

**THIRD AMENDED DECLARATION OF
COVENANTS, CONDITIONS AND RESTRICTIONS
OF THE DOE RUN FARM ESTATES
PROPERTY OWNERS ASSOCIATION, INC.**

THE STATE OF TEXAS

§

KNOW ALL MEN BY THESE PRESENTS:

COUNTY OF WASHINGTON

§

THIS THIRD AMENDED DECLARATION OF COVENANTS, CONDITIONS, AND RESTRICTIONS ("the Restrictions") is made by DOE RUN FARM ESTATES LIMITED PARTNERSHIP ("Declarant").

WHEREAS, Declarant and Owners are the owners of that certain 1960.385 acres of land, more or less, out of and part of the Wm. Dever Survey, A-38, the Wm. Gates Survey, A-46, the J.M. Westall Survey, A-107, the J. Davis Survey, A-37, and the Samuel Gates Survey, A-44, in Washington County, Texas, more particularly described in Exhibit A attached hereto and made a part hereof for all purposes, and 32.271 acres of land, more or less, out of and part of the Wm. Dever Survey, A-38, in Washington County, Texas, more particularly described in Exhibit B attached hereto and made a part hereof for all purposes (collectively, "the Property"); and

WHEREAS, the Property is subject to the Declaration of Covenants, Conditions and Restrictions recorded in Plat Cabinet No. 411B-414B, Washington County Plat Records, and ratified on September 20, 2000, as recorded in Volume 969, Page 135, Washington County Official Records, the First Amended Declaration of Covenants, Conditions and Restrictions dated February 22, 2001, recorded in Plat Cabinet No. 432B-436A, Washington County Plat Records, and the Second Amended Declaration of Covenants, Conditions and Restrictions recorded in Volume 0991, Page 461, Washington County Official Records (collectively, "the Restrictions"); and

WHEREAS, in accordance with Article IV, Section 4 of the Restrictions, Declarant desires to amend the Restrictions by amending Article II, Sections 2, 7, 12, 13, and 17; Article III, Sections 2, 3, 4, 5, 6, and 8;

Article IV, Sections 4 and 5; Article V, Sections 1, 2 and 3 and adding Article III, Section 10, and adding Article IV, Sections 9 and 10.

NOW, THEREFORE, Declarant hereby declares that the Property shall be held, sold and conveyed subject to the Restrictions, as amended, for the purpose of protecting the value and desirability of, and which shall constitute covenants running with the land, and which shall be binding on all parties having any right, title or interest in the Property or any part thereof, their respective heirs, personal representatives, successors and assigns, and shall inure to the benefit of the Declarant and the Owners. Except as expressly amended hereby, the Restrictions are republished and ratified.

ARTICLE I DEFINITIONS

Section 1. "Association" shall mean and refer to the Doe Run Farm Estates Property Owners Association, Inc., its successors and assigns.

Section 2. "Owner" or "Owners" shall mean and refer to the record owner(s), whether one or more persons or entities, of a fee simple title to any Lot out of the Property, including contract sellers, but excluding those having such interest merely as security for the performance of an obligation.

Section 3. "Property" shall mean and refer to: (a) that certain real property first hereinabove described, and (b) such additions thereto as may hereafter be brought within the jurisdiction of the Association.

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

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

Section 6. "Declarant" shall mean and refer to Doe Run Farm Estates Limited Partnership and its successors or assigns (whether immediate or remote), as successor developer of all or a substantial portion of

the Lots in the undeveloped state, but shall not include any purchaser of one or more developed Lots. For the purposes of this Declaration, "Developed Lot" shall mean any parcel of land subdivided out of the Property.

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

Section 8. "Main Roads" shall mean Running Ridge Road, Running Valley Lane, and Running River Lane as shown on the recorded subdivision map of the Property.

Section 9. "Resale" shall mean the sale of any Lot by an Owner other than Declarant.

ARTICLE II **USE RESTRICTIONS AND ARCHITECTURAL CONTROLS**

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

- 1.01 The main residence shall be a single-family residential dwelling not to exceed two and one-half (2-1/2) stories in height, a private garage for not more than five (5) cars, and other structures (including guest houses or servants' quarters). Other structures shall not exceed the main residence in height and may be permanently occupied only by a member of the family occupying the main residence on the Lot, ranch manager and employees, or by domestic servants employed on the premises. The design of other structures shall be consistent with the main residence.
- 1.02 Barns, sheds, storage buildings, and other structures for agricultural use are prohibited unless specifically approved by the ACC. A barn may include an apartment for employees or a guesthouse.
- 1.03 Manufactured and/or mobile homes and recreational vehicles for use as a primary residences are prohibited.
- 1.04 Manufactured and/or modular homes permanently affixed to a foundation are prohibited unless specifically approved by the ACC. When considering manufactured and/or modular homes, the ACC shall consider the appearance of the manufactured and/or modular homes with respect to conventional construction.
- 1.05 Carports are prohibited unless specifically approved by the ACC.
- 1.06 Individual ponds may be constructed on a Lot so long as they are maintained so as not to become stagnant and do not interfere with the existing or planned drainage of the Property.

