notice of same provided to the Members of the Association at least thirty (30) days prior to the effective date of the increase. After consideration of current maintenance costs and future needs of the Association, the Board of Directors may fix the annual assessment at any amount not in excess of the maximum amount permitted as provided above. The annual assessment may be increased above the abovementioned maximum only by approval of two-thirds (2/3) of the Members in the Association entitled to vote present in person or by proxy and voting at a meeting duly called for this purpose. This increase shall become effective on the date specified in the resolution adopted at such meeting.

Section 5.4 *Special Assessments:* In addition to the annual assessments authorized above, the Association may levy against each Lot, in any assessment year, a special assessment applicable to that year only for the purpose of defraying, in whole or in part, the cost or any acquisition, construction, reconstruction, repair or replacement of any capital improvement upon the Common

Area, including fixtures and personal property related thereto, or for any other purpose benefitting the Association or the Properties but which was not budgeted for within the annual assessment. Any such assessment shall require the vote or written consent of two-thirds (2/3) of the Members who are voting in person or by proxy at a meeting duly called for this purpose.

Section 5.5 *Notice and Quorum for any Action Authorized Under Section 5.3 and 5.4:*

Written notice of any meeting called for the purpose of taking any action authorized under Section 5.3 or Section 5.4 shall be sent to all members not less than thirty (30) days nor more than sixty (60) days in advance of the meeting. At the first such meeting called, the presence of the Members, either in person or by proxies entitled to cast sixty percent (60%) of all of the votes of the membership of the Association shall constitute a quorum. If the required quorum is not present, another meeting may be called subject to the same notice requirements, and the required quorum at the subsequent meeting shall be one-half (1/2) of the required quorum at the preceding meeting. No such subsequent meeting shall be held more than sixty (60) days following the preceding meeting.

Section 5.6 *Rate and Initial Commencement of Annual Assessment:* Assessments on all Lots shall be fixed at uniform rates. Annual assessments on all Lots shall commence on January 1, 2003 or on such later date as the Board of Directors may determine.

Section 5.7 *Date of Commencement of Subsequent Annual Assessments:* The annual assessment charge on Lots for all years after the initial commencement described in Section 5.6 above shall accrue and become due and payable in advance on the first day of January of each such succeeding year. The Board of Directors shall fix the amount of the annual assessment against each Lot as provided in Section 5.6 at least thirty (30) days in advance of each annual assessment period. Written notice of the annual assessment shall be sent to every Owner subject thereto not less than

thirty (30) days prior to the first day of the next succeeding annual assessment period. The Association shall, upon demand, and for a reasonable charge, furnish a certificate signed by an officer or designated agent of the Association setting forth whether the assessments on a specified Lot have been paid.

Section 5.8 *Reimbursement Assessments:* The Board of Directors may levy an Assessment against any Member if the failure of the Member (or any Related User of such Member) to comply with this Declaration, the Articles of Incorporation, the By-laws, any Building Guidelines, or the Rules and Regulations, shall have resulted in the expenditure of the funds, or in the determination that funds will be expended by the Association, in order to effect such compliance or to correct the effects of any such non-compliance. Such Assessment shall be known as a "Reimbursement Assessment" and shall be levied only after not less than ten (10) days written notice to the Member and a hearing opportunity in front of the Board. The amount of the Reimbursement Assessment shall be due and payable to the Association thirty (30) days after notice to the Member of the decision of the Board of Directors that the Reimbursement Assessment is owing, which shall be made following such hearing opportunity.

Section 5.9 *Effect on Non-Payment of Assessments -Remedies of the Association:* Any Assessment not paid within thirty (30) days after the due date shall bear interest from the due date at the highest lawful rate permitted in Texas. Interest, costs and reasonable attorneys fees incurred in any such action shall be added to the amount of such assessment or charge. Each Owner, by his or her acceptance of a deed to a Lot hereby expressly vests in the Association, or its agents, the rights and power to bring all actions against such Owner personally for the collection of such charges as a debt and to enforce the aforesaid lien by all methods available for the enforcement of such liens,

including non judicial foreclosures pursuant to Section 51.002 of the Texas Property Code, or any amendment to or modification thereof, and such Owner hereby expressly grants to the Association a power of sale in connection with said lien. The Board of Directors shall have the power to appoint, from time to time, by written instrument recorded in the Real Property Records of Montgomery County, Texas, a trustee for the purpose of enforcing the liens created in favor of the Association in this Declaration by exercising the power of sale herein granted in the same manner as a deed of trust. The Board in its sole discretion may appoint additional or substitute trustees to exercise the same powers and duties, from time to time, by written instrument recorded in the Real Property Records of Montgomery County, Texas. The liens provided for in this Article shall be in favor of the Association and shall be for the benefit of all Lot Owners. No Owner may waive or otherwise escape liability for the assessments provided for herein by non-use of the Common Area or abandonment of his Lot.

Section 5.10 *Subordination of the Lien to Mortgages:* The lien for the assessments provided for herein shall be subordinate to the lien of any first mortgage on any Lot given for purchase money and/or construction funds of the Lot and Improvements thereon. Sale or transfer of any Lot shall not affect the assessment lien. However, the sale or transfer of any Lot pursuant to mortgage foreclosure or any proceeding in lieu thereof on the basis of any lien to which the assessment lien is subordinate as provided above shall extinguish the lien of such assessments as to payments which became due prior to such sale or transfer. No sale or transfer shall relieve such Lot from liability for any assessments thereafter becoming due, or from the lien securing same, nor shall same relieve the prior Owner of such Lot from personal liability for Assessments which accrued prior to such sale or transfer.

