

**DECLARATION
OF COVENANTS
CONDITIONS AND RESTRICTIONS**

TIMBERGREEN

SUBDIVISION SECTIONS 1, 1A, 2, 3, 4, 5

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This Declaration of covenants, conditions and restrictions ("Declaration")
is made this day by TIMBERGREEN COMMUNITY ASSOCIATION.

PREAMBLE

The TIMBERGREEN COMMUNITY ASSOCIATION is the nonprofit non-stock corporation organized and existing under the laws of the State of Texas and charged with the duties and vested with the powers prescribed by law and set forth in the Governing Documents, as such may be amended from time to time, provided no Governing Documents other than this Declaration shall for any reason be amended or otherwise changed or interpreted so as to be inconsistent with this Declaration.

The TIMBERGREEN COMMUNITY ASSOCIATION desires to provide for the preservation and enhancement of the property values, amenities, and opportunities in said community contributing to the personal and general health, safety and welfare of residents, and for the maintenance of the land and improvements thereon, and to the end desires to subject the real property described in Exhibit A, together with such additions as may hereafter be made thereto (as provided in Article II), to the covenants, restrictions, easements, charges and liens hereinafter set forth, each and all of which is and are for the benefit of said property and each owner thereof; and

The TIMBERGREEN COMMUNITY ASSOCIATION, has the power of owning, maintaining and administering the common areas and facilities, administering and enforcing the covenants and restrictions, collecting and disbursing the assessments and charges required for operations, and promoting the recreation, health, safety, and welfare of the residents.

Therefore, the TIMBERGREEN COMMUNITY ASSOCIATION declares that the real property set forth and described in Article II hereof, and such additions of real property as may be made thereto, shall be held, transferred, sold, conveyed, and occupied subject to the covenants, conditions, restrictions, easements, charges, and liens set forth in this document. This Declaration replaces the following Declarations as recorded in the Official Public Records of Real Property of Montgomery County, Texas:

- A. Timbergreen, Section 1 - Declaration recorded on February 4, 1993, at County Clerk's file No. 9305745
- B. Timbergreen, Section 1 - Declaration recorded on February 11, 1993, at County Clerk's file No. 9307161
- C. Timbergreen, Section 1A - Declaration recorded on July 26, 1999, at County Clerk's file No. 99061417
- D. Timbergreen, Section 2 - Declaration recorded on October 27, 1993, at County Clerk's file No. 9357464
- E. Timbergreen, Section 2 - Declaration recorded on June 29, 1995, at County Clerk's file No. 9534832
- F. Timbergreen, Section 3 - Declaration recorded on August 3, 1994, at County Clerk's file No. 9443606
- G. Timbergreen, Section 4 - Declaration recorded on February 14, 1995, at County Clerk's file No. 9508252
- H. Timbergreen, Section 5 - Declaration recorded on August 18, 1995, at County Clerk's file No. 9545582

Article I. DEFINITIONS

Section 1.01 DEFINITIONS

The following definitions are used throughout this Declaration:

A. Association:

TIMBERGREEN COMMUNITY ASSOCIATION, a non-profit corporation incorporated under the laws of the State of Texas, and its successor and assigns.

B. Book of Resolutions:

The document containing the rules, regulation, and policies of the Association as they may from time to time be amended.

C. Common Area:

All real property and improvements owned or leased by the Association or over which the Association has an easement for maintenance (excepting Lots and dwelling units thereon) for the use and enjoyment of Members.

D. Common Facilities:

All existing and subsequently provided improvements within the Common Areas. In some instances, Common Facilities may consist of improvements for the use and benefit of all Owners constructed, purchased, or leased on property not defined as a Common Area.

- E. Declaration:**
The covenants, conditions, and restrictions and all other provisions set forth in this entire document, as they may from time to time be amended.
- F. Directors or Board:**
Duly appointed or elected Board of Directors of the TIMBERGREEN COMMUNITY ASSOCIATION.
- G. Founding Documents:**
Articles of Incorporation of the Association, this Declaration, Supplemental Declarations, and the Association By-Laws, all as initially created by the TIMBERGREEN COMMUNITY ASSOCIATION or as may be duly amended from time to time.
- H. Governing Documents:**
Collectively and severally the Founding Documents and the Book of Resolutions, as such may be amended from time to time.
- I. Improvement:**
Includes all Lot buildings and roofed structures, parking areas, fences, walls, hedges, mass plantings, driveways, swimming pools, changes in any exterior color or shape, and any new exterior construction or improvement which may not be included in any of the foregoing. It does not include garden, shrub or tree replacements, or any other normal replacement or repair which does not change exterior colors or exterior appearances. It does include both original improvements and all later changes and improvements.
- J. Lot and/or Lots:**
Each of the Lots shown on the Subdivision Plats and conveyed according to the Block and Lot numbers shown thereon. References herein to "the Lots (each Lot) in the Subdivisions" shall mean and refer to Lots as defined respectively in the Declaration and all Supplemental Declarations. The count of the number of Lots in the Subdivision for determining the Association's rights under the Governing Documents shall be based on the number of Lots in the overall development scheme of the Subdivision. The current total number of Lots is 233 and may increase if additional Sections are annexed into the Subdivision.
- K. Members:**
Members of the Association which consist of all Owners.
- L. Motor Vehicle:**
A vehicle as defined by the Texas Transportation Code.
- M. Notice:**
Written notice delivered personally or mailed to the last known address of the intended recipient. In such event, the notice shall conclusively be deemed to have been given by the Association by placing the notice in the United States mail, properly addressed, whether received by the addressee or not. Notice can also mean a notice published at least once each week for two consecutive weeks in a newspaper having general circulation in Montgomery County, Texas, or in the immediate area.
- N. Owner:**
The record owner, whether one or more persons or entities, of the fee simple title to any Lot situated within the Subdivision, but, notwithstanding any applicable theory of the mortgage, shall not mean to refer to any mortgagee unless and until such mortgagee has acquired title pursuant to foreclosure or any proceeding in lieu of foreclosure. References herein to "the Owners in the Subdivision" shall mean and refer to Owners as defined respectively in this Declaration and all Supplement Declarations.
- O. Quorum of Members:**
The representation, in person and by proxy, of twenty percent (20%) of the eligible Member Lot votes as set forth in Section 3.03 and 3.04-B.
- P. Registered Notice:**
Any Notice which has been signed for and by a recipient or has been certified by the U.S. Postal Service or other entity as having been delivered (or entity to have been attempted) to the address of the intended recipient. Failure by refusal of an intended recipient to acknowledge such Notice shall nevertheless constitute receipt when such refusal is witnessed by two other people or by one person if that person is a Postal Service representative.
- Q. Section:**
A specific portion of the Subdivision, the exact geographic location of which is described and defined either in Exhibit "A" attached to this document or in one of the Supplemental Declarations provided for in Article II. The Subdivision currently contains Sections 1, 1A, 2, 3, 4, and 5.
- R. Single Family:**
Single housekeeping unit which includes not more than three adults who are legally unrelated, together with their legal child ren or others over which they may have legal guardianship or care. Parents or children of the Owners and bona fide, salaried servants shall not be counted for purposes of this definition.
- S. Subdivision Plats:**
Respective maps or plats recorded in the Map Records of Montgomery County, Texas which define the development scheme of the Subdivision.

T. Subdivision:

Recorded subdivision known as TIMBERGREEN and defined on the recorded Subdivision Plats which is subject to this Declaration, together with other real property or additional Sections as may from time to time be annexed under the provisions of Article II.

U. Supplemental Declaration:

Any Supplemental Declaration of Covenants, Conditions and Restrictions bringing additional property within the scheme of this Declaration as provided for in Article II. References herein (whether specific or general) to provisions set forth in all (any) Supplemental Declarations shall be deemed to relate to the respective properties covered by such Supplemental Declarations.

Article II. PROPERTY SUBJECT TO THIS DECLARATION

Section 2.01 THE SUBDIVISION

The real property which shall be held, transferred, sold, conveyed, and occupied subject to this Declaration is located in the County of Montgomery, Texas, and is described in the recorded maps or plats for same set forth in the Declarations for TIMBERGREEN, Sections 1, 1A, 2, 3, 4, and 5, as referred to in the Preamble hereof. For purposes of this Declaration, such real property is designated as Subdivision.

Section 2.02 MINERAL EXCEPTION

All sales and conveyances within the Subdivision including the Common Area will exclude all oil, gas and other minerals in, on, or under the Subdivision, and all parties waive their right to use the surface of such land for exploration and development of oil, gas, and other minerals. No actions by any Owner and nothing in the Governing Documents shall limit the rights of the Mineral Owners or Lease Holders from obtaining oil, gas, or minerals under Subdivision properties by directional or horizontal drilling.

Section 2.03 ADDITIONS TO PROPERTY

Additional property may become subject to this Declaration in the following manner:

A. Additions:

If any person, firm or corporation is the owner of any property and desires to add property to this Declaration, it may do so by filing a Supplemental Declaration which shall extend the covenants and restrictions of this Declaration to such property. TIMBERGREEN COMMUNITY ASSOCIATION, acting through its Board, must give written consent. Each Supplemental Declaration shall include a legal description of the property added, and shall designate said area with the term "Section" followed by a number to differentiate each respective area from other areas within the Subdivision.

B. Contents of Supplemental Declarations:

A Supplemental Declaration shall contain covenants and restrictions for the added properties. Such covenants and restrictions may contain additions, deletions, and modifications from those contained in this Declaration as may be necessary to reflect the different character of the added properties. It must impose an annual maintenance charge assessment on the property covered on a uniform, per Lot basis, substantially equivalent to the maintenance charge and assessment imposed by this Declaration, according to Article IV, and may contain such complementary additions and/or modifications of the covenants and restrictions contained in this Declaration as may be applicable to the additional property. In no event shall such Supplemental Declaration revoke, modify, or add to the covenants established by this Declaration or by previously filed Supplemental Declarations within previously designated "Sections" of the Subdivision. All lots added in Supplemental Declarations shall have the same rights, privileges and obligations pertaining to Common Areas as Lots in the original Declaration unless specifically changed by the Declaration.

C. County Regulations:

Any additions to the Subdivision shall, in addition to the requirements of this Declaration, be approved by the proper governmental entities and recorded by existing regulations at that time.

Article III. TIMBERGREEN COMMUNITY ASSOCIATION

Section 3.01 ORGANIZATION:

A. Non-Profit Corporation:

TIMBERGREEN COMMUNITY ASSOCIATION, from this point forward referred to as the Association, shall be a nonprofit, non-stock corporation organized and existing under the laws of the State of Texas and charged with the duties and vested with the powers prescribed by law and set forth in the Governing Documents, as such may be amended from time to time, provided no Governing Documents other than this Declaration shall for any reason be amended or otherwise changed or interpreted to be inconsistent with this Declaration.

B. Purpose:

The purpose of the Association is to protect the general scheme of the development as evidenced by this Declaration, to provide for and promote the health, safety, and welfare of the members, to set and collect Annual Maintenance Fund Assessments and

other fees or Assessments, and to administer these funds to provide for the protection of the Common Areas and Facilities in the Subdivision and other purposes stated in the Founding Documents consistent with the provisions of this Declaration and all Supplemental Declarations.

C. Subsidiary Corporations:

The Association has the right to form one or more subsidiary corporations, for any purpose or purposes deemed appropriate by a majority vote of the Board. Subsidiary corporation(s) shall be subject to this Declaration and may not take any action to lessen or abate the rights of the Members.