Section 2. **Architectural Control.** No buildings or improvements of any character shall be erected or placed or the erection thereof begun, or changes made in the design thereof after original

construction, on any Lot until the construction plans and specifications and a site plan showing the location of the structure or improvements have been submitted to and approved in writing by the ACC, as to compliance with these restrictions, quality of material, harmony of external design with existing and proposed structures and as to location with respect to topography and finish grade elevation and consistent with a design that is compatible with the country setting and style in the Chappell Hill area. Unconventional, extreme, and nonconforming design is discouraged. The ACC shall exercise sound discretion when considering contemplated improvements. The initial members of the ACC shall be Terry S. Ward, Randy L. Hodde, and Isabelle Orrick. If there exists at any time one or more vacancies in the ACC, the remaining member or members of the ACC may designate successor member(s) to fill such vacancy or vacancies. The ACC and the individual members thereof shall not be liable for any act or omission in performing or purporting to perform the functions delegated hereunder. In the event the ACC fails to indicate its approval or disapproval within thirty (30) days after the receipt of the required documents, approval will not be required and the related covenants set out herein shall be deemed to have been fully satisfied. Declarant hereby retains its right to assign the duties, powers and responsibilities of the ACC to the Association when one hundred percent (100%) of all Lots and any other areas annexed to the Property have been conveyed to Owners, and the term "Architectural Control Committee" or "ACC" herein shall include the Association as such assignee. The approval or lack of disapproval by the ACC shall not be deemed to constitute any warranty or representation by the ACC including, without limitation, any warranty or representation relating to fitness, design or adequacy of the proposed materials used and the construction or compliance with applicable statutes, codes and regulations. The Association may charge a reasonable fee to retain a professional to review plans and specifications for improvements. The Owner (or prospective owner) shall pay such fee to the professional contemporaneously with the submission of the plans and specifications.

Section 3. Minimum Square Footage Within Improvements. The living area of the main residential structure (exclusive of outbuildings, guesthouses, porches, garages and servants' quarters) shall

not be less than two thousand (2,000) square feet. The ACC, at its sole discretion, is hereby permitted to approve deviations in any building area herein prescribed in instances when in its sole judgment, such deviations would result in a beneficial common use consistent with the Subdivision. Such approvals must be granted in writing in recordable form and when given shall become a part of these restrictions to the extent of the particular lot involved.

Section 4. Exterior Materials. Unless otherwise approved by the ACC, in its sole and exclusive discretion, the exterior materials of the main residential structure and any attached garage, guesthouses, and servants' quarters shall be constructed of masonry, stucco, log, hardiplank, cedar, or other wood siding. Subject to the Use Restrictions and Architectural Controls set out in this Article II, manufactured residences permanently attached to a slab or pier and beam foundation shall be permitted.

Section 5. Location of the Improvements Upon the Lot. No building or other improvements shall be located on any Lot nearer than:

- 5.01 one hundred twenty-five feet (125') to the Main Roads; and
- 5.02 sixty feet (60') to the side or rear Lot line.

Section 6. Composite Building Site. Any Owner of one or more adjoining Lots may consolidate such Lots into one single-family residence building site with the privilege of placing or constructing improvements on such composite building site, in which case setback lines shall be measured from the resulting combined Lot lines rather than from the singular Lot lines.

Section 7. Easements. As shown on the recorded plat, easements for installation and maintenance of utilities are reserved (or will be reserved) by Declarant, and no structure of any kind shall be erected upon any of said easements. In addition to the easements shown on the recorded plat, Declarant reserves the following easements along the common boundaries of the Property and Farm to Market Road 1155:

- 7.01 Declarant reserves an easement ten-feet (10') wide along both sides of Farm to Market Road 1155 for landscaping and beautification of the Property.

- 7.02 Declarant reserves an easement twenty-feet (20') wide along both sides of Farm to Market Road 1155 for hiking, biking, and jogging.
- 7.03 Declarant and Owners reserve an easement on Tract Number 1, subject to a twenty foot (20') wide beautification easement being situated and parallel to a portion of Running Ridge Road as shown on replat of Doe Run Farm Estates.

The Association shall maintain the easements described in Sections 7.01 and 7.02. Neither Declarant nor any utility company using the easement shall be liable for any damage done by either of them or their assigns, their agents, employees or servants to shrubbery, trees, flowers or improvements of the owner located on the land within or affected by said easements.