Section 5.11 *Exempt Property*: All Common Areas and all properties dedicated to, and accepted by, a local public authority and all properties owned by the Association or a charitable or nonprofit organization exempt from taxation by the laws of the State of Texas shall be exempt from the assessments created herein. However, no land or improvements devoted to dwelling use on any of such properties shall be exempt from said assessments.

Section 5.12 *Insurance*:

- a) The Board of Directors of the Association shall, to the extent funds are available therefore from annual or special assessments, obtain and continue in effect property insurance to insure the buildings and structures in the Common Area and other property of the Association against risks of loss or damage by such types of occurrences as deemed appropriate by the Board, including but not limited to flood, fire and other hazards as are covered under standard extended coverage provisions, and said insurance may include coverage against vandalism.
- b) The Board of Directors of the Association may obtain comprehensive public liability insurance on the Common Areas in such limits as it shall deem desirable, insuring the Association, its Board of Directors, agents and employees, and each Owner, from and against liability with respect to the Common Area.
- c) The Board of Directors of the Association may obtain Directors and Officers Insurance in such limits as it shall deem desirable.
- d) All costs, charges annual premiums for all insurance that the Board of Directors authorizes as provided herein shall be a common expense of all owners and be a part of the assessment obligation.

ARTICLE VI
ARCHITECTURAL CONTROL

Section 6.1: There is hereby created the Silverstone Architectural Control Committee consisting of a minimum of three members (the "Architectural Control Committee"). No building, fence, patio, pool, garage, paving, fencing, or any other structure or improvement ("Improvement") shall be erected, placed or altered on any Lot until the building plans and specifications and a plot plan showing the design, materials and locations of such proposed Improvements has been approved in writing (including but not limited to approval as to conformity with all Building Guidelines, and as to harmony of external design with any existing structures within the Properties and as to location with respect to topography and finished grade elevation), by the Architectural Control Committee or by a representative designated by a majority of the members of said committee. In the event said committee or its designated representative, fails to approve or disapprove such design, materials and location plan within thirty (30) days after said plans and specifications have been submitted to it, said plans and specifications will be deemed APPROVED. All decisions of such committee shall be final and binding and there shall be no revision of any action of such committee except by procedure for injunctive relief when such action is patently arbitrary and capricious. Members of said committee shall not be liable to any persons subject to, or possessing or claiming the benefits of, these restrictive covenants for any damage or injury to property or for any other loss arising out of their acts hereunder; it being understood an aggrieved party's remedies shall be restricted to injunctive relief and no other. The members of said committee shall not be entitled to any compensation for services performed pursuant to this article, however the Board of Directors may hire, at its sole discretion, a consultant to review plans and/or applications for modification. The Board of Directors

shall have the power to appoint all members of the Architectural Control Committee as well as to remove any member of such committee; provided, however, that until such appointment is made, the persons constituting said committee on said date shall continue to exercise such powers and duties until such time as their successors are appointed.

ARTICLE VII

USE RESTRICTIONS

All of the Properties shall be held, used and enjoyed subject to the restrictions in this Declaration (including, without limitation, the provisions relating to architectural approval of Improvements), as well as the following limitations and restrictions.

Section 7.1 *Residential Use:* Each Lot shall be improved as approved by the Architectural Control Committee with a Dwelling Unit and used solely for one (1) Common Household Group for residential living purposes and such purposes as are customarily incident thereto; but shall not be used at any time for business, commercial, educational, church or professional activities; provided, however, an Owner of a Lot may use his Dwelling Unit for professional or other home occupations such as the maintenance of a personal or professional library, the keeping of personal business or professional records or accounts, or for the handling of personal business or professional telephone calls or correspondence so long as there is no evidence thereof (such as, but not limited to, signs advertising a business, consultation in person with clients, client parking or customers at the Lot, or shipping and receiving of business items at the Lot) and no unreasonable inconvenience to such Owner's neighbors is created.

Section 7.2 *No Hanging Articles:* No clothing or household fabrics or other articles shall be hung, dried or aired on any Lot in such a way as to be visible from streets, other Lots or from any Common Area.

Section 7.3 *No Further Subdivision:* No Lot or Dwelling Unit thereon may be further subdivided nor may any easement or other interest therein less than the whole (including any timeshare estate) be conveyed by the Owner thereof (including the Association), without the prior written approval of the Architectural Control Committee. Nothing in this Section 7.3 shall be deemed to prevent an Owner from, or require the approval of the Architectural Control Committee for: (a) selling or leasing of an entire Lot together with all Improvements thereon, or (b) transferring or selling an entire Lot together with all Improvements thereon to more than one Person to be held by them as tenants in common, joint tenants or tenants by the entirety.