Section 3.02 MEMBERSHIP

A. All Owners:

Each Owner, whether one or more persons or entities of a Lot, shall automatically become a Member of the Association and shall remain a Member until their ownership ceases, when their membership in the Association shall automatically cease. Membership in the Association shall automatically follow the ownership of each Lot and may not be separated from such ownership. Whenever ownership of any Lot passes from one person to another, by whatever means, it shall not be necessary that any instrument provide for transfer of membership in the Association, and no certificate of membership will be issued. The term "Member" is further defined to include and refer to the executors, personal representatives and administrators of any Member, and all other persons, firms or corporations acquiring or succeeding to the title of the Member by sale, grant, will, foreclosure, execution, or by any legal process or by operation of law, or in any other legal manner. The preceding sentence shall not be construed to automatically allow all for employees of a business or commercial entity to have rights to use the Common Areas unless specifically agreed by the Association Board.

B. Suspension of Rights:

All privileges of membership including voting rights and use of Common Facilities are subject to:

1. Being current in all assessments and fees established by the Association, and
2. Being in compliance with the covenants, rules and restrictions within the Governing Documents as they currently exist or may be amended from time to time

Any member failing to meet one or both of the above conditions may, under the terms of the Governing Documents, be denied their privileges of membership.

Section 3.03 VOTING RIGHTS

Members shall be entitled to one vote for each Lot in the Subdivision in which they hold the interest required for membership by this Declaration or any Supplemental Declaration. When more than one person holds such interest or interests in any such Lot, all such persons shall be Members, and the vote for such Lot shall be exercised as they determine among themselves, but in no event shall more than one vote be cast with respect to any Lot.

Section 3.04 VOTING PROCEDURES AND REQUIREMENTS

All regular business of the Association shall be carried out by its duly appointed or elected Boards and Committees according to the provisions of the Founding Documents. The Board shall determine all details relating to voting on any matter subject to vote by the general membership of the Association according to the guidelines and requirements below. In all cases, votes by Proxy or in writing shall be counted as if the person issuing such proxy or written vote were present in person. The types of voting are noted below and further defined elsewhere in this Declaration or the Governing Documents.

A. General Business:

Any voting desired or required at any meeting shall be determined by a simple majority vote of those votes represented at such meeting EXCEPT for such actions and decisions that shall require the vote of a "Quorum of Members" as provided for in Section 3.04-B below.

B. Quorum of Members:

When the Board of Directors determine a major financial or business decision requires the vote of a "Quorum of Members", or when The Governing Documents shall, by direct reference to this Subsection require the vote of a "Quorum of Members", then such vote shall be at a meeting called for the purpose of taking such action. Such action may also take place at the regularly scheduled meetings of the Association provided that written notice of any such meeting and the purpose 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 members or of proxies entitled to cast twenty percent (20%) of all eligible Member (Lot) votes by presence or proxy constitutes a "Quorum of Members". If the required quorum is not present, another meeting may be called subject to the same notice requirement, and at the subsequently called meeting the quorum requirement shall be waived. No subsequent meeting shall be held more than sixty (60) days following the preceding meeting. Approval under the provisions of this Subsection shall be by simple majority of those votes represented at any meeting called for that purpose.

C. Petition for Referendum:

The general membership of the Association shall have the right to bring any proposed action, review any past actions taken by the Association, or bring a petition for the recall of any Board or Committee members before a vote of the general membership for purposes of denying, amending, establishing, or affirming such action or recall. A meeting shall be called by the Board for the purpose of carrying out such vote upon the receipt of a "Petition for Referendum" properly signed by fifteen percent (15%) of the outstanding Member votes. Voting under and pertaining to such referendum shall then take place according to all of the provisions of Section 3.04-B above, with notice of such meeting being mailed within fifteen (15) days of the receipt of said petition by the Board.

D. Maintenance Fund Assessment:

The members shall have the right and power to deny an increase above twenty percent (20%) in the amount of the Annual Maintenance Fund Assessment according to the provisions of Section 4.03 by a majority vote of the eligible quorum of members (according to Section 3.04-B) at the annual meeting at which the budget and new Maintenance Fund Assessment are presented.

E. Amendment of This Declaration:

As required by Section 12.02, an amendment to this Declaration shall require the written agreement, by signed ballot, of sixty percent (60%) of the TOTAL MEMBERSHIP with one vote per each Lot owned except as provided for in Section 8.14.

Section 3.05 GOVERNING DOCUMENTS

The Association shall operate according to the following documents as established or as amended from time to time.

A. Founding Documents:

The Articles of Incorporation and By-Laws of the Association, along with the Declaration shall establish the existence and authority of the Association. Such documents may be amended from time to time according to the conditions specified in each document.

B. Book of Resolutions:

In addition to the Founding Documents, the Association shall maintain the Book of Resolutions as provided for in the By-Laws of the Association. This Book of Resolutions shall document the policy resolutions, administrative resolutions, special resolutions, and general resolutions in a manner that will provide for:

1. Referencing the actions of the Association over a period of years
2. Establishing a consistency in Board actions
3. Protecting the Members from capricious and arbitrary actions by the Board

Section 3.06 CORPORATE STRUCTURE

The structure of the Association shall consist of the following formal Boards or Committees along with any other Boards or Committees that may be established from time to time under the provisions of the Governing Documents. All Directors, Board Members, or Committee Members shall be entitled only to such compensation as may be established by the Association and approved by a majority of a Quorum of Members voting according to the provisions of Section 3.04-B, except that all Directors, Board Members, and Committee Members shall be entitled to reimbursement for reasonable expenses incurred in the course of their duties. All compensation or reimbursements shall be made as a general expense payable out of the Maintenance Fund.

A. Board of Directors:

The Board of Directors shall be responsible for the affairs of the Association and shall have all powers and duties necessary for the administration of the Association's affairs and as provided by Law. The Board shall consist of at least five (5) Directors elected to staggered, two (2) year terms. Directors or their spouses may not serve more than two (2) consecutive terms. Husbands and wives may not serve concurrently. Any vacancies arising during the year in the positions held by elected Directors shall be filled by appointment by the balance of the Board until the time of the next regular election when the position shall be filled by election with the newly elected Director serving out the remaining time, if any, of the original Director. Any positions vacated by a "Petition for Referendum" meeting according to the provisions of Section 3.04-C shall be filled by an election at the same meeting.

B. Architectural Control Committee:

The Architectural Control Committee (ACC) shall operate under provisions of Article V of this Declaration and shall be responsible for review of all plans for any improvement or action within the Subdivision which is subject to this Declaration or the Governing Documents. The Committee shall also be responsible for monitoring compliance with all of the provisions of this Declaration and the Governing Documents and may instigate any action necessary to bring about compliance.

Section 3.07 ASSOCIATION BUSINESS

In addition to the duties and powers enumerated in its Articles and By-Laws or elsewhere in this Declaration, the duties and powers of the Board shall normally include, but shall not be limited to, the following:

A. Corporate Business:

The right of the Association, acting through the Board to carry out all legal business functions and exercise all of the powers of a Texas non-profit corporation, subject only to limitations set forth in this Declaration, including but not limited to the rights to own, sell, grant, convey, lease, mortgage, or dedicate to any individual entity or utility, any portion of or rights pertaining to any Common Areas, roads or easements in favor of the Association; or to construct, purchase, lease, or contract for any additional property, facilities, equipment, etc.; or to borrow money for the purpose of constructing, improving, maintaining, or repairing said Common Areas or Facilities, roads, or easements and in aid thereof to mortgage said property.

B. Roads:

The roads within the Subdivision shall be owned and maintained by Montgomery County, Texas. The Board, however, shall be responsible for working with the County to see that all County right-of-ways and public easements within the Subdivision are adequately maintained by the County or other responsible entity. The Association shall specifically have the right to assist in said maintenance in any manner agreeable to the responsible entity, including, but not limited to, performing needed repairs at Association expense.

C. Common Areas, Facilities and Easements:

All of the Common Areas, Common Facilities and easements of the Association shall be operated, managed, and maintained in good repair for the benefit and enjoyment of all of the Members, including payments on any existing mortgages on the Common Area or Facilities, shall be a common expense to be paid out of the Annual Maintenance Fund Assessment.

D. Enforcement:

The Board shall have the right to enforce the provisions of the Governing Documents by any legal and appropriate means, whether specifically defined in this Declaration or not, for the benefit and protection of the Members in general and to specifically protect the scheme of the development as evidenced by this Declaration.

E. Rules and Regulations:

The Board shall also have the power to adopt, amend, and repeal such rules and regulations as it deems reasonable ("Association Rules") which may include establishment of a system of fines and penalties. The Association Rules shall govern such matters in furtherance of the purposes of the Association, including, without limitation, the use of any Common Areas; provided, however, that the Association Rules may not discriminate among Owners, and shall not be inconsistent with the Founding Documents. A copy of the Association Rules as they may from time to time be adopted, amended, or repealed or a notice setting forth the adoption, amendment, or repeal of specific portions of the Association Rules, shall be delivered to each Owner according to the "Notice" provisions of Section 1.01. Upon completion of the notice requirements, said Association Rules shall have the same force and effect as if they were set forth in and were part of this Declaration and shall be binding on the Owners and their successors in interest whether or not actually received thereby. The Association Rules, as adopted, amended, or repealed, shall be available at the principal office of the Association to each Owner or other interested party upon request. In the event of any conflict between any such Association Rules and any other provisions of the Founding Documents, the provisions of the Association Rules shall be deemed to be superseded by the provisions of the Founding Documents to the extent of any such conflict.

F. Budgets and Assessments:

The Board shall annually prepare an Operating Budget and Capital Budget as defined in Section 4.03 and compute the Annual Maintenance Fund Assessment to be charged against each Lot with those budgets. The Board shall also have the right, subject to the provisions of this Declaration, to establish other fees or assessments that may from time to time be required or beneficial to the purposes of the Association, and the right to adopt procedures for the purpose of making, billing, and collecting the Assessments, user fees and charges provided for herein, provided the procedures are not inconsistent with the provisions of this Declaration.

G. Contracts:

The Board shall have the right to hire or contract with any person or entity for the performance of various duties and functions including, but not limited to, the employment of a manager or management company to perform all or any part of the duties and responsibilities of the Association.

H. Delegation:

The Board shall have the right to delegate to committees, officers, employees, or agent any of its duties and powers under the Founding Documents except such powers which are non-delegable according to law. No such delegation, however, whether to a professional management company, the Architectural Control Committee, or otherwise, shall relieve the Association of its obligations to perform such delegated duty.

I. Appeals:

The Board shall hear appeals on decisions of the Architectural Control Committee according to the provisions of Section 5.12, and shall hold hearings on any proposed enforcement of the Governing Documents according to the provisions of Section 9.02.

J. Court Alternative:

Prior to any case pertaining to or covered by the Governing Documents being filed for legal court action or legal suit by any Member of the Association, such dispute or case shall be heard by the Board which shall render a ruling that shall be binding on all parties. This paragraph shall not prohibit any Member or the Association from subsequently pursuing such suit through the Courts.

Section 3.08 GENERAL LIMITATIONS AND RESTRICTIONS ON THE POWERS OF THE BOARD

In addition to the limitations and restrictions enumerated in the Founding Documents, and without limiting the generality thereof, the Board shall be prohibited from taking any of the following actions except with the affirmative vote of a "Quorum of Members" as noted in Section 3.04-B:

1. Incur aggregate expenditures for capital improvements or repairs in any fiscal year which exceed by twenty percent (20%) the amount previously budgeted in the Capital Budget for expenditure in that year.
2. Sell any real or personal property of the Association with an aggregate fair market value in excess of five percent (5%) of the Association's total assets.