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

For one (1) year from date of filing these Restrictions, and not otherwise, Declarant may reserve additional landscape easements and hiking, biking, and jogging easements over and across the Property; provided however, such easements shall be located within the setback lines of the Lots and along perimeter boundaries of the Lots.

Section 8. Prohibition of Trade and Offensive Activities. Except for the operation of a bed and breakfast inn on Lot 15 as shown on the recorded plat, there shall be no retail, industrial, multifamily construction, office building, or mixed-use commercial construction, on any Lot. Noxious or offensive activities of any sort including loud noises or anything done on any Lot that may be or become an annoyance or a nuisance to the neighborhood shall not be permitted. A home office is permitted.

Section 9. Use of Temporary Structures. No structures of a temporary character, mobile home, trailer, tent, shack, garage, barn or other outbuildings shall be used on any Lot at any time as a primary

residence. Buildings used for accessory or storage purposes shall be limited to not more than two and one-half (2-1/2) stories in height and shall be subject to approval of the ACC. Temporary structures may be used as building offices and for related purposes during the construction period. Such structures shall be slightly but inconspicuous and shall be removed immediately after completion of construction.

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

Section 11. Mineral Operations. Declarant has designated certain parcels out of the Property for drilling operations ("the Drill Sites"). Except for the Drill Sites, no oil, gas or other mineral drilling, development operations, refining, quarry, or mining operations of any kind shall be conducted or permitted upon or in any Lot. Except for the Drill Sites, no wells (excluding water wells), tanks, tunnels, mineral excavation, or shafts shall be conducted or permitted upon or in any Lot. Except for the Drill Sites, no derrick or other structures designed for the use of boring for oil or natural gas shall be erected, maintained, or permitted upon any Lot.

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

12.01 Raising of cattle, livestock, and poultry shall be permitted; however, feedlot operations and commercial poultry operations of any type whatsoever are strictly prohibited. The sale of cattle, livestock, and poultry shall be permitted so long as such sale is not for a business purpose. When determining whether the sale of cattle, livestock, and poultry is for a business purpose, the number of such sales and profit, if any, the Lot owner's primary profession or occupation, and the Lot owner's primary or additional sources of income shall be relevant and considered.

12.02 Livestock (except sheep or goats) shall be limited to one (1) animal unit for every three (3) acres. Sheep or goats shall be limited to one (1) animal unit per acre.

- 12.03 Any animal with unweaned offspring shall be deemed and considered to be a single animal unit. Otherwise each head of cattle or other livestock shall be deemed to be a single animal unit.
- 12.04 Where a combination of types of animal units are kept on a lot, the total number allowed shall be determined by allocating one (1) acre per animal unit, regardless of kind, except for sheep and goats, in which case two animal units shall be allowed to the acre(s) allocated for sheep or goats.
- 12.05 No swine shall be permitted except for those used solely for 4H, FFA Club, or similar organization projects, and then not to exceed two (2) head per 4H or FFA Club member.
- 12.06 Dogs, cats or other common household pets (collectively, "Pets") are excluded from the term "livestock" and "animal unit", provided they are kept, bred or maintained for non-commercial purposes. Pets shall not be permitted to roam freely. The Association has the right to adopt rules and regulations concerning the keeping of animals in the Property and means to enforce such. At all times, owners of dogs and cats must be able to exhibit current rabies vaccination from a licensed veterinarian.
- 12.07 All lots, pens, and other areas where cattle or livestock are kept or raised shall be kept and maintained in a neat and clean condition reasonably free from odors and shall be periodically sprayed or otherwise treated to restrict and minimize flies and other insects so as not to become a nuisance to Owners of the Lots.
- 12.08 All pens, houses, and other areas where poultry including chickens, geese, ducks, turkey, and guineas are raised shall be kept and maintained in a neat and clean condition reasonably free from odors and shall be periodically sprayed or otherwise treated to restrict and minimize flies and other insects so as not to become a nuisance to Owners of the Lots.
- 12.09 No hunting is allowed on the Property. No pistol, rifle, shotgun or any other firearm or fireworks or any other device capable of killing or injuring or causing property damage shall be discharged on any part of the Property, except as follows:
- (a) for the protection of Owners of the Lots and their property or animals from predators or nuisance varmints;
 - (b) for sport shooting such as target practice, skeet, or clay pigeons in a manner that is safe for the Owners of other Lots; or
 - (c) upon having received written permission of the Association.
 - (d) The Association has the right to adopt rules and regulations concerning the use of firearms on the Property.
- 12.10 The Association has the right to adopt rules and regulations concerning the use of unlicensed motorcycles, go-carts and similar motorized vehicles and may at its

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

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

Section 13. Walls, Fences and Hedges. It is not required that a Lot be fenced; however, as part of the common scheme and plan as shown on the recorded plat, each Lot having frontage on the Main Roads shall be fenced upon commencement of construction of improvements as specified hereafter ("the Main Road Fence"). The specifications for the Main Road Fence are as follows:

