AMENDED AND RESTATED
DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS
FOR
SPRING CREEK RANCH

THE STATE OF TEXAS §
§
COUNTY OF HARRIS §

Y769328
09/16/05 300695335 $216.00

WHEREAS, SC Ranch, L.P., a Texas limited partnership ("Declarant"), caused that certain instrument entitled "Declaration of Covenants, Conditions and Restrictions for Spring Creek Ranch, Section One (1) and Spring Creek Ranch Estates" (the "Original Declaration") to be recorded in the Official Public Records of Real Property of Harris County, Texas on March 25, 2003 under Clerk's File No. W527662; and

WHEREAS, the Original Declaration was amended by that certain instrument entitled "First Amendment to the Declaration of Covenants, Conditions and Restrictions for Spring Creek Ranch, Section One (1) and Spring Creek Ranch Estates" recorded in the Official Public Records of Real Property of Harris County, Texas on May 2, 2003 under Clerk's File No. W633434; and

WHEREAS, the Original Declaration provides for amendment by an instrument in writing signed by the Secretary of Spring Creek Ranch Community Association, Inc. (the "Association") certifying that Owners representing not less than two-thirds (2/3) of the Lots and not less than a majority of the Estate Lots have voted in writing in favor of such amendment, setting forth the amendment and duly recorded in the Official Public Records of Real Property of Harris County, Texas; and

WHEREAS, Declarant is the Owner of not less than two-thirds (2/3) of the Lots and not less than a majority of the Estate Lots and desires to amend the Original Declaration;

NOW, THEREFORE, Declarant, as the Owner of not less than two-thirds (2/3) of the Lots and not less than a majority of the Estate Lots, hereby amends and restates the Original Declaration. The Secretary of the Association joins in the execution of this instrument for the purpose of certifying that Declarant is the Owner of not less than two-thirds (2/3) of the Lots and not less than a majority of the Estate Lots. When effective, this instrument replaces and supersedes the Original Declaration, as previously amended, in its entirety.

The terms "Owner", "Lot" and "Estate Lot", as used in this preamble, have the same meanings as that set forth in the Original Declaration.

ARTICLE I
DEFINITIONS

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

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

B. **APPOINTED BOARD** - The Board of Directors of the Association appointed by Declarant pursuant to the provisions of Article IV, Section 4.1, of this Declaration.

C. **ARCHITECTURAL REVIEW COMMITTEE** - The Architectural Review Committee established and empowered in accordance with Article III of this Declaration.

D. **ARTICLES OF INCORPORATION** - The Articles of Incorporation of the Association.

E. **ASSOCIATION** – Spring Creek Ranch Community Association, Inc., a Texas non-profit corporation, its successors and assigns.

F. **BOARD or BOARD OF DIRECTORS** - The Board of Directors of the Association, whether the Appointed Board, the First Elected Board or any subsequent Board.

G. **BUILDER** - A person or entity engaged by the Owner of a Lot within the Subdivision for the purpose of constructing a Residential Dwelling on the Owner's Lot. The Architectural Review Committee has the authority to approve or disapprove a Builder prior to the commencement of construction on the basis of the experience and reputation of the Builder and the ability of the Builder to obtain (and maintain throughout the entire construction period) all insurance required to be maintained by the Builder pursuant to the Architectural Guidelines and/or Development Guidelines. The intent of the requirement that a Builder be approved by the Architectural Review Committee prior to the commencement of construction is to attempt to assure that the Builder has sufficient experience and financial responsibility to complete the work in accordance with the approved Plans and in a timely manner. The Owner of a Lot shall not act as the Builder of the Residential Dwelling to be constructed on the Owner's Lot without the prior written approval of the Architectural Review Committee and then only if the Owner has sufficient experience in new home construction, as determined by the Architectural Review Committee, in its sole discretion. The approval of a Builder shall not be construed in any respect as a representation or warranty by the Architectural Review Committee, Declarant, the Association, or any of their representatives, to any person or entity that the Builder has any particular level of knowledge or expertise or that any Residential Dwelling constructed by the Builder shall be a particular quality. It shall be the sole responsibility of each person or entity that engages a Builder to construct a Residential Dwelling on the Owner's Lot to determine the quality of that Builder's workmanship and the suitability of the Builder to construct a Residential Dwelling of the type and design constructed or to be constructed on the Lot.