Section 3.09 INSURANCE

The Association, to the extent available and to the extent deemed necessary or beneficial, according to the provisions of the Founding Documents shall obtain and continue the following types of insurance so long as such amounts or types of insurance coverage are not, in the good faith judgment of the Board, prohibitively expensive or no longer necessary or appropriate for the protection of the Properties, the Association, and the Members:

A. Fire and Extended Coverage:

This insurance coverage is to be carried on all improvements owned by or leased to the Association, with the amount of such insurance to be not less than ninety percent (90%) of the aggregate full insurable value or actual replacement cost, exclusive of the costs of excavations, foundations, and footings.

B. Other:

Public Liability, Fidelity Coverage, Worker's Compensation, Officers and Directors Liability Insurance and/or Indemnity, or other bonds shall be obtained and maintained where the Board, according to the provisions of the Founding Documents, shall deem necessary or beneficial to carry out the Association functions.

C. Premiums:

All of the costs, charges, and premiums for all insurance that the Board of Directors authorizes for the purposes of this Declaration shall be a common expense of all Members and be a part of the Annual Maintenance Fund Assessment or a Special Assessment at the option of the Board.

D. Waiver by Members:

All insurance obtained by the Association shall be maintained by the Association for the benefit of the Association, the Owners and the Mortgagees as their interests may appear. As to each of said policies which will not be voided or impaired thereby, the Owners hereby waive and release all claims against the Association, the Board, other Owners, and employees of each of the foregoing, with respect to any loss covered by such insurance, whether or not caused by negligence of or breach of any agreement by said persons, but to the extent of insurance proceeds received in compensation for such loss only.

E. Insurance Review;

It shall be the duty of the Board of Directors annually to conduct an insurance review to determine if the policies in force are adequate to meet the needs of the Association and to satisfy the requirements of this Section.

F. Insurance Rates:

Nothing shall be done or kept in the Subdivision which would result in the cancellation of insurance or an increase in the insurance rate on any property insured by the Association without the written approval of the Board.

G. Indemnification:

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

Section 3.10 INSPECTION OF RECORDS:

Members of the Association shall have the right to inspect the books and records of the Association at reasonable times during the normal business hours, and copies of all or any part of the Governing Documents, or other documents pertaining to the business of the Association, shall be made available to all Members and any other person or entity having a valid interest in the Properties upon the request of such party. The Association shall have the right to charge reasonable fees for providing copies of said documents.

Article IV. MAINTENANCE FUND AND ASSESSMENTS

Section 4.01 COVENANTS FOR ASSESSMENT

Each Owner of a Lot, by their claim or assertion of ownership or by accepting a deed to any such Lot, whether or not it shall be so expressed in such deed, agrees to a covenant running with the land to pay to the Association, its successors or assigns, each and all charges and assessments against their Lot and/or assessed against them by virtue of their ownership thereof, as the same becomes due and payable, without demand. Such assessments shall include, but not be limited to:

1. Annual Maintenance Fund Assessments or charges as specified in Section 4.03.
2. Special Assessments to be established and collected by the Board (according to the provisions of Section 4.04).

No Member shall be exempt or excused from paying any such charge or assessment by waiver of the use or enjoyment of the Common Areas or Facilities, or any part thereof, or by abandonment of their Lot or their interest.

Section 4.02 PURPOSE OF ASSESSMENTS

The Assessments levied by the Association shall be used as necessary for the general maintenance, beautification, landscaping of all common areas and recreation center, repair, utility bills and tap fees, operation of swimming pool, and any other expense of all common areas and common facilities for the mowing and beautification of all side ditches until County assumes responsibility; for paying off any indebtedness of the Association; for the protection of the scheme of Development as evidenced by this Declaration; and for carrying

out the general business responsibilities of the Association, pertaining to the health, safety and welfare of the Owners within the Subdivision as provided for in the Governing Documents, including the funding of appropriate reserves for future repair or replacement. Other regular expenditures may be added to the Annual Maintenance Fund Assessment according to the provisions of Section 4.03. It is further established that the judgment of the Board in the expenditure of said funds according to the provisions of the Founding Documents shall be subject only to a "Petition for Referendum" according to Section 3.04-C so long as such judgment is exercised in good faith.

Section 4.03 ANNUAL MAINTENANCE FUND ASSESSMENT

A. Computation of Operating Budget and Assessment:

It shall be the duty of the Board, at least thirty (30) days prior to the Association's annual meeting, to prepare an Operating Budget covering the estimated costs of operating the Association during the coming year including a reasonable amount for contingencies and the amount of the annual contribution required for the Capital Budget as defined in Subsection B below. The Board shall cause the Operating Budget and a statement of the amount of the Annual Maintenance Fund Assessment to be levied against each Lot for the following year to be delivered to each Member at least twenty-one (21) days prior to the meeting, along with a status report indicating any Owners delinquent in their assessments and the amount thereof. Except in the case of Special Assessments as provided in Section 4.04, or Specific Assessments, as provided for in Section 4.05, the assessments levied shall be uniform and equal. The amount of the Annual Maintenance Fund Assessment may be increased in any year up to twenty percent (20%) more than the previous year at the sole discretion of the Board. An increase in the Operating Budget or Annual Maintenance Fund Assessment above said twenty percent (20%) increase shall become effective unless specifically disapproved at the annual meeting by a majority vote of the eligible quorum of members (according to Section 3.04-B). Notwithstanding the foregoing, however, in the event that the membership disapproves the proposed budget for the succeeding year, then and until such time as a budget shall have been approved, the budget in effect for the current year shall continue for the succeeding year.

B. Capital Budget and Contribution:

The Board shall annually prepare a Capital Budget which shall take into account the number and nature of replaceable assets, the expected life of each asset, and the expected repair or replacement cost. The Board shall set the required capital contribution, if any, in an amount sufficient to permit meeting the projected capital needs of the Association, as shown in the Capital Budget, with respect both to amount and timing by equal annual assessments over the period of the budget. The capital contribution required shall be fixed by the Board and included within the Operating Budget for purposes of computing the Annual Maintenance Fund Assessment according to the provisions of Subsection 4.03-A above. A copy of the Capital Budget shall be distributed to each Member in the same manner as the Operating Budget. All amounts collected under the Capital Budget may only be used for capital improvements and repairs and shall be deposited by the Board in a separate interest-bearing account to be held in trust for such purposes. Said funds shall not be co-mingled with any other funds of the Association and shall be deemed a contribution to the capital account of the Association by the Members.

Section 4.04 SPECIAL ASSESSMENTS

If the Annual Maintenance Fund Assessment proves inadequate for any year or purpose, the Board may levy a Special Assessment against all Owners, payable in one payment or over such period as may be set by the Board. Any Special Assessment shall be levied on an equitable basis, as determined by the Board, against all Owners. Prior to becoming effective, however, any Special Assessment shall be approved by the affirmative vote of the majority of a Quorum of Members voting (according to Section 3.04-B).

A. Restoration Assessment:

The association may levy a Restoration Assessment upon any lot whose Owner fails to maintain such Lot, as provided in Article VIII, or who fails to provide such maintenance funds as may be required by this Declaration or any Supplemental Declaration for such Lot. Restoration Assessments shall be set solely by the Board of Directors and shall be limited to the amount necessary to meet the cost of restoration or deficiency in required funds, plus any penalty fees, interest, and the cost of collection.

Section 4.05 ASSESSMENT ALLOCATION

Except as provided for elsewhere in this Article, assessments levied against any Lot or Owner shall be uniform and equal EXCEPT:

A. Multiple Lot Assessment:

Any individual owning more than one (1) Lot shall be assessed as follows:

1. For the first Lot owned, the assessment shall be 100% of the Annual Maintenance Fund Assessment.
2. For the second Lot owned, the assessment shall be 50% of the Annual Maintenance Fund Assessment.
3. For all additional Lots owned, the assessment shall be 25% of the Annual Maintenance Fund Assessment.

All Lots owned shall be subject to the full amount of any Special Assessment as defined in Section 4.04. The reduced Annual Maintenance Fund Assessment shall continue until such additional Lots shall be sold or become residences at which time the rate of assessment shall return to the normal full amount.

B. Builder Assessment:

Any builder or construction company owning any lot or lots for the purpose of building homes for re-sale to third parties shall be assessed at the rate of twenty-five (25) percent on all lots owned. The reduced annual maintenance fund shall continue for two (2) years or until such property is sold, whichever occurs first.

Section 4.06 DUE DATE OF ASSESSMENTS

Maintenance Fund Assessments are due in advance and payable on January 1st each year. Fees for lots purchased after January 1st shall be prorated from date of purchase to December 31st and are due at the time of purchase.

Section 4.07 ASSESSMENT PRORATED

When lots are purchased from third parties during the year, the maintenance assessment shall be pro-rated to the date of closing between the buyer and seller or as otherwise provided by the Board, upon closing or completion of the purchase.

Section 4.08 OWNER'S PERSONAL OBLIGATION FOR PAYMENT OF ASSESSMENTS

All assessments provided for herein shall be the personal and individual debt of the Owner of the property covered by such assessments. No owner may exempt himself from liability for such assessments. In the event of default in the payment of any such assessment, the Owner of the property shall be obligated to pay such penalty fees as may be established by the Association, along with interest, at the rate established by the Association up to the maximum rate allowed by law, on the amount of the assessment from the due date, together with all costs and expenses of collection, including attorneys' fees. No member shall be personally liable for the payment of any assessment made or becoming due and payable after their ownership ceases, and the personal obligation for delinquent assessments shall not pass to successors in title unless specifically assumed by them.

Section 4.09 HOMESTEAD WAIVER

Each Owner, to the extent permitted by law, does hereby waive, to the extent of any liens created pursuant to this Declaration, whether such liens are now in existence or are created at any time in the future, the benefit of any homestead or exemption laws of the State of Texas now in effect, or in effect from time to time hereafter.

Section 4.10 ASSESSMENT LIEN AND FORECLOSURE

All sums assessed in the manner provided for in this Article but unpaid, shall (together with penalty fees and interest as provided in Section 4.08, and the cost of collection, including attorney's fees as herein provided) become a continuing lien and charge on the property covered by such assessment, which shall bind such property in the hands of the Owner, and their heirs, devisees, personal representatives and assigns. The lien shall be superior to all other liens and charges against the property, except only for tax liens and all sums unpaid on any purchase money lien or deed of trust lien of record, securing in either instance sums borrowed for the purchase or improvement of the property in question, and shall specifically be prior to any declaration of homestead. The Association shall have the power to subordinate the aforesaid assessment lien to any other lien. Such power shall be entirely discretionary with the Association. In any case the Association shall be made a party to any court proceedings to enforce any lien deemed to be superior to any assessment lien. To evidence the aforesaid assessment lien, the Association may (but shall not be required to) prepare a written notice of assessment lien including the name of the Owner of the property covered by such lien and a description of the property. Such notice, if prepared, shall be signed by one of the officers of the Association and may be recorded in the office of the County Clerk of Montgomery County, Texas. Such lien for payment of assessments shall attach with the priority above set forth from the date that such payment becomes delinquent as set forth in Section 4.06 above, and may be enforced by the foreclosure of the defaulting Owner's property by the Association in like manner as a mortgage or deed of trust on real property subsequent to the recording of a notice of assessment lien as provided above, or the Association may institute suit against the Owner personally obligated to pay the assessment and/or for foreclosure of the aforesaid lien judicially. The Board is authorized to appoint its attorney or any Director of the Association or Trustee for the purpose of conducting such power of sale foreclosure. Notwithstanding, anything contained in this Declaration to the contrary, no action may be brought to foreclose the lien created by recordation of a claim of lien pursuant to this Section 4.10, whether judicially, by power of sale, or otherwise, until the expiration of ten (10) days after Registered Notice, as defined in Section 1.01, has been given to the Owner whose Lot is described in such claim of lien. In any foreclosure proceeding, whether judicial or not judicial, the owner shall be required to pay the costs, expenses, and reasonable attorney's fees incurred along with any penalty fees and interest accrued. The Association shall have the power to bid on the property at foreclosure or other legal sale and to acquire, hold, lease, mortgage, convey, or otherwise deal with the same. Each Member waives any objection to the enforcement and foreclosure of this lien in this manner.