- 13.01 The Main Road Fence shall be constructed of treated pine or cedar or similar natural hardwoods and painted black.
- 13.02 The Main Road fence shall **be approximately** fifty-two inches (52") in height. The vertical supports of the Main Road Fence shall be nominally four inches by four inches (4" x 4") on seven-foot (7") centers as shown on Exhibit C attached hereto and incorporated herein by reference for all purposes.
- 13.03 There shall be three (3) equidistant horizontal cross-members of the Main Road Fence. The cross-members shall be nominally one by six (1" x 6") planks. There shall be one (1) horizontal cap over the vertical supports constructed of nominally one by six (1" x 6") planks. The lowest horizontal cross-member shall **be approximately** fifteen inches (15") from ground level. The other two (2) horizontal cross-members shall **be approximately** ten inches (10") from the previous lower horizontal cross-member.

Any other privacy walls, fences, or hedges that obstruct views of the Lots from the Main Roads shall be approved by the ACC prior to commencing construction. Any privacy walls, fences, or hedges erected on a Lot by Declarant, or its assigns, shall pass ownership with title to the Lot, and it shall be Owners of the Lots responsibility to maintain said walls, fences, or hedges thereafter. Hurricane-type or chain-link fences are strictly forbidden, and no variance for same will be granted, nor will the same be permitted even if the ACC fails to indicate its disapproval within 30 days after the receipt of the request.

Section 14. Visual Obstruction at the Intersection of Main Roads. No object or thing which obstructs sight lines at elevations between two feet (2') and six feet (6') above the surface of the Main Roads within the triangular area formed by the intersecting Main Roads' property lines and a line connecting them at points twenty-five feet (25') from the intersection of the Main Roads' property lines or extensions thereof shall be placed, planted or permitted to remain on any corner Lots without the approval of the ACC.

Section 15. Lot Maintenance. The Owner or occupants of all Lots shall at all times keep all weeds and grass thereon cut in a sanitary healthful, attractive manner and shall in no event use any Lot for storage of material and equipment except for normal residential requirements or incident to construction of improvements thereon as herein permitted. The accumulation of garbage, trash or rubbish of any kind or the burning thereof (except as such burning is permitted by law) of any such materials is prohibited. Each Lot owner shall arrange for at least weekly garbage, rubbish and trash pickup from the Lot as long as such service is not provided and required by a municipality. The Association may, at its option, require each Lot Owner to purchase trash service from one service and charge for such service as part of the assessments described in Article III hereof. In the event of default on the part of the Owner or occupant of any Lot in observing the above requirements or any of them, such default continuing after ten (10) days' written notice thereof, Declarant, or its assigns, may without liability to Owner or occupant, but without being under any duty to so do, in trespass or otherwise, enter upon said Lot, cut, or cause to be cut, such weeds and grass and remove or cause to be removed, such garbage, trash and rubbish or do any other thing necessary to secure compliance with these restrictions and to place said Lot in a neat, attractive, healthful and sanitary condition, and may charge the Owner or occupant of such Lot for the cost of such work. The Owner or occupant, as the case may be, agrees by the purchase or occupation of the Lot to pay such statement immediately upon receipt thereof. Any unpaid amount shall bear interest at the lesser of the highest rate allowed by law or eighteen percent (18%) per annum.

Section 16. Visual Screens on Lots. The drying of clothes in public view is prohibited. All yard equipment, wood piles or storage piles shall be kept screened from public view and maintained in a neat and orderly manner so as to conceal stored items from public view of neighboring Lots, streets or other property.

Section 17. Signs, Advertisements and Billboards. For two (2) years after Declarant conveys a Lot to the Owner, the Owner shall not place, maintain or display any sign, advertisement, billboard or advertising structure of any kind on the Lot, including but not limited to resale or construction signs. At the expiration of two (2) years, no sign, advertisement, billboard or advertising structure of any kind shall be placed, maintained or displayed on any Lot except one (1) professionally produced sign for each building site not more than four feet by four feet (4' x 4'), advertising the property for sale. Declarant, or its assigns, shall have the right to remove any such sign, advertisement, billboard or structure which is placed on a Lot in violation hereof, and in doing so shall not be subject to any liability for trespass or other tort in connection therewith or arising from such removal. Notwithstanding anything herein contained to the contrary, Declarant, or its assigns, may maintain, as long as it owns property in the Subdivision, in or upon such portions of the Property as Declarant may determine, such facilities as in its sole discretion may be necessary or convenient, including, but without limitation to offices, storage areas, model units and signs.

Section 18. Roofing Materials. The roof of all buildings (including any garage or servants' quarters) shall be constructed or covered with composition shingles, metal or slate acceptable to and approved by the ACC. Any other type of roofing material shall be permitted only at the sole discretion of the ACC upon written request. A wood or wood shingle roof shall not be permitted.