Section 7.4 *View Restrictions:* No vegetation, landscaping or improvements shall be planted, constructed or maintained upon any Lot in such location or of such heights as to unreasonably obstruct the view from any other Lot or any Common Area in the vicinity thereof, or to create a condition deemed by the Board to be hazardous for the users of the sidewalks or streets within the Properties. In the event of a dispute between Owners as to the obstruction of a view from a Lot, or the Common Area or the creation of a hazardous condition, such dispute shall be submitted to the Board, whose decision in such matters shall be final and binding and not subject to appeal of any kind. The Board may request an Owner to remove or otherwise alter any obstruction to the view from the Lot, Common Area or any hazardous condition. Any such obstruction or hazardous condition shall, upon request of the Board, be removed or otherwise altered to the satisfaction of the Board, by the Owner of the Lot upon which said obstruction is located, at such Owner's sole cost;

provided, however, in the event the Owner fails to remove or otherwise alter such obstruction or hazardous condition, the Association shall have the right to remove such obstruction or hazardous condition, charging the entire cost thereof to the Owner. Such costs shall be a Reimbursement Assessment and shall create a lien and personal obligation enforceable in the manner set forth in this Declaration.

Section 7.5 *Landscaping:*

- a) Within sixty (60) days of completion of construction of a Dwelling Unit on a Lot, the Owner shall install and shall thereafter maintain the landscaping and irrigation if applicable on such Lot in a neat and attractive condition, including all landscaping and gardening necessary to properly maintain (including periodically replacing when necessary) any trees, plants, grass and other vegetation which may be originally placed on such Lot, or otherwise required by the Architectural Control Committee, Building Guidelines, or the Rules and Regulations.

- b) Without in any way limiting the generality of the foregoing, trees which are planted in satisfaction of the requirements of the Architectural Control Committee, Building Guidelines or the Rules and Regulations, and which tree or trees subsequently die or are uprooted for any reason, must be replaced by a tree of like type and of a size not less than that originally planted in compliance with the aforesaid requirements, within thirty (30) days after the occurrence of any such death or uprooting. In the event that any owner shall fail to install and/or maintain landscaping in conformance with such rules and regulations promulgated by the Architectural Control Committee to regulate landscaping permitted and required on Lots, or other

requirements of the Architectural Control Committee, or shall allow his landscaping to deteriorate to a condition which is, in the opinion of the Board or Architectural Control Committee, dangerous, unsafe, unsightly or unattractive, the Board, upon thirty (30) days prior written notice to such Owner, shall have the rights as hereinafter described. Provided, however, in the event that any Owner shall fail to mow and keep trimmed and neat the lawn and grass areas on his Lot or otherwise permit any of said lawn and grass area to deteriorate to a condition deemed by the Board to be unsightly or unattractive, the Board, upon ten (10) days prior written notice to such Owner, shall have the rights as hereinafter described. The Board shall have the right, upon the appropriate above-described written notice to an Owner, either (i) to seek any remedies at law or in equity which it may have to correct such conditions, or (ii) after ten (10) days written notice to such Owner and an opportunity for hearing in front of the Board (herein, "Notice and Hearing"), to enter upon such Owner's Lot for the purpose of correcting such condition, and such Owner shall promptly reimburse the Association for the costs thereof, or (iii) impose such fines and penalties as exist under this Declaration, the Bylaws, or the Rules and Regulations of the Association, and/or (iv) any combination of the foregoing. Such cost, as described in (ii) above, shall be a Reimbursement Assessment and shall create a lien and personal obligation enforceable in the manner set forth in this Declaration.

Section 7.6 *Vehicle Restriction:* No recreation vehicle, camper, camper not on a truck, boat, mobile home, horse trailer, or other trailer, tractor, motor home or truck (other than a pickup truck or van) shall be stored or shall be parked for longer than twelve (12) hours on or about any Lot

or Common Area (including driveways), or on any public or private road or street in such a manner as to be visible from any other Lot or from any portion of the Common Area. Any such vehicle, with the exception of recreational vehicles, may be kept only within a garage, an enclosed or partially enclosed structure approved by the Architectural Control Committee or within a parking area designated by the Association for the storage and parking of such vehicles. The storing of recreational vehicles on any Lot or on the Properties is strictly prohibited. No inoperable vehicle or vehicle kept stationary for a period in excess of forty-eight (48) hours shall be allowed to remain on any portion of the Properties or on any private or public street or road in such a manner as to be visible from any Lot (other than the Lot on which such vehicle is located), or from any portion of the Common Area. No vehicle, including, but not limited to, motorcycles, motorbikes, bicycles, automobiles, trucks, boats and trailers, may be kept or used anywhere within the Properties in violation of any applicable Rules and Regulations. Such Rules and Regulations, among other things, may prohibit the keeping or use of motorcycles, motorbikes, dune buggies, golf carts or other loud or offensive vehicles, or may limit their use, and may regulate places of parking of vehicles. Any vehicle found to be in violation of any of the provisions of this section 7.6 may be towed away by or on behalf of the Association at the expense of the owner of such vehicle or of the Owner of the Lot, if any, at which such vehicle is located. Such cost shall be a Reimbursement Assessment and shall create a lien and personal obligation enforceable in the manner set forth in this Declaration.