Section 4.11 RELEASE of LIEN

Upon (i) the timely curing of any default for which a notice of a claim of lien was filed by the Board, (ii) the payment of all sums secured by the lien created by the recordation of such claim of lien, and (iii) the payment of a reasonable fee as determined by the Board to cover the costs of preparing and recording a release, the Board shall file and record an appropriate release of such claim of lien in the Office of the County Clerk of Montgomery County, Texas. No Owner may waive or otherwise escape liability for the Assessments provided for in this Declaration by non-use or abandonment of their Lot.

Section 4.12 CERTIFICATE of ACCOUNT

The Association shall, upon demand, and for a reasonable charge, furnish a certificate signed by an officer of the Association setting forth whether the assessments on a specified Lot have been paid or the amount of any delinquencies. The Association shall not be required to obtain a request for such certificate signed by the Owner, but may deliver such certificate to any party who in the Association's judgment has a legitimate reason for requesting same. Upon the written request of any mortgagee holding a prior lien on any part of the Properties, the Association shall report to said mortgagee any unpaid assessments remaining unpaid for longer than thirty (30) days after the same are due.

Section 4.13 FORECLOSURE by LIEN

Any foreclosure of any superior lien under the power of sale of any mortgage, deed of trust, or other security instrument, or through Court proceedings in which the respective concerned Association has been made a party, shall cut off and extinguish the liens securing maintenance charges or assessments which became due and payable prior to such foreclosure date, but no such foreclosures shall free any Lot from the liens securing assessments thereafter becoming due and payable, nor shall the liability of any Member personally obligated to pay maintenance charges or assessments which become due prior to such foreclosure, be extinguished by any foreclosure.

Section 4.14 EXEMPT PROPERTY

The following property subject to this Declaration shall be exempt from the assessments, charges and liens created herein:

1. All Common Areas as defined in Section 1.01.
2. Any other areas or properties which the Board, in its good faith judgment, may specifically exempt for the benefit of the Association, its Members or the general development plan of the subdivision.

Article V. ARCHITECTURAL CONTROL COMMITTEE

Section 5.01 DESIGNATION OF COMMITTEE

The Association shall have an Architectural Control Committee (ACC) which shall consist of at least three (3) members who shall be appointed by the Board. The Board shall have the exclusive right and power at any time to create and fill vacancies on the Architectural Control Committee, providing no ACC member shall serve more than three (3) consecutive years after which that member must take at least one (1) year off. Husbands and wives may not succeed each other nor may two (2) members of one (1) family serve concurrently.

Section 5.02 MEETINGS

The ACC shall meet from time to time as necessary to perform its duties. The ACC may from time to time by resolution unanimously adopted in writing, designate one or more of the Members of the ACC to take any action to perform any duties for or on behalf of the Committee, except granting variances per Section 5.08. Upon such designation, the approval or disapproval of plans and specifications by such persons shall be equivalent to approval or disapproval by the entire Committee. In the absence of such designation, the vote of a majority of the Members of the ACC shall constitute an act of the Committee and shall be final, conclusive, and binding.

Section 5.03 FUNCTION OF COMMITTEE

No improvement as listed in the Definitions of this Declaration shall be erected, constructed, placed, altered (by addition or deletion), or permitted to remain on any portion of the Subdivision until plans and specifications, in any form and detail the ACC deems necessary according to the published Procedures for Approval described in Section 5.04 shall have been submitted to and approved in writing by the ACC. The ACC shall have the power to employ professional consultants to assist in the discharging of its duties. In addition, the ACC shall be responsible for monitoring the compliance of all of the Owners with the provisions of this Declaration. All actions, interpretation or decisions of the ACC shall be final and binding, subject only to Appeal by the Member or other party to the Board as provided in Section 5.13.

Section 5.04 APPLICATION PROCEDURES

A. General Procedures for any Addition or Change:

1. Each Lot Owner shall submit a proposal for any addition, alteration or improvement in writing to the ACC at the address of the principal place of business of the Association unless otherwise provided for. The applicant shall use an Improvement Application from the published "Procedures for Approval". The proposal will contain a description of the project including height, width, length, size, shape, color, materials, and location of the proposed improvement. Photographs or sketches of similar completed projects will aid in the consideration. If the alteration affects the existing drainage pattern, the proposed drainage pattern must be included. The proposal shall be checked for conformance to the restrictions defined in Articles VI, VII, and VIII of this Declaration. Requests not in conformance will be automatically denied unless a specific request for variance is made by the Owner. Oral requests will not be considered.
2. Each alteration or addition must be specifically approved even though the intended alteration or improvement conforms to this Declaration, even when a similar or substantially identical alteration or addition has been previously approved.
3. The applicant shall be informed in writing of the decision. If the applicant fails to receive a reply within sixty (60) days from the date of receipt of plans by the ACC, the request shall be considered approved.
4. If a proposal is rejected, the reason(s) for disapproval shall be stated as part of the written decision. The applicant is free to request reconsiderations if new or additional information might clarify the request or demonstrate its acceptability can be provided.
5. All plans, specifications and other materials submitted shall become the property of the ACC and will not be returned. All of the items submitted along with a copy of the Improvement Application will be filed according to the Lot number with the written decision and a statement of action taken, if any.
6. In cases of new residential construction, the ACC shall be informed in writing upon completion of all construction and improvements as required by this declaration. The committee shall, within three (3) days of the receipt of such notice and such information, inspect the property for determining compliance and provide a Certificate of Occupancy as required in Section 6.05 and approving connection to the water system according to Section 6.07.

B. Procedures for Approval:

The ACC shall make available to any person or entity, upon their request, a copy of the "Procedures for Approval" which shall (1) restate the provisions in Section 5.04-A or as modified by the Committee, (2) define any other requirements, procedures, or construction standards adopted by the Committee, and (3) state any fee structure as provided in Section 5.04-D.

C. Changes in Procedures:

Subject to approval by the Board, the ACC may change the procedures and requirements defined in Sections 5.04-A and 5.04-B by recording such changes or new procedures in the Book of Resolutions and subsequently making available to all Owners upon request a copy of the new "Procedures for Approval".

D. Charges:

The ACC shall have the right to establish reasonable minimal fees for its regular services. Said fees may be used to cover the costs of providing the services including, but not limited to, research, copying of materials, Association management company charges, etc. Any fees are subject to Board approval and shall be noted in the Book of Resolutions. The fee structure shall be made in the published "Procedures for Approval". In addition, after written notice to the submitting party, the Committee shall have the right to charge for reimbursement of any unusual expenses required or helpful in reviewing an Improvement Application including but not limited to expenses of hiring outside expert counsel.

Section 5.05 IMPROVEMENTS

See definition of Improvements in Section 1.01.

Section 5.06 BASIS OF APPROVAL

Approval of plans and specifications shall be based, among other things, on adequacy of site dimensions, structural design, conformity and harmony of external design and of location with respect to neighboring structures and sites, relation of finished grades and elevations to neighboring sites, and conformity to both the specific and general intent of this Declaration.

Section 5.07 MINIMUM CONSTRUCTION STANDARDS

The ACC may, from time to time, establish an outline of minimum acceptable construction standards provided that such outline will serve as a minimum guideline and the ACC shall not be bound thereby.

Section 5.08 VARIANCES

The ACC is authorized and empowered, at its sole and absolute discretion, to make and permit reasonable modifications of and deviations from any of the requirements of this Declaration relating to the type, kind, quantity, or quality of the building materials to be used in the construction of any building or improvement on any Subdivision Lot and of the size, shape and location of any such building or improvement when, in the sole and final judgment and opinion of the Committee, such modifications and deviations in such improvements will be in harmony with existing structures and will not materially detract from the aesthetic appearance of the Subdivision and its improvements as a whole. The ACC may require the submission of such documents and items (including as examples, but without limitation, written request for and description of the variances requested, plans, specifications, plot plans, samples of materials as it deems appropriate, in connection with its consideration of a request for a variance. If the ACC approves such a request for a variance, the ACC may evidence such approval, and grant its permission for such variance, only by written instrument, addressed to the Owner of the Lot(s) relative to which such variance has been requested, describing the applicable restrictive covenant(s) and the particular variance requested, expressing the decision of the ACC to permit the variance, describing (when applicable) the conditions on which the variance has been approved (including as examples, but without limitation, the type of alternate materials to be permitted and alternate fence height approved or specifying the location, plans, and specifications applicable to an approved out-building) and signed by a majority of the then members of the ACC. If such variances are granted, no violation of the covenants, conditions, and restrictions contained in this Declaration shall be deemed to have occurred with respect to the matter for which the variance was granted. The granting of such a variance shall not waive any of the terms and provisions of this Declaration for any purpose except to the particular property and particular provision covered by the variance, nor shall it affect in any way the Owner's obligation to comply with all governmental laws and regulations affecting the use of the premises. Any request for variance shall be deemed to have been disapproved for the purposes hereof in the event of either (a) written notice of disapproval from the ACC; or (b) failure by the ACC to respond to the request for variance. The ACC shall have no authority to approve any variance except as expressly provided in this Declaration.

Section 5.09 FAILURE OF COMMITTEE TO ACT

In the event the ACC fails to approve or disapprove any plans and specifications, other than variances, within sixty (60) days after said plans and specifications have been submitted to it and acknowledged by a written "Receipt of Plans", approval will not be required and provisions of this Article will be deemed to have been fully complied with; provided, however, that the failure of the ACC to approve or disapprove such plans and specifications within such sixty (60) day period shall not operate to permit any structure to be commenced, erected, placed, constructed, or maintained on any Lot in the Subdivision in a manner inconsistent with any provision of this Declaration. If plans and specifications are not sufficiently complete or are otherwise inadequate, the ACC may reject them as being inadequate or may approve or disapprove part, conditionally or unconditionally, and reject the balance.

Section 5.10 LIMITATION OF LIABILITY

Neither the Association, the ACC, nor any of the Members of such committee shall be liable in damages or otherwise to anyone submitting plans and specifications for approval or to any Owner of land affected by this Declaration by reason of mistake of judgment, negligence, or nonfeasance arising out of in connection with the approval or disapproval, or failure to approve or to disapprove any plans and specifications.

Section 5.11 NO WARRANTY IMPLIED

The approval or lack of disapproval by the ACC shall not be deemed to constitute any warranty or representation by such Committee including, without limitation, any warranty or representation relating to fitness, design, or adequacy of the proposed construction or compliance with applicable statutes, codes and regulations.