Section 19. Maximum Height of Antennae. No electronic antenna or device of any type other than an antenna for receiving normal television signals shall be erected, constructed, placed or permitted to remain on any Lot, residences, or buildings except as approved by the ACC. Television antennae may be attached to the residence provided, however, such antennae must be located to the rear of the roof ridgeline, gable or centerline of the principal dwelling. Freestanding antennae must be attached to and located behind

the rear wall or on a sidewall of the main residential structure. No antennae, either freestanding or attached, shall be permitted to extend more than fifty feet (50') from ground level. No portion of any Lot shall be sold, leased, conveyed, or in any manner transferred for use as a wireless or cellular communication facility.

Section 20. Resubdivision. Declarant may subdivide any of the Lots. A Lot Owner may subdivide a Lot; provided however, each subdivided Lot shall have not less than twenty-five (25) acres. The location of improvements on any subdivided Lot shall comply with the setbacks in Section 5 above.

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

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

ARTICLE III **COVENANT FOR MAINTENANCE ASSESSMENTS**

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

personal obligation of the person who was the Owner of the Lot at the time when the assessment fell due. Appropriate recitations in the deed conveying each Lot will evidence the retention of a vendor's lien by Declarant for the purpose of securing payment of said charge assigned to the Association without recourse on Declarant in any manner for the payment of said charge and indebtedness.

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

Section 3. Maximum Annual Assessment. Until January 1 of the year immediately following the conveyance of the first Lot to an Owner, the maximum annual assessment (not including assessments for water and trash, service and other special assessments) shall be the sum of Ten and No/100 Dollars (\$10.00) per acre of each Lot with a residence and Five and No/100 Dollars (\$5.00) per acre of each Lot without a residence. From and after January 1, of the year immediately following the conveyance of the first Lot to an Owner, the maximum annual assessment may be increased to an amount in excess of ten percent (10%) of the maximum assessment for the previous year by an affirmative vote of fifty percent (50%) of the votes of the Owners of the Lots, each Owner or Owners of the Lots being entitled to one vote per each acre owned, who are voting in person or by proxy, at a meeting duly called for such purpose. The Board of Directors of the Association may fix the annual assessment at an amount not in excess of the maximum. Declarant may exclude any Lot that is sold to an adjoining landowner for agricultural use only from maintenance assessments for so long as such Lot is used for agricultural use only but not otherwise.

Section 4. Special Assessments for Capital Improvements. In addition to the annual assessments authorized above, the Association may levy, in any assessment year, a special assessment applicable to that year only for the purpose of defraying, in whole or in part, the cost of any construction, reconstruction, repair or replacement of a capital improvement upon the Common Area, including fixtures and personal property related thereto provided that any such assessment shall have the assent of fifty percent

(50%) of the votes of the Owners of the Lots who are voting in person or by proxy at a meeting duly called for this purpose. Notwithstanding anything contained herein to the contrary, the initial cost for construction of the Main Roads, entrance, and entrance fencing shall not be subject to special assessment.

Section 5. Notice and Quorum for any Action Authorized Under Sections 3 and 4. Written notice of any meeting called for the purpose of taking any action authorized under Sections 3 and 4 shall be mailed (by U.S. first class mail) to all Owners of the Lots not less than thirty (30) days nor more than sixty (60) days in advance of the meeting. At the first such meeting called, the presence of Owners of the Lots or of proxies entitled to cast fifty percent (50%) of all the votes of the Owners of the Lots shall constitute a quorum. If the required quorum is not present at any such meeting, the meeting shall be adjourned but another meeting may be called subject to the same notice requirement.

Section 6. Rate of Assessment. All Lots in the Subdivision shall commence to bear their applicable maintenance fund assessment simultaneously and Lots in the Subdivision that are owned by Declarant are not exempt from assessment. Lots shall be subject to the annual assessment determined by the Board of Directors in accordance with the provisions of Sections 3 and 7 hereof. The rate of assessment for all Lots shall convert to the same rate per acre commencing the calendar year the Declarant releases control of the Board of Directors to the Members. The rate of assessment for water and trash service shall be set by the Declarant or the Board of Directors of the Association, whichever is in charge of such at the time.

Section 7. Date of Commencement of Assessments: Due Dates. The annual and monthly assessments provided for herein shall commence as to all Lots in the Subdivision, when Declarant deeds the first lot therein to an owner, a builder, or building company. The first annual assessment shall be adjusted according to the number of months remaining in the then current calendar year. The Board of Directors of the Association shall fix the amount of the annual assessment against each Lot at least thirty (30) days in advance of each annual assessment period. Written notice of the annual assessment shall be mailed (by U. S. first class mail) to every Owner subject thereto. The Board of Directors shall establish the payment dates.