Section 7.7 *Animals*: No animals of any kind shall be raised, bred or kept on the Properties except as hereinafter provided. A reasonable number of dogs, cats or other common household pets may be kept on a Lot, provided that:

- a) they are not kept, bred or maintained for commercial purposes;

- b) they do not make objectionable noises, create any odor, or otherwise constitute a nuisance to other Owners;
- c) they are kept within an enclosed yard on the Lot occupied by the Owner of such pets or on a leash not to exceed twenty feet in length being held by a person capable of controlling the animal; and
- d) they are not in violation of any municipal code or ordinance or of any other provision of this Declaration or such limitations as may be set forth in the Rules and Regulations.

A "reasonable number" as used in this Section 7.7 shall ordinarily mean no more than two (2) pets per Lot; provided, however, that the Board of Directors (or the Architectural Control Committee or such other person as the Board may from time to time designate) may from time to time determine that a reasonable number in any instance may be more or less than two (2). The Association, acting through the Board, shall have the right to prohibit the keeping of any animal, which, in the sole opinion of the Board, is not being maintained in accordance with the foregoing restrictions or any applicable Rules and Regulations. Each Owner and/or Related User maintaining any animal shall be liable in accordance with the laws of the State of Texas to each and all remaining Owners and Related Users of such Owners for any damage to person or property caused by any such animal; and it shall be the absolute duty and responsibility of each such Owner or Related User to clean up after such animals to the extent they have used any portion of any Lot or any Common Areas. If any such Owner or Related User fails to so do, the Association shall have the right to perform such duty on such Owner's behalf and such Owner shall promptly reimburse the Association for the costs thereof (in addition to other rights and remedies of the Association). Such cost shall be

a Reimbursement Assessment following Notice and Hearing, and shall thus become a lien and personal obligation enforceable in the manner set forth in this Declaration.

Section 7.8 *Restriction on Exterior Lighting:* Except as may be approved in advance in writing by the Architectural Control Committee, no exterior lighting shall be permitted on any Lot or otherwise anywhere within the Properties, including lighting to accent landscaping features, lights at entrances to any Lot, lights along paths or driveways and lights to illuminate permitted signs. Approval shall be given only if such lights shall be of attractive design and shall be as small in size as is reasonably practical and shall be placed or located as directed or approved in writing by the Architectural Control Committee, and shall not allow-light reflection or glare to be discernible at an unreasonable level from any place off the Lot where such lighting exists.

Section 7.9 *Casualty Loss to Improvements:* In the event of damage or destruction to any Improvements, within thirty (30) days of such occurrence, either:

- a) the Owner thereof, to the extent necessary, shall cause the damaged or destroyed Improvement to be restored or replaced to its original condition or such other condition as may be approved in writing by the Architectural Control Committee, or;
- b) the Owner shall cause the damaged or destroyed Improvement to be demolished and the Lot to be suitably landscaped, as approved by the Architectural Control Committee, so as to present a pleasing and attractive appearance, and thereafter, shall cause the Lot to be well maintained, mowed, and edged to conform to occupied Lots in the immediate vicinity.

Section 7.10 *Solar Energy Installations:* The Architectural Control Committee may approve the plans and specifications for the installation of residential solar systems, provided that

the Architectural Control Committee determines that such plans and specifications demonstrate the exercise of reasonable measures to minimize the potential adverse aesthetic impact of the installation on other portions of the Properties. Any such Architectural Control Committee approval shall have no effect upon the enforceability of any other use restriction in this Declaration. The Architectural Control Committee shall have the right to promulgate reasonable standards and guidelines against which to examine any such plans and specifications.

Section 7.11 *Drilling or Mining*: No mineral drilling, development, refining or mining operations of any kind shall be permitted upon any Lot or Common Area, nor shall any wells, tanks, tunnels, mineral excavations or shafts be permitted upon any Lot or Common Area. No derrick or other structure designed for use in boring for oil or natural gas shall be erected, maintained or permitted on any Lot or Common Area.

Section 7.12 *Heights and Character of Improvements*: No Dwelling Unit or Improvement in the Property shall be erected, altered or permitted to remain on any Lot in excess of two (2) stories in height or thirty-six (36) feet in height measured from the finished grade of the Lot. Each Lot shall be improved with one Common Household Group Dwelling Unit together with a private garage serving not less than two (2) automobiles nor more than four (4) automobiles and not exceeding the height of the Dwelling Unit.

Section 7.13 *Minimum Square Footage*: The living area of the main residential structure, exclusive of porches (whether open or screened), garage, terraces and driveways, shall not be less than three thousand (3,000) square feet for a one story dwelling and three thousand four-hundred square feet for a two story dwelling. There shall be a minimum of one thousand eight hundred

(1,800) square feet of living area on the first floor of any multi-story dwelling. Measurements shall be to the face of the outside walls of the main residential structure.

Section 7.14 *Domestic Quarters:* A single Domestic Quarter may be constructed provided it matches the same design as the main residential structure and said Domestic Quarter must contain a minimum of five hundred (500) square feet and a maximum of not more than 50% of the square footage of the main residential structure, and be built after or while the main residential structure is being constructed and be approved in writing by the Architectural Control Committee prior to construction. No garage apartment for rental purposes shall be permitted on any Lot. Living quarters, other than living quarters in the main Dwelling Unit on any Lot may be used solely for bona fide servants employed exclusively by and for the Owner of such Lot or such Owner's Related Users.