H. **BYLAWS** - The ByLaws of the Association.

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

J. **CUSTOM HOME** -- A Residential Dwelling constructed or to be constructed on a Lot within the Subdivision on the basis of Plans prepared by an architect exclusively for the Owner of the Lot and which Plans cannot be used by any other person for the construction of a Residential Dwelling on any other property within or without the Subdivision without the express consent of the Owner and the Architectural Review Committee.

K. **DECLARANT** – SC Ranch, L.P., a Texas limited partnership, its successors and assigns that have been designated as such by Declarant pursuant to a written instrument duly executed by Declarant and recorded in the Official Public Records of Real Property of Harris County, Texas.

L. **DEVELOPMENT GUIDELINES** – Guidelines established by Declarant for the purpose of outlining the minimal acceptable standards for a Residential Dwelling and related Improvements on a Lot. As long as there is Class B membership in the Association, Declarant shall have the authority to revise the Development Guidelines from time to time as deemed appropriate; provided that, any revisions to the Development Guidelines shall be applied prospectively, not retroactively. When Class B membership in the Association ceases to exist, the Architectural Review Committee shall have the authority to revise the Development Guidelines. In the event of any conflict between the Development Guidelines and the Declaration, the Declaration shall control. However, the two (2) documents shall be read together in an effort to avoid conflicts and harmonize all provisions.

M. **FIRST ELECTED BOARD** - The Board of Directors of the Association elected at the First Meeting of the Members of the Association.

N. **FIRST MEETING** – The First Meeting of the Members as provided in Article IV, Section 4.4, of this Declaration.

O. **IMPROVEMENT** - Any Residential Dwelling, building, structure, fixture, or fence, any transportable structure placed on a Lot, whether or not affixed to the land, and any addition to, or modification of an existing Residential Dwelling, building structure, fixture or fence.

P. **LOT or LOTS** - Each of the Lots shown on the recorded Plat for Spring Creek Ranch and the recorded Plat for any other section of Spring Creek Ranch duly annexed and subjected to the provisions of this Declaration.

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

R. **MEMBER or MEMBERS** - All Owners who are Members of the Association as provided in Article IV hereof.

S. **MEMBER IN GOOD STANDING** - The Declarant and (a) a Class A Member who is not delinquent in the payment of any assessment levied by the Association against his Lot or any interest, late charges, costs, or reasonable attorney's fees added to such assessment under the provisions of the Declaration or as provided by law, (b) a Class A Member who does not have any condition on his Lot which violates any provision of the Declaration which has progressed to the stage of a certified demand for compliance by the Association, or beyond, and which remains unresolved as of the date of determination of the Owner's standing, and (c) a Class A Member who has not failed to comply with all terms of a judgment obtained against him by the Association, including the payment of all sums due to the Association by virtue of such judgment. A Member who is not in good standing is not entitled to vote at any meeting of the Members of the Association or serve on the Board of Directors of the Association, except as may be otherwise provided by law. No formal action by the Board of Directors to suspend the voting rights of a Member who is not in good standing is required, except as may be otherwise required by law.

T. **MORTGAGE** - A security interest, mortgage, deed of trust, or lien instrument granted by an Owner to secure the payment of a loan made to such Owner, duly recorded in the Official Public Records of Real Property of Harris County, Texas, and creating a lien or security interest encumbering a Lot and some or all Improvements thereon.

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

V. **PLAT** - The plat for Spring Creek Ranch, recorded under Film Code No. 587207 of the Map Records of Harris County, Texas; any recorded Plat for any other section of Spring Creek Ranch duly annexed and subjected to the provisions of this Declaration; and any replat of any such Plat.

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

X. **PROPERTY** - All of Spring Creek Ranch, a subdivision in Harris County, Texas, according to the Plat thereof recorded under Film Code No. 587207 of the Map Records of Harris County, Texas; and any other property that may be subjected to the provisions of this Declaration by annexation document duly executed by Declarant and recorded in the Official Public Records of Real Property of Harris County, Texas.