The Association shall, upon demand, and for a reasonable charge, furnish a certificate signed by an officer of the Association setting forth whether the assessments on a specified Lot have been paid and the amount of any delinquencies. The Association shall not be required to obtain a request for such certificate signed by the Owner, but may deliver such certificate to any party who in the Association's judgment has a legitimate reason for requesting same.

Section 8. Effect of Nonpayment of Assessments: Remedies of the Association. Any assessment not paid within thirty (30) days after the due date shall be subject to a late fee and shall bear interest from the due date until paid at the lesser of the highest rate allowed by law or eighteen percent (18%) per annum. The Association may bring action at law against the Owner personally obligated to pay the assessment, or foreclose the lien against the Lot involved. No Owner may waive or otherwise escape liability for the assessments provided for herein by nonuse of the Common Area, if any, or abandonment of his Lot.

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

Section 10. Collection and Remedies for Assessments.

10.01 The assessments provided for in this Declaration, together with late fees, attorneys' fees, interest and costs as necessary for collection, shall be a charge on and a continuing lien upon the land against which each such assessment is made. Each such assessment, together with late fees, attorney's fees, interest and costs, shall also be the personal obligation of the Owner of the land at the time the assessment became due. This personal obligation for delinquent assessments shall not pass to successors in title

unless expressly assumed by them.

- 10.02 No Owner may waive or otherwise escape liability for the assessments provided for in this Declaration by reason of non-use or abandonment.
- 10.03 In order to secure the payment of the assessments hereby levied, an assessment lien is hereby reserved in each deed from the Declarant to the Owner of each parcel of Property, which lien may be foreclosed upon by nonjudicial foreclosure pursuant to the provisions of Section 51.002 of the Texas Property Code (or any successor statute); each Owner grants a power of sale to the Association to sell such property upon default in payment by any amount owed. Alternatively, the Association may judicially foreclose the lien or maintain an action at law to collect the amount owed.

The President of the Association or his or her designee is hereby appointed Trustee to exercise the Association's power of sale. Trustee shall not incur any personal liability hereunder except for his or her own willful misconduct.

Although no further action is required to create or perfect the lien, the Association may, as further evidence give notice of the lien, by executing and recording a document setting forth the amount of the delinquent sums due the Association at the time such document is executed and the fact that a lien exists to secure the repayment thereof. However the failure of the Association to execute and record any such document shall not, to any extent, affect the validity, enforceability, or priority of the lien. The Association shall also have the right but not the obligation to notify a delinquent Owner's lender, in writing, of such Owner's delinquency and default.

In the event the Association has determined to nonjudicially foreclose the lien provided herein pursuant to the provisions of said Section 51.002 (or any successor statute) and to exercise the power of sale hereby granted, the Association shall mail to the defaulting Owner a copy of the Notice of Trustee's Sale no less than twenty one (21) days prior to the date of the proposed foreclosure sale, postage prepaid, registered or certified mail, return receipt requested, properly addressed to such Owner at the last known address of such Owner according to the records of the Association or by hand delivery. At any foreclosure proceeding, any person or entity, including but not limited to the Declarant, Association or any Owner, shall have the right to bid for such Property at the foreclosure sale and to acquire and hold, lease, mortgage and convey the

same. During the period Property is owned by the Association following foreclosure, 1) no right to vote shall be exercised on its behalf; and, 2) no assessment shall be levied on it. Out of the proceeds of such sale, there shall be paid all expenses incurred by the Association in connection with such default, including attorneys' fees and trustee's fees; second, from such proceeds there shall be paid to the Association an amount equal to the amount of assessments in default inclusive of interest, late charges and attorneys' fees; and, third, the remaining balance, if any, shall be paid to such Owner. Following any such foreclosure, each occupant of any such tract foreclosed on and each occupant of any improvements thereon shall be deemed to be a tenant-at-sufferance and may be removed from possession by any lawful means.

ARTICLE IV **GENERAL PROVISIONS**

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

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

- 2.01 The right of the Association to charge reasonable admission and other fees for the use of the Common Area, if any.
- 2.02 The right of the Association to suspend the voting rights and right to use of the Common Area, if any, by an Owner for any period during which any assessment against his Lot remains unpaid; and for a period not to exceed sixty (60) days from each infraction of its published rules and regulations.
- 2.03 The right of the Association to dedicate or transfer all or any part of the Common Area, if any, to any public agency, authority or utility for such purposes and subject to such conditions as may be agreed to by the Owners of the Lots. No such dedication or

transfer shall be effective unless an instrument signed by two-thirds (2/3rds) of the Owners of the Lots agreeing to such dedication or transfer has been recorded in the Deed Records of Washington County, Texas.