Section 7.15 *Masonry and Roof Requirements:* Except as may be otherwise approved in advance in writing by the Architectural Control Committee, the exterior finish of each Dwelling Unit shall be at least fifty-one percent (51%) brick, stone, stucco or other Architectural Control Committee approved masonry products, however, in computing such percentage, attached garages shall be included, and the roof area and detached garages shall be excluded. All Dwelling Units shall be roofed with tile roof, composition shingles, standing seam metal roof or built-up roof, and no roof shall be composed of wooden shingles. The color and quality of such roof materials shall be subject to the approval of the Architectural Control Committee, and shall not be permitted unless the color and quality of such roof materials comply with the terms of any applicable Architectural Control Committee rules and regulations.

Section 7.16 *Building Set Back Lines:*

- a) No Improvements shall be located on any Lot nearer to the front property line than seventy-five (75) feet unless otherwise shown on the recorded Plat for such Lot. No Improvement shall be located nearer than twenty (20) feet to the common side property line of such Lot. No Improvement shall be located nearer than twenty (20) feet to the rear property line of such Lot except for Lake Lots which shall be located no nearer than fifty (50) feet to the rear property line unless otherwise shown on the recorded Plat. No Improvement shall be located nearer to any street side property line than fifty (50) feet unless otherwise shown on the recorded Plat for such Lot. For purposes of this Section 7.16 and other provisions of this Declaration, the "front property line" is the common boundary of any Lot with a street, and in the case of a corner lot (with a common boundary on two streets or one street and a cul-de-sac), the boundary from which the Improvement setback distance is greater. All Dwelling Units shall face the front line of the Lot on which each such Dwelling Unit is built unless the Architectural Control Committee approves a deviation from this provision in advance in writing. The term "Improvements" as used in this Section 7.16 shall not include concrete drives, walks, landscaping, air conditioning units, fences, eaves, ducts and unroofed terraces; provided, however, in no event shall any portion of the Improvements on a Lot encroach upon another Lot.
- b) The Architectural Control Committee shall have the right to grant exceptions or variances to the building set back lines provided herein or shown on any Plat, or from any other construction related restriction, when doing so will not be inconsistent with

the overall plans for development of the Property, and such exceptions or variances are not prohibited by law.

Section 7.17 *Lake Lot Exceptions*: Dwelling Units on Lake Lots shall be subject to the same residential and construction standards as other Lots except as follows:

- a) The rear 20 feet of a Lake Lot, being an area 20 feet deep from the property line of said Lake Lot may be under brushed and cleared, provided that no trees with a diameter of 8" inches measured one foot from the ground may be cut, cleared or removed, unless prior written permission is obtained from the Architectural Control Committee; and
- b) The rear exterior of Dwelling Units on Lake Lots must be made of at least fifty percent (50%), brick, stone, stucco or other Architectural Control Committee approved masonry product.

Section 7.18 *Visual Obstruction at the Intersections of Streets*: No object or thing which obstructs sight lines at elevations between two feet (2') and six feet (6') above the streets within the triangular area formed by the intersecting street property lines and the line connecting them at points twenty-five feet (25') from the intersection of the street lines (or extensions thereof), shall be placed, planted or permitted to remain on corner Lots.

Section 7.19 *Walls, Fences, and Hedges*: Walls and fences, if any must be approved prior to construction by the Architectural Control Committee and, except as otherwise provided herein, walls, fences, planters or hedges shall be six feet (6') in height, above natural grade. The Architectural Control Committee shall have discretion to permit variances to the six feet (6') height requirement for privacy fences which have kick-board and/or capped tops. Additionally, the

Architectural Control Committee shall have discretion to permit variances to the six feet (6') height requirement on all fences adjacent to or abutting the perimeter of the Subdivision. No wall, fence, planter or hedge shall be erected, planted or maintained outside of the lot lines of a Lot. The following additional restriction shall apply to walls, fences, planter or hedges on Lake Lots, to-wit:

- a) Lake Lot. Except for a Non-Privacy Fence as hereinafter described, no privacy fence or wall of any kind shall be erected, planted or maintained on a Lake Lot.

A Non-Privacy Fence is an iron or aluminum ornamental fence no more than four feet (4') in height, of a design and color approved by the Architectural Control Committee that does not obstruct the view of a Lake or adjoining Lots.

All other fences and walls will be constructed of ornamental iron or aluminum, wood, masonry or synthetic materials in harmony with the guidelines established by the Architectural Control Committee, provided that no electric wire or temporary fences shall be allowed unless the Architectural Control Committee approves a variance to allow such type of fence prior to construction. Privacy fences shall not be constructed any closer to the front than the front edge of the Dwelling Unit.

No Owner shall construct a fence so as to enclose any portion of any Reserve as shown on any Plat. Authorization of the construction of any one (1) or more fences or walls pursuant to this section shall not in any way obligate the Architectural Control Committee to authorize the construction of any other fence or wall. The Architectural Control Committee is hereby authorized to draft, publish and amend, from time to time, at its sole and absolute discretion, fence and wall requirements for Lots. All fences and walls shall be of equivalent standard and visually similar to surrounding fences on adjacent lots.