Section 5.12 PROCEDURES FOR MONITORING COMPLIANCE

A. Inspection:

1. The ACC may periodically survey the Properties for compliance with architectural standards and provisions of this Declaration.
2. The Committee shall inspect Lots undergoing improvement at completion, notify the Owner in writing of violations, if any, and when satisfied the conditions set forth in the approved application and the provisions of this Declaration have been met, issue a Certificate of Occupancy as provided for in Section 6.05 if such is required.

B. Alleged Violations:

1. All reports of alleged violations must be submitted in writing to the Architectural Control Committee.
2. The chairman will appoint one member to investigate the allegation. If no violation is discovered, the complainant will be informed in writing. If it appears there is a violation, the ACC will determine the appropriate disposition of the matter after the validity of the violation has been established according to the provisions of Section 9.02.
3. In all cases, the name(s) of the Lot Owner(s) responsible for the alleged violations shall be kept confidential until the violation has been established.
4. In all cases the name(s) of the complainant(s) shall be kept confidential unless he/she (they) should decide to speak at any hearing according to the provisions of Section 9.02.

Section 5.13 APPEALS

Any Member or other individual or entity directly affected by a decision of the Architectural Control Committee may appeal in writing to the Board, provided the written appeal is received by the Board not more than thirty (30) days following the written decision of the ACC. The Board shall submit such appeal to the ACC for review whose written recommendations will be submitted to the Board. Within forty-five (45) days following receipt of the request for appeal, the Board shall render its written approval or disapproval of the ACC's decision. The failure of the Board to render a decision within said forty-five (45) day period shall be deemed a decision in favor of the appellant.

Article VI. PROTECTIVE COVENANTS AND RESTRICTIONS

Section 6.01 USE RESTRICTIONS: Lots in TIMBERGREEN are intended for single family residential purposes only, as further described herein, and are additionally subject to all the restriction of this Section.

A. Residential Only:

Each lot including land and improvements shall be used and occupied for single family residential purposes only. No owner or other occupant shall use or occupy their Lot, or permit the same or any part thereof, to be used or occupied, for any purpose other than as a private single family residence for the Owner, their family, parents of the Owner and/or their children, or their tenant and their families and domestic servants (and their families) employed on the premises. The term "single family residential purpose" prohibits the use of Lots for duplex apartments, garage apartments or other apartment use for rental purposes, and no room(s) in the dwelling and no space in any other structure shall be let or rented. This shall not preclude the main residential structure from being leased or rented in its entirety as a single residence to one family or person, providing that a new Certificate of Occupancy be obtained before any tenant may occupy said residence.

B. No Commercial:

No profession, business or commercial activity which is in any way evident from the exterior of any building or which entails visitation by the general public shall be allowed on any Lot. No business or commercial structure of any kind or nature shall be built on any portion of the property, and no structure, facility, or area on any Lot shall be used for mechanical repair or construction work, manufacturing, or production of any product except purely for such purposes as would be considered a hobby and not a primary business regardless of whether such hobby shall be done for purposes of profit. This provision does not prohibit any homeowner from maintaining their office in the home or providing such things as sewing or piano lessons or selling such items as cosmetics or household cleaners from the home providing that there is no visual evidence of any such activity from the exterior of the home, no signage of any kind, no advertising to come to the home and no noise made as a result of the activity. In any case, all activities shall be carried out in a manner keeping with the intent the Lot be kept in a neat and presentable manner.

C. Temporary and Other Structures:

No structure of a temporary character, trailer, mobile home, tent, or shack shall be placed on any Lot, either temporarily or permanently, and no previously used residence, house, garage, or other structure, shall be moved onto any Lot from another location. Nothing herein shall prohibit the construction or installation of permanent outbuildings pertinent to single family use and approved by the Architectural Control Committee. Such outbuildings must meet all construction requirements of this Declaration and must be of an architectural style similar to or complimentary to the style of the main residence. In Section 5:

1. Barns may be placed on the property not more than 1-year prior to construction of the main residence provided the barn is approved by the Architectural Control Committee.
2. All barns shall be located on the back one-half of the property.

D. Signs:

No signs shall be displayed in public view on any Lot or the Common Areas with the exception of the following:

1. Builders may display one (1) sign not more than sixteen (16) square feet on a Lot to advertise the Lot and any residential structure situated on the Lot for sale during the sales or construction period.
2. Any owner or owner's representative may display one (1) sign not more than nine (9) square feet on a Lot to advertise the property for sale or rent.
3. The Association may display such signs as it deems necessary for the efficient use of the Common Areas or as beneficial for the Members.
4. The Association has the right to enter any property to remove signs not permitted by these Covenants.

E. Garbage and Refuse Storage and Disposal:

All Lots and Common Areas shall be kept in a healthful, sanitary and attractive condition at all times. No Lot or any part of the Common Areas shall be used or maintained as a dumping site for garbage, trash, junk, or other waste matter. All trash, garbage or waste matter shall be kept in adequate containers constructed of metal, plastic or masonry materials with tightly fitting lids, and shall be maintained in a clean and sanitary condition and screened from public view except during garbage pick-up days. No Lot shall be used for open storage of any materials whatsoever where storage is visible from the street, except for new building materials used in the construction or improvements erected on any Lot during the time of construction, as long as construction progresses without unreasonable delay until completion of the improvements. After construction ends, these materials shall either be removed from the Lot or stored in a suitable enclosure on the lot.

F. Removal of Dirt:

The digging of dirt or the removal of any dirt from any Lot or from any portion of the Common Areas is prohibited except when necessary for landscaping or construction of improvements and is subject to approval by the Architectural Control Committee.

G. Subdividing Lots:

Lots may not be subdivided or re-platted unless approved by the Board.

H. Window Air Conditioners:

No window or wall type air conditioners are allowed to be used, erected, placed, or maintained on or in any building unless approved by the Architectural Control Committee (ACC). The ACC may, at its discretion, permit window or wall type air conditioners if such unit shall not be easily visible from a street and such permission is approved in writing.

I. Firearms and Fireworks:

The use or discharge of firearms, firecrackers or other fireworks in the Subdivision is prohibited.

J. Antennas and Satellite Dishes:

Any antenna, satellite dishes or appurtenance structures shall be located behind the ridgeline of the residence or in the backyard and shielded from view. Any antenna which will be more than fifteen (15) feet taller than the ridgeline of the residence and easily visible from any street must be approved by the Architectural Control Committee.

K. Exterior Appearances:

Each Owner shall keep the exterior appearance of their residence in a neat and attractive manner. In no case shall windows be covered by sheets, aluminum foil or other unsightly articles. Any interiors readily visible from any street shall be kept in a reasonable attractive manner or be hidden by decorative draperies.

L. Tenant Rights and Responsibilities:

All lessees or tenants shall be jointly responsible with the Owner for abiding by all of the provisions of this Declaration. Failure to comply after the enforcement procedure outlined in Section 9.02 shall give the Association the right to evict said lessee or tenant. The Owner shall be jointly responsible with the Tenants for any costs or fines.

M. Garages:

No garage shall be permitted to be enclosed for living or used for purposes other than storage of automobiles and other Common uses, and all garage doors shall be kept closed when not in specific use.

Section 6.02 VEHICLES AND UNSIGHTLY ARTICLES

A. Storage:

No article deemed to be unsightly by the Architectural Control Committee (ACC) shall be permitted to remain on any Lot that is visible from adjoining property or public or private streets. Without limiting the generality of unsightly articles, wagons, motor scooters and garden maintenance equipment shall be stored at all times, except when in actual use, behind the back building line of the residence, either within the garage or an outbuilding or screened from public view behind a fence suitable to the ACC. No vehicle of any type shall be parked on the street in front of the Lot. The Board may adopt rules for regulating the admission and parking of vehicles within the Subdivision, including the assessment of charges to Owners who violate or whose invitees violate such rules, and the right to tow away any vehicles parked or stored in violation of these rules and regulations.

B. Repair:

No repair work, dismantling or assembling of motor vehicles or other machinery or equipment shall be done or permitted on any street, driveway, or any Common Areas. No repair work shall be performed on automobiles or other vehicles in driveways or visible from the street except such work that is temporary in nature. Any regularly recurring repair or dismantling work shall take place within a garage or other building screened from public view.

C. Motor Vehicles:

No unlicensed motor vehicles, other than those specifically and individually allowed in writing by the Board, shall be operated within the Subdivision. Such permission shall be in the possession of the operator of said vehicle at all times, and shall be shown without question to anyone requesting to see it. No motor bikes, motorcycles, motor scooters, "go-carts", or other similar vehicles shall be permitted to be operated in the Subdivision if the Board finds such operation, by reason of noise or fumes emitted or by manner of use, constitutes a nuisance or annoyance.

Section 6.03 ANIMALS

In addition to the provisions set out below, the Board shall have the right and power to adopt rules and regulations according to the provisions of Section 3.07-E pertaining to the keeping of any insects, reptiles, animals, livestock, or poultry within the Subdivision, and to establish such fees, fines, or penalties as necessary to carry out all such rules and regulations.

A. Farm Animals in Section 1, 1A, 2, 3, and 4:

Horses, cows, sheep, goats, hogs or chickens shall not be kept on any lot.

B. Farm Animals in Section 5:

There shall be a limit of one (1) large farm animal per acre of land. Two (2) miniature horses will count as one (1) horse and no such animal(s) shall be maintained upon any single tract of land less than one (1) acre in size. Any lot 1.6 acres or more in size shall be considered to be a minimum of two (2) acres. Natural offspring shall be exempt until one (1) year old. No hogs shall be permitted.

C. Exception for Boarding Horses:

The owner of Subdivision Section 5 Lot 27 shall have the right to board horses under the following conditions:

1. No more than ten (10) horses shall be boarded at any one time.
2. Each horse boarded shall have a clean, well-maintained stall.
3. No stall shall be closer to adjoining Timbergreen lots than two hundred (200) feet.
4. The stalls, stables, and property shall be maintained in such a way as to have an attractive appearance and be free of odor.
5. Timbergreen residents have priority for boarding their horses. Owner may board other horses from outside Timbergreen if there are stalls available.

D. Pets:

All dogs shall be kept in a fenced area or secured by chain or leash and no animal will be allowed to roam or run about at large. No animals shall be allowed in or around any Common Facilities. Every female dog while in heat shall be confined in a building or secured enclosure by its owner in such a manner that she will not be in contact with another dog (except for intentional breeding purposes) nor create a nuisance by attracting other animals. All dogs and cats shall wear a collar at all times exhibiting a current rabies vaccination tag issued by a licensed veterinarian in compliance with the county regulation of Montgomery County, Texas along with an identification tag indicating the animal's name and the owner's name, address, and phone number. The identification tag may, at the option of the Board, be designated to be of a defined size, shape or color which shall be common to the Subdivision to readily identify stray animals.

E. Nuisance:

Nothing contained in this Declaration shall be construed to permit animals or pets becoming an unreasonable annoyance or obnoxious to the occupants or owners of neighboring property, or becoming a hazard to the health, welfare and well-being of the community, and all animal owners are responsible for any property damage, mess, injury, and disturbances their pet(s) may cause or inflict. This determination shall rest completely with the Board at their discretion, and the Board has the right and power to take any action necessary for the enforcement of this Section or the protection of the Members including banishment of any animal or Pet from the Subdivision. Any dogs or cats not wearing an identification tag shall be considered a stray and dealt with in such manner as the Board determines, including, but not limited to, the destruction of said animal by any appropriate means, and any such action will be deemed to be taken in good faith for the benefit of the residents and no liability shall exist because of such action.