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

Section 4. **Amendment.** The covenants and restrictions of this Declaration shall run with and bind the land, for a term of fifty (50) years from the date this Declaration is recorded, after which time they shall be automatically extended for successive periods of twenty (20) years. This Declaration may be amended during the first fifty (50) year period by an instrument signed by those Owners of the Lots entitled to cast not less than seventy-five percent (75%) of the votes of the Owners of the Lots, and thereafter by an instrument signed by those Owners of the Lots entitled to cast not less than sixty-five percent (65%) of the votes of the Owners of the Lots. Declarant may amend this Declaration without approval or consent of Owners of the Lots by an instrument signed by it any time during a period ending on the earlier of ten (10) years from the date hereof or when the Declarant has sold ninety percent (90%) of the Lots. No person shall be charged with notice of or inquiry with respect to any amendment until and unless it has been filed for record in the Deed Records of Washington County, Texas.

Section 5. **Annexation.** Declarant may annex additional adjacent residential property and/or Common Area to the Property without approval or consent of Owners of the Lots. Such annexation shall be accomplished by the execution and filing for record of a Supplemental Declaration setting forth the land being annexed and/or the specific restrictions relating to such property, if different, provided the maintenance fee provision shall be uniform as to all Lots.

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

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

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

Section 9. **Security.** NEITHER THE ASSOCIATION, ITS DIRECTORS, OFFICERS, MANAGERS, AGENTS, OR EMPLOYEES, NOR THE DECLARANT, NOR ANY SUCCESSOR DECLARANT SHALL IN ANY WAY BE CONSIDERED AN INSURER OR GUARANTOR OF SECURITY WITHIN THE PROPERTY. NEITHER SHALL THE ASSOCIATION, ITS DIRECTORS, OFFICERS, MANAGERS, AGENTS, OR EMPLOYEES, DECLARANT OR SUCCESSOR DECLARANT BE HELD LIABLE FOR ANY LOSS OR DAMAGE BY REASON OF FAILURE TO PROVIDE ADEQUATE SECURITY OR INEFFECTIVENESS OF SECURITY MEASURES UNDERTAKEN. ALL OWNERS AND OCCUPANTS OF ANY LOT, TENANTS, GUESTS AND INVITEES OF ANY OWNER, AS APPLICABLE, ACKNOWLEDGE THAT THE ASSOCIATION, ITS BOARD OF DIRECTORS, OFFICERS, MANAGERS, AGENTS, OR EMPLOYEES, DECLARANT OR ANY SUCCESSOR DECLARANT DO NOT REPRESENT OR WARRANT THAT THEY CAN PREVENT LOSS BY FIRE, SMOKE, BURGLARY, THEFT, HOLD-UP OR OTHERWISE. EACH OWNER AND OCCUPANT OF ANY LOT AND EACH TENANT, GUEST AND INVITEE OF AN OWNER, AS APPLICABLE, ACKNOWLEDGES AND UNDERSTANDS THAT THE ASSOCIATION, ITS DIRECTORS, OFFICERS, MANAGERS, AGENTS, OR EMPLOYEES. DECLARANT OR ANY SUCCESSOR DECLARANT ARE NOT INSURERS AND THAT EACH OWNER AND OCCUPANT OF ANY DWELLING AND EACH TENANT, GUEST AND INVITEE OF ANY OWNER ASSUMES ALL RISKS FOR LOSS OR DAMAGE TO PERSONS, TO DWELLINGS AND TO THE CONTENTS OF DWELLINGS AND FURTHER ACKNOWLEDGES THAT THE ASSOCIATION, ITS DIRECTORS, OFFICERS, MANAGERS,

AGENTS, OR EMPLOYEES, DECLARANT OR ANY SUCCESSOR DECLARANT HAVE MADE NO REPRESENTATIONS OR WARRANTIES NOR HAS ANY OWNER, OCCUPANT, TENANT, GUEST OR INVITEE RELIED UPON ANY REPRESENTATIONS OR WARRANTIES, EXPRESSED OR IMPLIED, INCLUDING ANY WARRANTY OF MERCHANTABILITY OR FITNESS FOR ANY PARTICULAR PURPOSE.