Section 7.20 *Removal of Trash and Debris During Construction:* During the construction, repair and/or restoration of Improvements, each Owner or party constructing improvements for an Owner ("Builder") shall remove and haul from the Lots all tree stumps, trees, limbs, branches, underbrush and all other trash or rubbish cleared from the Lot to permit construction of the Improvements, including, landscaping. No burning of trash or other debris is permitted on any Lot, and no materials or trash hauled from any Lot may be placed elsewhere within the Properties, unless approved in writing by the Architectural Control Committee. Additionally, each Owner or Builder, during construction of Improvements, shall continuously keep the Lot and adjacent street frontage in a reasonably clean and organized condition. Papers, rubbish, trash, scrap and unusable building materials are to be kept picked up and hauled from the Lot on a regular basis. Other useable building materials are to be kept stacked and organized in a reasonable manner. No trash, materials or dirt shall be placed in any street. Any such trash, materials or dirt inadvertently spilling or getting into the street or street gutter shall be removed, without delay, not less frequently than daily.

Section 7.21 *Utility Easements:* Easements for installation and maintenance of utilities and drainage facilities shall be as reserved as shown on the Plats recorded from time to time in the Office of the County Clerk of Montgomery County, Texas affecting the Properties, and/or as created in any other instrument filed in the Real Property Records of Montgomery County, Texas. No utility company using the easements herein referred to shall be liable for any damage done by them or their assigns, their agents, employees or servants, to shrubbery, trees or flowers or other property of the Owners situated on any land covered by said easements. No Improvements shall be constructed over any such easement without prior approval of the Architectural Control Committee.

Section 7.22 *Nuisances*: No noxious or offensive activity shall be carried on upon any Lot, nor shall anything be stored or done thereon which may be or may become an annoyance or nuisance to any Owner of a portion of the Properties. No repair work, painting, dismantling or assembling of motor vehicles, boats, trailers or any other machinery or equipment shall be permitted in any street, driveway or yard adjacent to a street of any Lot within the Properties. The Association, through its Board of Directors, is hereby authorized to determine what constitutes a nuisance in violation of this restriction.

Section 7.23 *Other Structures*: No structure of a temporary character, nor any trailer, tent, shack, garage, barn, lean to, nor any other outbuilding (including, but not limited to, lawn storage buildings and children's play structures) shall be placed on any Lot without Architectural Control Committee approval, either temporarily or permanently. Temporary structures used as building offices and for other related purposes during the construction period must be inconspicuous and slightly, and there is hereby granted unto the Architectural Control Committee the sole power to determine what is inconspicuous and slightly in connection with such temporary structures. Builders in the Properties may use garages as sales offices for the time during which such Builders are marketing houses within the Properties. At the time of the closing of the sale of a residence by a Builder, any garage appurtenant to such residence used for sales or other purposes must have been reconverted to a garage.

Section 7.24 *Gas Service*: Reliant Energy Entex, Inc. ("Entex") has agreed to provide natural gas service to all Lots, provided certain minimum usage is made of such service. Pursuant to the contract providing such service, all Lots shall have a minimum of gas water heating and gas central comfort heating, or pay a non-utilization fee. If, however, any Lot does not utilize both gas water

heating and gas central comfort heating appliances, then the Owner of such Lot, at the time of constructing Improvements on such Lot, shall pay to Entex the non-utilization of gas facilities charge set by Entex for such Lot. This non-utilization charge shall be due thirty (30) days from completion of such Improvements. In the event this non-utilizing charge is not timely paid by the Owner of the non-utilizing Lot, after demand is made for such payment, the Association may, at its option, pay such charge, and the payment so made, if any, shall subject such Lot and Owner to a Reimbursement Assessment for such payment.

Section 7.25 *Signage:* With the exception of political signs, which maybe displayed no more than fourteen (14) days prior and two (2) days after an election, no sign of any kind (except those signs specifically permitted in accordance with the Building Guidelines, or otherwise permitted by law) shall be displayed by any Owner to the public view on any Lot, including from within a Dwelling Unit, without the prior approval from the Architectural Control Committee and any such approval which is granted may be withdrawn at any time, in which event, the parties granted such permission shall immediately remove such structures. Notwithstanding the foregoing, unless otherwise directed in writing by the Architectural Control Committee, during the initial construction and sales period, the Owner may place signs on such Lot to advertise the merits of the Lot for sale or rent, provided that prior approval from the Architectural Control Committee as to the size, wording, style and materials of any such sign shall be required for any such sign to be placed or maintained an any Lot. No signage whatsoever shall be permitted in any Common Area or Reserve, without prior written approval of the Architectural Control Committee. The Association shall have the right to remove any such sign in contravention hereof and in so doing shall not be subject to any liability of trespass or other sort in connection therewith or arising from such removal.

Section 7.26 *Satellite Dishes and Antennae:* No exterior antennas, aerials, towers, satellite dishes or other apparatus for the reception of television, radio, satellite or other signals of any kind shall be placed, allowed, or maintained upon any portion of the Property, including any Lot, which is visible from any street, common area or other Lot unless it is impossible to receive signals from an area which is not visible. In that event the receiving device may be placed in a visible location approved by the Architectural Control Committee. The Architectural Control Committee may require as much screening as possible while not substantially interfering with such reception. The Association shall have the right, without obligation, to erect or install an aerial, satellite dish, master antenna, cable system, or other apparatus for the transmission of television, radio, satellite or other signals for the benefit of the Property. No satellite dishes shall be permitted which are larger than one (1) meter in diameter. No broadcast antenna mast may exceed the height of the center ridge of the roof line. No antenna mast, which is dependent on line-of sight transmission, may exceed the height of twelve feet (12') above the center ridge of the roofline. No exterior antennas, aerials, satellite dishes, or other apparatus shall be permitted which transmit television, radio, satellite or other signals of any kind shall be placed, allowed, or maintained upon any portion of the Property. This section is not intended to violate the Telecommunications Act of 1996 (the "Act"), as may be amended from time to time. This section shall be interpreted to be as restrictive as possible without violating the Act. Without the prior authorization of the Architectural Control Committee, no flagpole of any sort shall be placed, allowed, or maintained outside a Living Unit or on the exterior of any building or other improvement located on a Lot.