Y. **RESIDENTIAL DWELLING** - The single family residence and appurtenances constructed on a Lot.

Z. **RESTRICTIONS** - The covenants, conditions, restrictions, easements, reservations and stipulations that shall be applicable to and govern the improvement, use, occupancy, and conveyance of all the Lots in the Subdivision as set out in this Declaration or any amendment thereto.

AA. **RULES AND REGULATIONS** - Rules adopted from time to time by the Board concerning the management and administration of the Subdivision for the use, benefit and enjoyment of the Owners, including Rules and Regulations governing the use of any Common Area.

BB. **SUBDIVISION** - The Property, together with all Improvements now or hereafter situated thereon and all rights and appurtenances thereto.

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

ARTICLE II
GENERAL PROVISIONS RELATING TO USE AND OCCUPANCY

SECTION 2.1. USE RESTRICTIONS.

A. **GENERAL.** The Property shall be held, transferred, sold, conveyed, used and occupied subject to the covenants, conditions, restrictions, easements, charges, and liens set forth in this Declaration.

B. **SINGLE FAMILY RESIDENTIAL USE.** Each Owner shall use his Lot and the Residential Dwelling on his Lot for single family residential purposes only. As used herein, the term "single family residential purposes" shall be deemed to specifically prohibit, but without

limitation, the use of any Lot for a duplex apartment, a garage apartment or any other apartment or for any multi-family use or for any business, professional or other commercial activity of any type, unless such business, professional or commercial activity is unobtrusive and merely incidental to the primary use of the Lot and the Residential Dwelling for residential purposes. As used herein, the term "unobtrusive" means, without limitation, that there is no business, professional or commercial related sign, logo or symbol displayed on the Lot; there is no business, professional or commercial related sign, logo or symbol displayed on any vehicle on the Lot; there are no clients, customers, employees or the like who go to the Lot for any business, professional or commercial related purpose on any regular basis; and the conduct of the business, professional, or commercial activity is not otherwise apparent by reason of noise, odor, vehicle and/or pedestrian traffic and the like. Notwithstanding the foregoing, horse or cow breeding on a Lot shall not constitute a business or commercial use in violation of this Section as long as the horse or cow breeding activities do not exceed the minimum requirements to obtain an agricultural exemption, there are no signs on the Lot related to the horse or cow breeding activities, and the number of horses, cows, foals and calves do not exceed the maximum number of such animals permitted on a Lot per Section 2.1, paragraph K, of this Article. Likewise, the production of hay on a Lot per Section 2.3, paragraph R(8), of this Declaration shall not constitute a business or commercial activity as long as there are no signs on the Lot related to the hay production.

No Owner shall use or permit such Owner's Lot or the Residential Dwelling or other Improvement on the Lot to be used for any purpose that would (i) void any insurance in force with respect to the Subdivision; (ii) make it impossible to obtain any insurance required by this Declaration; (iii) constitute a public or private nuisance, which determination may be made by the Board in its sole discretion; (iv) constitute a violation of the provisions of this Declaration or any applicable law or (v) unreasonably interfere with the use and occupancy of the Subdivision by other Owners.

No Owner shall be permitted to lease the Owner's Lot for hotel or transient purposes; for purposes of this Section, any lease term that is less than six (6) months shall be deemed to be a lease for hotel or transient purposes. Every lease shall provide that the lessee shall be bound by and subject to all the obligations under this Declaration and a failure to do so shall be a default under the lease. The Owner making such lease shall not be relieved from any obligation to comply with the provisions of this Declaration.

Unless otherwise approved in writing by Declarant, as long as Class B membership in the Association exists, and, thereafter, the Board of Directors, not more than two (2) full-time, live-in domestic workers, "nannies" or the like shall be entitled to reside on a Lot; for purposes of this Section, a domestic worker, nanny or the like shall be considered an immediate member of the family occupying the Lot.