Section 10. Indemnity and Release. EACH OWNER AND EACH OCCUPANT OF ANY LOT AND EACH TENANT, GUEST AND INVITEE OF AN OWNER FOR THEMSELVES, THEIR HEIRS, SUCCESSORS AND ASSIGNS, (HEREINAFTER REFERRED TO AS "RELEASORS AND INDEMNITORS") BY USING AND/OR OCCUPING ANY LOT OR ANY PART OF THE COMMON AREA HEREBY RELEASE AND INDEMNIFY AND HOLD HARMLESS THE ASSOCIATION, ITS DIRECTORS, OFFICERS, MANAGERS, AGENTS, EMPLOYEES AND THE DECLARANT, ITS GENERAL PARTNERS, LIMITED PARTNERS, AGENTS, AND EMPLOYEES AND THEIR SUCCESSORS AND ASSIGNS, (HEREINAFTER REFERRED TO AS "RELEASED PARTIES"). THE RELEASORS AND INDEMNITORS HEREBY RELEASE AND INDEMNIFY AND BY THESE PRESENTS DO RELEASE AND INDEMNIFY THE RELEASED PARTIES FROM ANY AND ALL LIABILITY FOR ANY NUISANCE, ATTRACTIVE NUISANCE, ANY PERSONAL INJURIES, DEATH AND INJURIES TO PROPERTY AND ALL DAMAGES, CONSEQUENTIAL, DIRECT AND PUNITIVE AS A RESULT OF THE NEGLIGENCE OR GROSS NEGLIGENCE OF THE RELEASED PARTIES.

ARTICLE V
RESALE OF LOTS

Section 1. Option to Repurchase. For one (1) year from the date that Declarant records a deed of a Lot to Owner, as to any Lot that an Owner desires to sell, Declarant has the option to repurchase the Lot for the sum of the following plus six percent (6%) per annum ("the Premium"):

- 1.01 The purchase price as shown on the Settlement Statement;
- 1.02 The purchaser's closing costs as shown on the Settlement Statement;

- 1.03 The actual cost of any improvements constructed and completed so long as such improvement were approved by the Architectural Control Committee but not otherwise ("the Improvements"). The Premium shall be computed from the date that the Improvements are completed.

Section 2. Notice of Resale. Any Owner desiring to sell or otherwise transfer legal or equitable title to such Owner's Lot within one year from the date Declarant records a deed of a Lot to an Owner, or any portion thereof or interest therein, shall give Declarant at least thirty (30) days' prior written notice of Owner's desire to sell or transfer the Lot. Notice shall be effective only upon actual receipt. Any notice or communication required or permitted hereunder shall be in writing and shall be given to the appropriate address. Notices shall be given by (a) personal delivery, or (b) registered or certified United States mail, return receipt requested, or (c) overnight delivery via FedEx, Airborne or other reputable overnight air courier service (the "Overnight Delivery Service").

Section 3. Repurchase. After the receipt of the notice mentioned in Section 2, Declarant shall have sixty (60) days to elect to repurchase the Lot conditioned upon Owner delivery of good and indefeasible title to the Lot and a standard Texas form of owner's title insurance at Owner's sole cost and expense. The closing of the repurchase shall take place at a title company of Owner's choice. Owner and Declarant shall pay their respective closing costs.

ARTICLE VI **ARBITRATION AGREEMENT**

All disputes, claims, and controversies between Declarant or Owner, individual, joint or class in nature, arising from the Restrictions, any document executed in connection therewith or otherwise, including without limitation contract and tort disputes, injunctive relief, or declaratory judgments, shall be arbitrated pursuant to the Rules of the American Arbitration Association upon request by either Declarant or Owner. The Texas General Arbitration Act shall apply to the construction, interpretation, and enforcement of this Arbitration Agreement and in accordance with this Arbitration Agreement and Commercial Arbitration Rules of the American Arbitration Association.

SIGNED March 7th, 2002.

DECLARANT:

**DOE RUN FARM ESTATES
LIMITED PARTNERSHIP**

By: Real Estate Holdings, Inc., General Partner

Terry S. Ward
By: Terry S. Ward, President

SIGNED March 7th, 2002.

THE ASSOCIATION:

**DOE RUN FARM ESTATES
PROPERTY OWNERS ASSOCIATION, INC.**

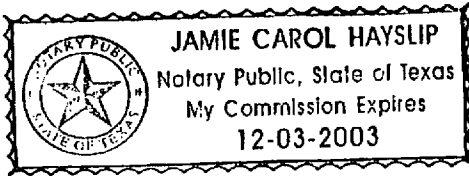
C. L. Gildroy
By: C. L. Gildroy, President

THE STATE OF TEXAS
COUNTY OF WASHINGTON

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This instrument was acknowledged before me on March 7th, 2002, by Terry S. Ward, President of Real Estate Holdings, Inc., General Partner of Doe Run Farm Estates Limited Partnership.



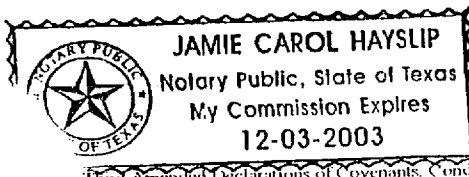
Jamie Carol Hayslip
Notary Public, State of Texas

THE STATE OF TEXAS
COUNTY OF WASHINGTON

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This instrument was acknowledged before me on March 7th, 2002, by C.L. Gildroy, President of Doe Run Farm Estates Property Owners Association, Inc.



Jamie Carol Hayslip
Notary Public, State of Texas