Section 7.27 *Garage Sales:* No garage sales are permitted without prior approval of the Architectural Control Committee and are subject to Rules and Regulations.

Section 7.28 *Garbage and Refuse Disposal:* No Lot shall be used or maintained as a dumping ground for rubbish. Trash, garbage or other waste shall be kept in sanitary containers. All equipment for the storage or disposal of such material shall be kept in a clean and sanitary condition, and shall be kept in an enclosed garage or an area adequately screened by planting or fencing so as not to be seen from neighboring Lots or the street except on designated collection days.

Section 7.29 *Infringement:* An Owner shall do no act nor any work that will impair the structural soundness or integrity of another Lot or Improvements located thereon, or impair any easement or hereditament, nor do any act nor allow any condition to exist which will adversely affect any Common Area, other Lots, Improvements thereon, the Association, or other Owners.

Section 7.30 *Composite Lots:* In the event that the Architectural Control Committee approves in writing in its sole discretion the consolidation of two (2) or more adjoining Lots into one Lot, with the privilege of placing or constructing one (1) Dwelling Unit on such resulting Lot, then the side set-back lines for such Lot shall be measured from the resulting side property line of such Lot rather than from the set-back line indicated on the Plat or described in Section 7.16 above. The required building set-back line for the front property lines of such composite Lot shall be the greater of the front property line set back lines as shown on the Plat for the Lots to be consolidated. Upon receipt of written approval of the Architectural Control Committee to consolidate two (2) or more full Lots into one (1) Lot, such composite Lot shall thereupon be regarded as one (1) Lot for all purposes under this Declaration, except that all future assessments payable by the Owner of the combined Lots shall be based upon one assessment for each of the originally platted Lots so combined. No combination or recombination of Lots shall reduce the total number of Lots subject

to assessments within the Property. No consolidation involving a portion, but not all, of any Lot shall be permitted.

Section 7.31 *Lot Drainage:*

- a) Each Owner of a Lot agrees for himself, his heirs, legal representatives, assigns or successors-in-interest that he will not in any way interfere with the established drainage pattern over his Lot from adjoining or other Lots in the Properties, and he will make adequate provisions for the drainage of his Lot in the event it becomes necessary to change the established drainage over his Lot (which provisions for drainage shall be in the Owner's plans and specifications submitted to the Architectural Control Committee and shall be subject to such committee's approval). For the purposes hereof, "established drainage" is defined as the drainage which existed at the time that the overall grading of the applicable subdivision, including landscaping of any Lot, was completed by the original developer of the Subdivision.
- b) Each Owner (including Builders), unless otherwise approved by the Committee, must finish the grade of the Lot so as to establish good drainage from the rear Lot to the front street or from the building site to the front and rear of the Lot as dictated by existing drainage ditches, swales and Lakes constructed by the original developer of the Subdivision, or utility districts for drainage purposes. No pockets or low areas may be left on the Lot (whether dirt or paving) where water will stand following a rain or during watering. With the approval of the Architectural Control Committee, an Owner may establish an alternate drainage plan for low areas by installing an open concrete trough with area inlets, however, the drainage plan for such alternate

drainage must be submitted to and approved by the Architectural Control Committee prior to the construction thereof. The Architectural Control Committee's sole function in reviewing drainage plans is to see if the drainage pattern has been or will be altered by the proposed construction and to make a determination if the Owner/Builder has evaluated the effects of their construction to other properties and of the effect of potential flowing and rising water that may affect the submitted improvements.

- c) Silverstone, Section 1 has been designed and constructed utilizing surface drainage in the form of ditches and swales and, to the extent these drainage ditches and swales are located in front, side or rear Lot easements, the Owners shall not re-grade or construct any improvements or other obstruction on the Lot which adversely affects the designed drainage flow. The Owner shall be responsible for returning any drainage swale disturbed during construction or thereafter to its original line and grade, and the Owner shall be responsible for maintaining the drainage ditches or swales appurtenant to said Owner's Lot in their original condition during the term of his ownership.
- d) All Owners and/or Builders shall comply with the National Pollutant Discharge Rules and Regulations applicable to their respective Lot(s) as required by EPA under the Water Quality Act of 1987 amending the Clean Water Act, as said laws, rules and regulations may be amended from time to time.
- e) The Association shall have the right to enter upon any Lot or Reserve for the purpose of improving, constructing or maintaining the drainage facilities in the drainage easements shown on a Plat. The Association, at its expense, shall maintain all

drainage facilities as shown on a Plat as well as any outside drainage easements referenced on a Plat. Without limitation, the Association shall remove accumulated silt and shall re-grade drainage easements as may be necessary to maintain roadside drainage and prevent damage to the roads. Further, fences shall not be constructed within or across any drainage easement as shown on the Plat of a subdivision or within or across any outside drainage easements referenced on a Plat.