Section 6.04 RESALE OF LOTS

A. Notice of Sale:

The Board shall be notified of any conveyance of a Lot by any manner. The notice shall indicate the Lot number, date and type of conveyance, new Owner's name, address and phone number, and any other information that may be required for the issuance of a Certificate of Occupancy which shall be obtained before a new resident may move into the residence on that Lot(s).

B. Assessment Certificate:

The Board, upon receipt of the above information, shall prepare a certificate which shall set forth any assessment and charges due for such Lot at time of conveyance and certify whether there are violations of the Governing Documents remaining on the Lot as of the date of preparation of such certificate and further stating the remaining assessment balance, if any, due from the buyer for the balance of the fiscal year. This certificate shall be delivered to the place of closing, and the outstanding assessments, if any, and a reasonable charge to cover the cost of providing such certificate shall be deducted from the seller's account at the closing and transmitted directly to the Association.

Section 6.05 CERTIFICATE OF OCCUPANCY

No Lot shall be used for residential purposes in any manner, either initially or subsequent to resale or leasing, until an inspection of the Lot has been made by the Architectural Control Committee (ACC) to ascertain that all exterior improvements of the main residence,

garage, driveways, culvert crossings, lighting, or other construction shall be completed and that the condition of the Lot is in compliance with the provisions of this Declaration. This inspection by the ACC shall take place within three (3) days of the receipt of written notice of completion of construction and/or such other information as required for the issuance of a Certificate of Occupancy. Within three (3) days of the inspection, the ACC shall:

1. In the case of a satisfactory inspection, issue a Certificate of Occupancy.
2. In the case of an unsatisfactory inspection, issue by Registered Notice to the Owner a statement of the deficiencies which prevent the issuance of a Certificate of Occupancy.

No warranty of the fitness of workmanship or materials, and no waiver of the Association's rights to enforce provisions of the Governing Documents shall be implied by the issuance of a Certificate of Occupancy.

Section 6.06 LIABILITY FOR DAMAGES

Each Lot Owner, their family, guests, or their builders, subcontractors and agents shall be liable, both jointly and severally, for any damages to any part of the Subdivision by them or their agents by reason of the negligent or intentional misconduct of such person or entity. This shall include, without limitation, dumping of materials or concrete tailings in any area not specifically designated for that purpose by the Association; damages to ditches, roads, culverts, etc. by trucks or other vehicles; and damages to any other vegetation or improvements anywhere within the Subdivision. The dumping of materials and concrete tailings in any ditches is specifically prohibited. The correction of any damages applicable under this Section shall be handled the same as the enforcement of maintenance on any Lot according to the provisions of Section 9.02 with any charges becoming a lien upon the responsible Owner's Lot with the same attributes of an assessment lien as noted in Section 4.10.

Section 6.07 WATER SERVICE

No water for residential use shall be supplied to or allowed on any Lot prior to the issuance of the original Certificate of Occupancy. The intent is that no residence shall be inhabited until all construction requirements and restrictions are fully complied with.

Section 6.08 NUISANCE

Noxious, destructive, offensive activities, or any activity constituting a nuisance shall not be carried on in any Lot or in the Common Areas, and the Association shall have standing to initiate legal proceedings to abate such activity. Each Owner shall refrain from any act or use of their Lot which could cause unreasonable embarrassment, discomfort, or annoyance to other Owners, and the Board shall have the power to make and enforce reasonable rules and regulations in furtherance of this provision.

Article VII. LOT IMPROVEMENT STANDARDS

Section 7.01 MINIMUM SET-BACK LINES

No structure of any kind and no part thereof shall be placed within set-back lines on the recorded plat. For Subdivision Sections 1, 1A, 2, 3, and 4, the following are set-back lines:

1. 65-feet from any public or private street right-of-way or easement along the front of the Lot, as defined in Section 7.02 except for cul-de-sac lots which shall be 45-feet.
2. 10-feet from the rear property line.
3. 5-feet from any interior side Lot lines except that a residence, garage, or outbuilding must be at least 30-feet from any street right-of-way or easement which is the side line of a corner Lot.

If one Owner owns two or more adjacent Lots, and desires to construct one residence on such Lots, where construction of the residence would violate the interior side Lot set-back lines, the Architectural Control Committee may waive, in writing, said interior side Lot lines for the residence, and such Lots shall be considered to be one Lot for the purpose of determining the set-back lines and other restrictions applicable to such Lots and such residence. Any Lots so combined shall be treated as one Lot by the Owners and shall be conveyed as such.

The following improvements are expressly EXCLUDED from set-back restrictions:

1. Structures below and covered by the ground.
2. Steps, walks, patios, swimming pools, driveways and curbing.
3. Planters, walls, fences or hedges, and landscaping.
4. Any other improvements approved in writing by the Architectural Control Committee. Roofed structures, other than guard houses, gate houses, swimming pool equipment shelters and cabanas, and greenhouses shall not be approved within set-back lines.

Section 7.02 FRONT OF LOT

The front of each Lot shall coincide with and be the property line abutting the street of the Lot's address. Unless otherwise approved in writing by the Architectural Control Committee, each main residence building shall face the front of the Lot.

Section 7.03 MINIMUM SQUARE FOOTAGE

Any residence constructed on a Lot(s) shall have a minimum of 2000 square feet of living area exclusive of the area of attached

garages, non-air-conditioned porches, patios, breezeways, or other appurtenances or appendages.

Section 7.04 MINIMUM WIDTH

Because this is a large lot development, the intent of the Association is to have the width of the house as wide as possible to have a very spacious look from the front. Therefore, no residence shall be less than sixty (60) feet in width including the garage (whether the garage is attached or detached) unless the width of the lot does not provide for sixty (60) feet between building lines. In such case the home shall be within one (1) foot of the width of the building lines permit.

Section 7.05 TRAFFIC AREAS

All driveways or parking areas used for vehicles shall be constructed of reinforced concrete or flexible base tar and gravel over four (4) inches of compacted county-approved road base of iron ore, limestone, or other approved base material. Uncovered base material is permitted where not visible from the road. In no case, at any time, shall driveways be of unfinished ground. All paved areas shall be maintained in a neat and presentable manner free of degeneration, cracking breakage, or pot holes. No water or mud holes shall be allowed to exist in any lawn or traffic area.

Section 7.06 WALLS AND FENCES

A. Sight Lines:

No fence, wall, hedge, or shrub planting which obstructs sight lines at elevations between two (2) and six (6) feet above the roadways shall be placed or permitted to remain in any corner Lot within the triangular area formed by the street easement lines and a line connecting them at points twenty-five (25) feet from the intersection of the street easement lines, or in the case of a rounded property corner from the intersection of the street lines extended. The same sight line limitations shall apply on any lot within ten (10) feet from the intersection of a street property line with the edge of a driveway or alley pavement. No tree shall be permitted to remain within such distances of such intersections unless the foliage line is maintained a sufficient height to prevent obstruction of such sight lines.

B. Fence Location, Materials, Height - SUBDIVISION SECTIONS 1, 1A, 2, 3, 4:

No fence, wall, or structure other than decorative landscape plantings shall be installed closer to the front lot line than the front walls of the dwelling. All fences or walls shall be wood, masonry, wrought iron, green vinyl-coated chain link. All natural wooden fences shall be constructed of cedar, redwood, treated or painted lumber. All fences must be approved by the Architectural Control Committee and shall be maintained in a fully repaired, neat and presentable manner. Any continuous lineal structure more than one (1) foot high shall be considered a fence - no fence or hedge or exterior wall not a part of a structure shall exceed a height of nine (9) feet.

C. Fence Location, Materials, Height - SUBDIVISION SECTION 5:

All fences or walls shall be wood, masonry, wrought iron, green vinyl-coated chain link, or a horse fence constructed by hog wire or a minimum of 5-wire (smooth, no barbed wire) provided that wire fences shall be even with or behind the rear elevation of the home and not closer to the road than the building line on a side road. Wooden frame or split-rail style fences may be backed with hog wire to contain small animals. All natural wooden fences shall be constructed of cedar, redwood, treated or painted lumber. All fences must be approved by the Architectural Control Committee and shall be maintained in a fully repaired, neat and presentable manner. Any continuous lineal structure more than one (1) foot high shall be considered a fence - no fence or hedge or exterior wall not a part of a structure shall exceed a height of nine (9) feet. No fences in front of a home may be more than four (4) feet six (6) inches high and must be constructed of wood (CPVC that looks like wood is acceptable), masonry, or wrought iron.

D. Swimming Pool Fencing:

A fence or wall or screened enclosure shall be installed around all in-ground swimming pools. These fences shall be a minimum of four (4) feet in height with openings or holes or gaps less than four (4) inches measured in any direction. Openings for a picket fence or picket-type fence composed of mainly vertical members shall be measured in a horizontal direction between members. Gates and doors opening directly into an in-ground swimming pool enclosure shall be equipped with self-closing and self-latching devices designed to keep and capable of keeping the doors or gates securely closed at all times when not in actual use. Latching devices shall be attached to the upper quarter of the gates or doors. The door of any dwelling occupied by human beings and forming any part of the pool enclosure need not be so equipped. A building or existing wall may be used as part of any fence, wall or barrier constructed for these enclosures.

Section 7.07 LANDSCAPING

Landscaping work and planting in general do not require approval by the Architectural Control Committee. Prior to occupying any residence, the lawn areas surrounding the buildings shall be cleaned of all debris, and construction materials pertaining to work remaining shall be stored within the garage or out of view from the road. The lawn areas shall be shaped and smoothed to remove construction materials and provide an acceptable seed bed for grass. Within six (6) months of the issuance of the original Certificate of Occupancy, the Owner shall complete the installation of grass (seed or sod) and shrubbery.

Section 7.08 SEPTIC SYSTEMS

Each Lot Owner will install their own septic system in accordance with all governmental regulations. The Association does not warrant the workability of any septic system.

Section 7.09 WATER

Potable water will be supplied by a private utility company. No potable water wells shall be dug on any Lot.

Section 7.10 CULVERTS AND DRAINAGE

A. Liability:

All entries to any lot shall be across an approved culvert crossing. In no case shall a ditch be crossed on a regular basis until a

culvert crossing is constructed. Any damage to roads or crossings as a result of crossing ditches shall be the liability of the person causing the damage.

B. Culvert Crossings:

All culvert crossings shall contain culvert pipe sized to the specifications of Montgomery County, Texas. These culvert crossings shall consist of a minimum of sixteen (16) feet of culvert pipe covered by concrete and finished on both ends with reinforced concrete which shall run from the shoulder of the road to the interior Lot shoulder of the ditch and shall extend at least six (6) inches below the normal grade of the ditch and 3-inches above the level of the drive along both ends of the crossing.

C. Drainage:

No Owner may block or impede the flow of any drainage ditch whether natural or man-made including, but not limited to, roadway ditches and drainage easements. All culverts shall be installed with sufficient depth to prevent erosion. Each Owner shall be responsible for maintaining all drainage ways and culverts on or adjacent to their Lot in a manner that will encourage the free flowing of water without erosion, including but not limited to the planting and mowing of grass, removal of debris or sediment, and clearing of any obstructions that may develop in said drainage ways or culverts. The Association may remove or repair any culverts, culvert crossings, or other obstructions or impediments, or repair damage from improperly placed culverts at the Lot Owner's expense according to the provisions of Section 9.02.

Section 7.11 MAILBOX

Centralized mail delivery boxes, according to U.S. Postal Service policies, will be provided by the Postal Service. These Centralized mail delivery boxes will be maintained by the Association in addition to maintenance provided by the Postal Service.