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

C. PASSENGER VEHICLES. Except as provided in Section 2.1, paragraph D, below, no Owner, lessee, or occupant of a Lot, including all persons who reside with such Owner, lessee or occupant of the Lot, shall park, keep or store any vehicle on the Lot which is visible from any street in the Subdivision or any neighboring Lot other than a passenger vehicle or pick-up truck and then only if parked on the driveway for a period not exceeding forty-eight (48) consecutive hours. For purposes of this Declaration, the term "passenger vehicle" is limited to a vehicle which displays a passenger vehicle license plate issued by the State of Texas or which, if

displaying a license plate issued by another state, would be eligible to obtain a passenger vehicle license plate from the State of Texas, and a sport utility vehicle used as a family vehicle (whether or not the sport utility vehicle displays a passenger or truck vehicle license plate); the term "pick-up truck" is limited to a one (1) ton capacity pick-up truck which has not been adapted or modified for commercial use. No passenger vehicle or pick-up truck owned or used by the residents of a Lot shall be permitted to be parked on any street in the Subdivision or any unpaved portion of a Lot. No guest of an Owner, lessee or other occupant of a Lot shall be entitled to park on any street in the Subdivision overnight, or on any uncovered portion of the driveway of a Lot for a period longer than forty-eight (48) consecutive hours. No inoperable vehicle of any kind shall be parked, kept or stored on a Lot if visible from any street in the Subdivision or any neighboring Lot. As used herein, a vehicle is deemed to be inoperable if it does not display all required current permits and licenses, it is on a jack or does not have fully inflated tires, or it is not otherwise capable of being legally operated on a public street or right of way.

D. OTHER VEHICLES. No mobile home trailer, utility trailer, recreational vehicle, boat or the like shall be parked, kept or stored on a Lot if visible from any street in the Subdivision or any neighboring Lot. A mobile home trailer, utility trailer, recreational vehicle or boat may be parked in the garage on a Lot or other structure approved by the Architectural Review Committee, out of public view; if parked in the garage, there must be adequate space in the garage and on the driveway for all passenger vehicles used or kept by the Owner, lessee, or occupant of the Lot.

E. VEHICLE REPAIRS. No passenger vehicle, pick-up truck, mobile home trailer, utility trailer, recreational vehicle, boat or other vehicle of any kind shall be constructed, reconstructed, or repaired on a Lot within the Subdivision if visible from any street in the Subdivision or any neighboring Lot.

F. OFF-ROAD VEHICLES AND MOTORCYCLES. Except as otherwise expressly provided in this paragraph, no off-road or similar type of vehicle (including, without limitation, a four-wheel vehicle or go-cart) shall be operated on any Common Area or on any Lot except in connection with bona fide maintenance, repair and similar types of activities on the Lot (i.e., activities other than recreational activities). A golf cart may be operated on Common Area, private roads, driveways within the boundaries of the Owner's Lot, and the easement area described in Section 2.6, paragraph D, of this Declaration; however, no golf cart shall be operated on any portion of the riding trail described in Section 2.6, paragraph E, of this Declaration. No motorcycle shall be operated on any Common Area or on an unpaved portion of a Lot for any purpose. No motorcycle shall be operated on the area of a Lot subject to an easement, as provided in Section 2.6 of this Declaration, except for purposes of ingress and egress. With the exception of a golf cart, no vehicle of any type shall be operated on any street in the Subdivision other than a vehicle that is capable of being legally operated on a public street or right of way, unless otherwise permitted in the Rules and Regulations but then only in strict accordance with the Rules and Regulations.

G. NUISANCES. No rubbish or debris of any kind shall be placed or permitted to accumulate on or adjacent to a Lot and no odors shall be permitted to arise therefrom, so as to render the Lot or any portion thereof unsanitary, unsightly, offensive or detrimental to any other Lot or to its occupants. No nuisance shall be permitted to exist or operate on a Lot. For the purpose of this provision, a nuisance shall be any activity or condition on a Lot which is reasonably considered to be an annoyance to surrounding residents of ordinary sensibilities or which might be calculated to reduce the desirability of the Lot or any surrounding Lot. The Board of Directors is

authorized to determine whether any activity or condition on a Lot constitutes a nuisance or is offensive and its reasonable, good faith determination shall be conclusive and binding on all parties.