ARTICLE VIII
ASSOCIATION'S RIGHTS AND RESERVATIONS

Section 8.01 *Right to Construct Additional Improvements in Common Area:* The Association shall have and hereby reserves the right (without the consent of any other Owner), but shall not be obligated, to construct additional improvements within the Common Area at any time and from time to time in accordance with this Declaration for the improvement and enhancement thereof and for the benefit of the Association and Owners.

Section 8.02 *Association's Rights to Grant and Create Easements:* The Association shall have and hereby reserves the right, without the consent of any other Owner to grant or create temporary or permanent easements, for access, utilities, pipeline easements, cable television systems, communication and security systems, water and other purposes incident to development, sale, operation and maintenance of the Properties, located in, on, under, over and across (i) the Lots or other property owned by the Association, (ii) the Common Area, and (iii) existing utility easements. The Association also reserves the right, without the consent of any other Owner, to (i) grant or create temporary or permanent easements for access over and across the streets and roads, the Properties to and from Loop 336 or other public roads for the benefit of owners of property, regardless of

whether the beneficiary of such own property which is hereafter made subject to the jurisdiction of the Association.

ARTICLE IX
GENERAL PROVISIONS

Section 9.1 *Enforcement:* The Association and/or any Owner, shall have the right to enforce, by a proceeding at law or in equity, all restrictions, conditions, covenants, reservations, liens and charges now or hereafter imposed by the provisions of this Declaration or any amendment hereto. Failure by the Association, or by any Owner to enforce any covenant or restriction herein contained shall in no event be deemed a waiver of the right to do so thereafter.

Section 9.2 *Severability:* Invalidation of all or part of any one or more of these covenants or restrictions by judgment or court order shall in no wise affect any other provisions or portions thereof, which shall remain in full force and effect.

Section 9.3 *Amendment:* The covenants and restrictions of this Declaration shall run with and bind the land comprising the Properties, for a term of thirty (30) years from the date this Declaration is recorded, after which time they shall automatically be extended for successive periods of ten (10) years. This Declaration may be amended at any time in whole or in part by an instrument executed by the President of the Association when approved by Members entitled to cast not less than two-thirds (2/3) of the aggregate of the votes of the membership. Following any such amendment, every reference in this Declaration shall be held and construed to be a reference to this Declaration as so amended. Any amendment referred to above must be recorded in the Real Property Records of Montgomery County, Texas.

Section 9.4 *Correction of Plat By Association and Owners:* No provision of this Declaration shall preclude the Association and/or Owners of Lots from filing a replat to correct any error in the original platting or replatting of such Lots, provided that such vacating or replatting is done in accordance with Texas Revised Civil Statutes, Article 974a, or any successor statute.

Section 9.5 *Restrictions Construed Together:* All of the provisions of this Declaration shall be liberally construed to promote and effectuate the fundamental concepts of the Association.

Section 9.6 *Number and Gender:* Unless the context requires a contrary construction, the singular shall include the plural and the plural the singular; and the masculine, feminine or neuter shall each include the masculine, feminine and neuter.


Section 9.7 *Captions for Convenience:* The titles, headings and captions used in this Declaration are intended solely for convenience of reference and shall not be considered in construing any of the provisions of this Declaration.

Section 9.8 *Delay in Enforcement:* No delay in enforcing the provisions of this Declaration as to any breach or violation thereof, shall impair, damage or waive the right of any party entitled to enforce the same to obtain relief against or recover for the continuation or repetition of such breach or violation or any similar breach or violation thereof, at a later time or times.

IN WITNESS WHEREOF, the Association has hereunto set its hand and seal this the 9th day of March, 2010.

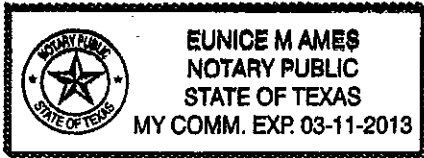
SILVERSTONE HOMEOWNERS
ASSOCIATION, INC.

By:


BARRY ABBOTT, President

THE STATE OF TEXAS §
COUNTY OF MONTGOMERY §

This instrument was acknowledged before me on March 9, 2010 by BARRY ABBOTT, President of SILVERSTONE HOMEOWNERS ASSOCIATION, INC., a Texas non-profit corporation, on behalf of said corporation.



Eunice M. Ames

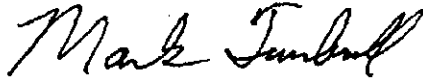
Notary Public - State of Texas

AFTER RECORDING RETURN TO:

Bryan P. Fowler
The Fowler Law Firm
300 W. Davis, Suite 510
Conroe, Texas 77301

FILED FOR RECORD

03/10/2010 3:16PM



COUNTY CLERK
MONTGOMERY COUNTY, TEXAS

STATE OF TEXAS
COUNTY OF MONTGOMERY

I hereby certify this instrument was filed in file number
sequence on the date and at the time stamped herein
by me and was duly RECORDED in the Official Public
Records of Montgomery County, Texas.

03/10/2010



County Clerk
Montgomery County, Texas