Section 7.12 ADDRESS SIGN

All address numbers, as assigned by authorized agencies, shall be prominently displayed in a decorative manner along the front property line on the street of the address. Each address display shall be approved by the Architectural Control Committee, and all numerals shall be located so the lighting required in Section 7.13 shall make the address readily visible at night.

Section 7.13 LIGHTING

Each Lot shall contain decorative night lighting in conjunction with the decorative address display noted in Section 7.12 and shall be approved by the Architectural Control Committee. Said lighting or other lights adjacent to the streets shall automatically turn on every evening. All such street lighting shall be kept in good operating condition. Additional decorative, recreation, or security lighting will be allowed for any Lot as long as such lighting does not constitute an annoyance to adjacent Lot Owners.

Article VIII. CONSTRUCTION STANDARDS

Section 8.01 NEW CONSTRUCTION

All buildings or structures placed upon any Lot in the Subdivision shall be constructed of all new materials excepting for used brick or other decorative accessories commonly used in the construction of new residences. All exterior material other than those which are not commonly decorated or painted shall be stained or painted with at least two (2) coats of paint.

Section 8.02 ROOFING

All roofs shall be constructed of "top of the line" two hundred forty (240) pound heavyweight, accented shadow-line composition roofing. In no case shall lightweight or flat composition shingles be allowed on any structure. Tile or metal roofing (not corrugated) is also allowed, but wood shingles are prohibited. Roof colors shall have earthen tones.

Section 8.03 SIDING

There is no minimum percentage of masonry imposed upon improvements. The approval of all materials and colors is at the sole discretion of the Architectural Control Committee.

Section 8.04 MATERIALS ON LOT

No construction materials shall be stored on any Lot prior to commencement of construction. The term "commencement of construction" is the date when the foundation is completed. Prior to issuance of a Certificate of Occupancy the lot shall be cleaned according to provisions of Section 7.07.

Section 8.05 HOMEOWNER'S WARRANTY

All residences (when built) must be covered with a ten (10) year structural Homeowner's Warranty.

Section 8.06 CONSTRUCTION STANDARD

In order to insure value and quality in the Development, the Architectural Control Committee may adopt a Minimum Building or Construction Standards Code. Prior to developing plans and specifications, each Lot owner should get a copy of this Code, if adopted, in order to facilitate compliance. This building code must be approved by the Board prior to being adopted.

Section 8.07 TIME OF COMPLETION

All construction required for compliance with this Declaration and issuance of a Certificate of Occupancy, including but not limited to the exterior of the residence, garage, and all structures, culvert crossing, lighting, address display, driveways, and Lot grading, shall be completed within 12-months following commencement of construction (when the foundation is completed). Using any structure for habitation prior to completion of all construction required for a Certificate of Occupancy shall be considered a violation of these restrictions and the Association may seek any relief necessary to force a timely completion including injunctive relief or the eviction of

said residents until a Certificate of Occupancy is obtained. It is specifically established that failure to complete construction and apply for a Certificate of Occupancy within twelve (12) months from the commencement of construction shall be considered a violation of these restrictions and subject to, at the option of the Board, the fines and other remedies provided for in Section 12.03.

Section 8.08 GARAGES

All residences must have an enclosed garage, architecturally similar to the residence. The garage must be at least a two-car garage and a concrete parking pad the same width as the garage and a minimum of twenty (20) feet deep shall be constructed immediately in front of the garage. This paragraph does not prohibit the construction or use of carports or porticos which are architecturally similar or complimentary to the residence.

Section 8.09 SERVANTS QUARTERS

Any servant's quarters not structurally a part of the main residence shall be architecturally similar or complimentary to the residence.

Section 8.10 OUTBUILDINGS

All outbuildings other than the garage or servant's quarters shall be constructed or installed behind the back line of the residence. Any structure constructed for housing pets must be constructed on the back half of the Lot. No unfinished tin or aluminum materials may be used in the construction of any outbuildings. All structures not matching the residence in architectural design, materials, and color must be finished in basic earth-tone colors that blend in with the surroundings.

Section 8.11 SWIMMING POOLS

Swimming pools must have the approval of the Architectural Control Committee before any work is undertaken. Permanent above ground-level swimming pools will not be approved. Spas or hot tubs with a maximum volume of 1000-gallons are excluded from this restriction.

Section 8.12 PLAY EQUIPMENT

Temporary semi-permanent children's play equipment such as sandboxes, temporary swimming pools having a depth of less than twenty-four (24) inches, playhouses, and tents shall not require the approval of the Architectural Control Committee provided such equipment is located in the rear of the Lot and is in good repair.

Section 8.13 EXEMPT PROPERTY

Notwithstanding any provision herein to the contrary, the Common Areas shall not be subject to or burdened by the building and use restrictions set forth in Articles VI, VII, and VIII, but shall be approved by the Architectural Control Committee.

Section 8.14 AMENDMENT OF ARTICLES VI, VII, AND VIII

The Association, acting through the Board, shall have the right to amend, modify or abandon any of the provisions of Articles VI, VII, and VIII, if such changes are predicated by a current State, County, or Local law that directly affects the Association, provided the proposed changes are consistent with this Declaration. These changes shall:

1. Be recorded in the Book of Resolutions, once approved.
2. Be evidenced in the Notice for the annual meeting.
3. Be approved by a majority vote of a Quorum of Members at the annual meeting of the Association, according to the provisions of Section 3.04. Said changes can be reconsidered by "Petition of Referendum" per Section 3.04.
4. Become effective three (3) months after the approval at the annual meeting.

Article IX. MAINTENANCE

Section 9.01 DUTY OF MAINTENANCE

Owners and occupants (including lessees) of any part of the Subdivision shall jointly and severally have the duty and responsibility, at their sole cost and expense, to keep Lot(s) they own or occupy, including buildings, improvements and grounds, in a well maintained, safe, clean, and attractive condition at all times. Such maintenance includes, but is not limited to the following:

1. Completion of all improvements and/or compliance with all of the requirements for a Certificate of Occupancy.
2. Prompt removal of all litter, trash, refuse, and wastes.
3. Prompt removal of any trees or vegetation infested with communicable diseases or parasites and dead or unsightly trees or vegetation.
4. Regular mowing of all cleared areas.
5. Tree and shrub pruning after completion of improvements.
6. Keeping lawn and garden areas alive, free of tall weeds, and attractive.
7. Watering.
8. Keeping parking areas, driveways, roads, and drainage ways in good repair.
9. Complying with all restrictions or requirements of this Declaration and the Governing Documents.

Section 9.02 ENFORCEMENT

If, in the opinion of the Association, any such owner or occupant has failed in any of the foregoing duties or responsibilities, the Association may, but shall not be obligated to, cause such deficiency to be corrected. For failure to keep a lot mowed, or to remove dead or diseased trees, or for failure to remove rubbish or debris from a Lot, the Owner shall be notified of such condition according to the provisions of Section 1.01. Such notice shall include: 1) a reasonable deadline date for performing said clean-up, and 2) a statement of what charges will be assessed by the Association for performing service on behalf of the Association if not performed by the Owner prior to the deadline date. Charges may include not only the actual costs of performing these services, but also any special charges assessed according to Section 12.03 and any billing fees required to collect said funds. The Owner specifically acknowledges that it is not the Association's primary job to maintain individual lots and there is a great deal of time and energy required by the Board to protect the appearance of the Subdivision whenever an individual fails to maintain their Lot. For all more serious instances of non-compliance or lack of maintenance, the Association shall proceed as follows:

1. Upon the Board finding a deficiency in such maintenance or installation, the Board shall give Registered Notice, as defined in Section 1.01 of deficiency to the Owner which shall briefly describe the deficiency and set a date for hearing before the Board or a committee selected by the Board for such purpose.
2. Such hearing shall be held not less than fifteen (15) nor more than thirty (30) days from the date of delivery of the Registered Notice.
3. Such hearing shall be conducted according to such reasonable rules and procedures as the Board shall adopt which shall provide the Owner with the right to present oral and written evidence and to confront and cross-examine any person offering evidence adverse to the Owner. If the Board or any such committee renders a decision against the Owner, it shall further set a date by which the deficiency is to be corrected by the Owner. A decision of such committee may be appealed to the Board, but a decision by the Board shall be final.
4. Should any such person fail to fulfill this duty and responsibility within such period, then the Association, as a common expense to be paid out of the Maintenance Fund, acting through its authorized agent or agents shall have the right and power, but not duty, to enter onto the premises and perform such construction, work, care, or maintenance without any liability for damages for wrongful entry, trespass or otherwise to any person. The Owners and occupants (including Lessee) or any part of the Subdivision on which such work is performed shall jointly and severally be liable for the cost of such work along with any fines set by the Association for failure of the Owner to comply, and shall promptly reimburse the Association for such cost. If such Owner or occupant fails to reimburse the Association within thirty (30) days after delivery of an expense statement for such work from the Association, then the indebtedness shall be a debt of all of said persons jointly and severally, and shall constitute a lien against that Lot on which the work was performed. This lien shall have the same attributes as the lien for assessments and special assessments set forth in Article IV, which provisions are incorporated herein by reference, and the Association shall have identical powers and rights in all respects, including but not limited to the right of foreclosure. The rights herein shall be in addition to any or all of the rights provided in Section 12.03.

Article X. COMMON AREAS

Section 10.01 MEMBERS' EASEMENTS OF ENJOYMENT

Subject to provisions of Section 10.02, every Member shall have a common right and easement of enjoyment in and to Common Areas and Common Facilities in the Subdivision, and such right and easement shall be appurtenant to and shall pass with the title to each Lot in the Subdivision.

Section 10.02 EXTENT OF MEMBERS' EASEMENTS

The rights and easements of enjoyment shall be subject to the following:

A. Fees and Rules:

The right of the Association, in its discretion, to charge reasonable admission and other fees for the use of the recreational Common Areas, and to make, publish and enforce reasonable rules and regulations governing the use and enjoyment of the Common Areas and Facilities or any part thereof, all of which reasonable rules and regulations shall be binding upon, complied with, and observed by each Member. These rules and regulations may include provisions to govern and control the use of such Common Areas and Facilities by guests or invitees of Members, including, without limitation, the number of guests or invitees who may use such Common Areas and Facilities, or any part thereof, at the same time. The Association shall also have the right to establish a "Guest Membership" for use of the Common Areas.

B. Normal Business Functions:

The right of the Association to carry on normal business functions according to the provisions of the Governing Documents.

C. Suspension of Rights:

The right of the Association to suspend the voting rights of a Member and their rights to use any recreational Common Areas during the period he is in default in excess of thirty (30) days in the payment of any assessment against their Lot or person and to suspend such rights for a period not to exceed sixty (60) days for any infractions of its published rules and regulations. These rights of the Association shall not be exclusive, but shall be cumulative of and in addition to all other rights and remedies which the Association may have in this Declaration and any Supplemental Declarations or in its By-Laws or by law.

D. Other Restrictions:

The restrictions for use of the Common Areas provided for elsewhere in the Governing Documents.

Section 10.03 DELEGATION OF USE

Any Member may delegate their right of use and enjoyment of the Common Areas and Facilities in the Properties, together with all easement rights granted to Members in this Declaration and all Supplemental Declarations, to the members of their family, their tenants, lessees, or contract purchasers.

Article XI. EASEMENTS AND RESERVES

Section 11.01 EXISTING OR PLATTED

The easements and right-of-ways shown on Subdivision Plats are for constructing, maintaining, and repairing a system or systems of roads, drainage ways, electric lighting, electric power, communications and telephone line or lines, or any other utility the Association sees fit to install in, across, or under the Subdivision. All dedications, limitations, restrictions and reservations shown on the Subdivision Plats and all grants and dedications of easements and related rights made by the Association's predecessors in title affecting the Subdivision are incorporated herein by reference and made a part of this Declaration for all purposes, as if fully set forth herein, and shall be construed as being adopted in each and every contract, deed or conveyance executed or to be executed by or on behalf of Association conveying any part of the Subdivision. There is hereby established a one-foot reserve around the perimeter of the Subdivision in favor of the Association, with the intention of the Association that no lot shall be used as access to or joined to any property not included within the Subdivision without the Association's express approval. Unless otherwise set forth herein, any easement reserved to the Association shall be a non-exclusive easement and may, at its option, be used for any or all purposes mentioned in this Article.

Section 11.02 CHANGES AND ADDITIONS

The Association reserves the right to make changes in and additions to the above easements for the purpose of most efficiently and economically installing the improvements. Further, the Association reserves the right, without the necessity of the joinder of any Owner or other person or entity, to grant, dedicate, reserve or otherwise create, at any time or from time to time, easements for public utility purposes, (including, without limitation, gas, electricity, telephone, and drainage) in favor of any person or entity furnishing or to furnish utility or other services to the Subdivision, along and on either or both sides of any property line of any Lot (not to exceed ten (10) feet in width, five (5) feet on either side of side lot lines), providing, however, if one owner owns two adjacent lots and wants to build on the common lot line, then the Association waives the right to reserve any easements down the common lot line, providing an easement has not previously been granted.

Section 11.03 TITLE TO IMPORVEMENTS AND APPURTENANCES

Title to any Lot conveyed by the Association by contract, deed, or other conveyance shall not be held or construed in any event to include the title to any improvement or appurtenances installed by the Association or other entity providing any utility or service to the Subdivision, and the right to maintain, repair, sell or lease such appurtenances to any municipality or other governmental agency or to any public service corporation or to any other party is hereby expressly reserved to the Association.

Section 11.04 INSTALLATION AND MAINTENANCE

There is hereby created an easement upon, across, over, and under all of the Subdivision for ingress and egress in connection with the completion of all development work by the Association or its agents and with the installation, replacement, and maintenance of all utilities, including, but not limited to, roadways, drainage ways, water, telephones, electricity and appurtenances thereto. By virtue of this easement, it shall be expressly permissible for the utility companies and other entities supplying such service to install and maintain pipes, wires, conduits, service lines, or other utility facilities or appurtenances thereto, on, above, across, and under the Subdivision within the public utility easements 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 paragraph, no sewer, electrical lines, water lines, or other utilities or appurtenances thereto may be installed or relocated on the Subdivision until approved by the Board. The Association and the utility companies furnishing service shall have the right to remove all trees situated within or adjacent to the utility easements shown on the Subdivision Plats which would constitute a hindrance to the installation of such utilities, and to trim overhanging trees and shrubs located on portions of the Subdivision abutting such easements including any easements granted under Section 11.02.

Section 11.05 EMERGENCY AND SERVICE VEHICLES

An easement is hereby granted to all police, fire protection, ambulance, and other emergency vehicles, and to garbage and trash collection vehicles and other service vehicles to enter the Subdivision in the performance of their duties. Further, an easement is granted to the Association, its officers, agents, employees, and management personnel to enter the Subdivision to render any service provided for herein or to perform any of its functions.

Section 11.06 SURFACE AREAS

The surface of easement areas for above ground or underground utility services may be crossed by driveways, walkways, and fences and used for planting of shrubbery, lawns, etc., subject to the approval of the utility companies furnishing services to the Subdivision. However, neither the Association nor any supplier of any utility or service using any easement area shall be liable to any Owner or to the Association for any damage done by them or their respective agents, employees, servants, or assigns, to any of the vegetation or improvements noted above and as a result of any normal activity relating to the construction, maintenance, operation, or repair of any facility in any such easement area. All easements shall be kept clear of all other structures or buildings.

Section 11.07 RESERVES

Reserve A is dedicated as a common area owned and maintained by the Association and shall be used as a Community Park.

Section 11.08 PIPELINE CORRIDOR

A natural gas pipeline maintenance corridor is reserved behind Subdivision Section 5 Lots 8, 9, 10, 11, 12, 13, 14, 15, 16, 17, 18, 29, 30, 31, 32, and 33 providing the pipeline company access to the middle of their easement. This corridor extends ten (10) feet on each side of the pipeline, creating a 20-foot wide unobstructed corridor for pipeline maintenance.

Article XII. GENERAL PROVISIONS

Section 12.01 DURATION

This Declaration and the covenants, restrictions, charges, and liens set out herein shall run with and bind the land, and shall inure to the benefit of and be enforceable by the Association, and every owner of any part of the Subdivision and their respective legal representatives, heirs, successors and assigns, for a term beginning on the date this Declaration is recorded, and continuing through and including December 31, 2032 after which time such covenants shall be automatically extended for successive periods of ten (10) years unless a change (the word change including additions, deletions, or modifications thereto, in whole or in part) is approved according to the provisions of Section 12.02.

Section 12.02 AMENDMENTS

This Declaration (other than as provided for in Section 8.14 pertaining to Articles VI, VII, and VIII) may be amended or terminated at any time by the written agreement, by signed ballot, of sixty percent (60%) of the TOTAL ELIGIBLE VOTES of the Association as defined in Article III, with ONE VOTE for each lot owned. Members may vote in person or by proxy at a meeting duly called for such purpose, written notice of which shall be given to all Members at least thirty (30) days and not more than sixty (60) days in advance and shall set forth the purpose of such meeting. Any such amendment or termination shall become effective when an instrument is filed for record in the Deed Records of Montgomery County, Texas, accompanied by a Certification, signed by a majority of the Board, stating that the required number of Members cast a written vote in favor of the amendment or termination at the meeting called for such purpose. Copies of the written ballots shall be retained by the Association for a period of not less than five (5) years after the date of filing for the amendment or termination.

Section 12.03 ENFORCEMENT

In addition to the remedies for enforcement provided elsewhere in this Declaration, the violation or attempted violation of the provisions of the Governing Documents or the Association's Rules by an Owner, their family, guests, lessees or licensees shall authorize the Board to avail itself of any one or more of the following remedies:

1. The imposition of a special charge not to exceed two hundred fifty dollars (\$50.00) per violation.
2. The suspension of Owner's rights to use any Association property for a period not to exceed sixty (60) days per violation, according to Section 10.02.
3. The suspension of Owner's voting rights and their rights to default on any assessment against their Lot or person.
4. The right to cure or abate such violation and to charge expenses, if any, to the Owner according to Section 9.02.
5. The right to seek injunctive or any other relief provided or allowed by law against such violation and recover from the Owner all its expenses and costs in connection therewith, including, but not limited to attorney's fees and court costs.

Before the Board may invoke the remedies provided above, it shall give Registered Notice of the alleged violation to Owner in the manner specified in Section 9.02, and shall afford the Owner a hearing according to the provisions of Section 9.02. 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.

Section 12.04 NO WAIVER

Failure by the Association or by any Member to enforce any covenant, condition, or restriction in this Declaration, or the Articles, By-Laws or Association Rules, in any certain instance or on any particular occasion shall not be deemed a waiver of such right of enforcement on any future breach of the same or any other covenant, condition or restriction.

Section 12.05 CUMULATIVE REMEDIES

All rights, options and remedies of the Association or the Owners under this Declaration are cumulative, and not one of them shall be exclusive of any other, and the Association and the Owners shall have the right to pursue any one or all of such rights, options and remedies or any other remedy or relief which may be provided by law, whether or not stated in this Declaration.

Section 12.06 RIGHTS OF MONTGOMERY COUNTY

Notwithstanding anything herein to the contrary, any officials of Montgomery County, Texas has the right to enforce any of the provisions of this Declaration for the benefit of the public or any other affected individual by any action defined under this Declaration or any other action, which shall be legally available to the County.

Section 12.07 RIGHTS OF MORTGAGEES

Any violation of any of the easements, agreements, restrictions, reservations or covenants contained herein shall not have the effect of impairing or affecting the rights of any mortgagee, guarantor or trustee under any mortgage or Deed of Trust outstanding against

the Lot, at the time that the easements, agreements, restrictions, reservations or covenants are violated. Nothing contained in this Declaration shall impair or defeat the lien of any mortgage or Deed of Trust made in good faith and for value, but titles to any property subject to this Declaration obtained through sale and satisfaction of any such mortgage or Deed of Trust shall be held subject to all the protective restrictions hereof.

Section 12.08 INTERPRETATION

If this Declaration or any word, clause, sentence, paragraph or other part thereof shall be susceptible of more than one or conflicting interpretations, then the interpretation which is most nearly in accordance with the general purposes and objectives of this Declaration shall govern.

Section 12.09 OMISSIONS

If any punctuation, word, clause, sentence or provision necessary to give meaning, validity or effect to any other work, clause, sentence or provision appearing in this Declaration is omitted, then it is hereby declared that such omission was unintentional and that the omitted punctuation, word, clause, sentence or provision shall be supplied by inference.

Section 12.10 GENDER AND GRAMMAR

The singular, wherever used herein, shall be construed to mean the plural, when applicable, and the necessary grammatical changes required to make the provisions hereof apply either to corporations or individuals, males or females, shall in all cases be assumed as though in each case fully expressed.

Section 12.11 TITLES

The titles, headings, and captions used throughout this Declaration are for convenience only and are not to be used in construing this Declaration or any part thereof.

Section 12.12 SEVERABILITY OF PROVISIONS

If any paragraph, section, sentence, clause or phrase of this Declaration shall be or become illegal, null, or void for any reason or shall be held by any court of competent jurisdiction to be illegal, null or void, the remaining paragraphs, sections, sentences, clauses, or phrases of this Declaration shall continue in full force and effect and shall not be affected. It is hereby declared that these remaining paragraphs, sections, sentences, clauses, and phrases would have been and are imposed irrespective of the fact that any one or more other paragraphs, sections, sentences, clauses or phrases shall become or be illegal, null or void.

Section 12.13 ATTORNEYS' FEES

In the event action is instituted to enforce any of the provisions contained in this Declaration, the party prevailing in such action shall be entitled to recover from the other party, as part of the judgment, reasonable attorney's fees and costs of such suit.

Section 12.14 CHOICE OF LAW AND CONFLICT

In case of any conflict between this Declaration and the Articles of Incorporation or By-laws or Association rules, this Declaration shall control. The validity, interpretation and performance of this Declaration, the Articles of Incorporation and By-laws shall be controlled and construed under the laws of the State or Texas.

Section 12.15 NONLIABILITY OF OFFICIALS

To the fullest extent permitted by law, neither the Board, the Architectural Control Committee, nor any other committees of the Association or any Member of the Board or committee shall be liable to any Member or the Association for any damage, loss or prejudice suffered or claimed on account of any decision, approval or disapproval of plans or specifications (whether or not defective), course of action, act, omission, error, negligence or the like made in good faith which the Board, committees or persons reasonably believed to be the scope of their duties.

Section 12.16 ACCEPTANCE BY LIENHOLDERS

The undersigned Lien holders have executed this Declaration to evidence their consent to the imposition of the foregoing covenants, conditions, and restrictions upon any and all tracts included within the metes and bounds attached hereto as Exhibit A regardless of whether such tracts may be encumbered by a preexisting lien. It is agreed hereby that any such liens shall be subordinated to this Declaration and all of the provisions thereof.