H. **TRASH; TRASH CONTAINERS.** No garbage or trash, or garbage or trash container, shall be maintained on a Lot so as to be visible from any street in the Subdivision or any neighboring Lot except to make the same available for collection and then only the shortest time reasonably necessary to effect such collection. Garbage and trash made available for collection shall be placed in tied trash bags or covered containers, or as otherwise provided in any trash disposal contract entered into by the Association.

I. **CLOTHES DRYING.** No outside clothesline or other outside facilities for drying or airing clothes shall be erected, placed or maintained on a Lot. No clothes shall be aired or dried outside if visible from any street in the Subdivision or any neighboring Lot.

J. **RIGHT TO INSPECT.** During reasonable hours, Declarant, any member of the Architectural Review Committee, any member of the Board, or any authorized representative of any of them, shall have the right to enter upon and inspect a Lot, and the exterior of the Improvements thereon, for the purpose of ascertaining whether or not the provisions of this Declaration have been or are being complied with, and such persons shall not be deemed guilty of trespass by reason of such entry. Provided that, except in the case of a bona fide emergency, the right of inspection shall not be exercised unless the Owner of the Lot has been provided not less than twenty-four (24) hours notice of the intent to inspect the Lot.

K. **ANIMALS.**

(1) A reasonable number of generally recognized house or yard pets may be maintained on a Lot but only if they are kept thereon solely as domestic pets and not for commercial purposes. No generally recognized house or yard pet shall be allowed to make an unreasonable amount of noise or to become a nuisance. No structure for the care, housing or confinement of any generally recognized house or yard pet shall be maintained on a Lot if visible from any street in the Subdivision or any neighboring Lot without the prior written consent of the Architectural Review Committee. The Board shall have the authority to determine, in its sole and absolute discretion, whether, for the purposes of this paragraph, a particular animal or bird is a generally recognized house or yard pet, the number of generally recognized house or yard pets on a Lot is reasonable, and a particular animal or bird is a nuisance, and its reasonable, good faith determination shall be conclusive and binding on all parties.

(2) In addition to a reasonable number of generally recognized house or yard pets, the Owner of a Lot may keep one (1) horse, cow, foal or calve on the Owner's Lot for each acre or portion greater than one-half (½) of an acre within the Lot. For example, if a Lot consists of 6.4 acres, the Owner of the Lot may keep not more than six (6) horses, cows, foals and calves on the Lot, in the aggregate; if a Lot consists of 6.7 acres, the Owner of the Lot may keep not more than seven (7) horses, cows, foals and calves on the Lot, in the aggregate. For purposes of this Declaration, a "foal" means a horse that is less than twenty-four (24) months old and a "calve" means a cow that is less than twenty-four (24) months old.

(3) If the Owner or occupant of a Lot, or an immediate member of the family of the Owner or occupant, is a member of 4-H or Future Farmers of America, the Board of Directors may, in its discretion, allow one (1) animal per project (per 4-H or FFA member) not otherwise specifically permitted by this Section to be kept, raised and maintained on the Lot for the term of

the project and under such terms and conditions as may be specified in writing by the Board of Directors; provided that, under no circumstances shall a pig be permitted on a Lot. Further, if during the term of the project, the Board of Directors determines, in its sole discretion, that the animal constitutes a nuisance or is otherwise undesirable in the Subdivision, the Board of Directors may revoke its consent and require the animal to be removed from the Lot.

L. DISEASES AND INSECTS. No Owner shall permit any thing or condition to exist on a Lot which shall induce, breed or harbor infectious plant diseases or noxious insects.

M. RESTRICTION ON FURTHER SUBDIVISION. No Lot shall be further subdivided, and no portion less than all of a Lot shall be conveyed by any Owner without the prior written approval of Declarant, as long as Class B membership in the Association exists, and, thereafter, the Board of Directors.

N. CONSOLIDATION OF LOTS. Notwithstanding any provision in this Declaration to the contrary, an Owner of adjoining Lots may consolidate such Lots into one (1) building site, with the privilege of constructing a Residential Dwelling on the resulting site, in which event set back lines shall be measured from the resulting side property lines rather than from the side lot lines indicated on the Plat; provided that, the consolidation of two (2) or more adjoining Lots shall require the prior written consent of Declarant, as long as Class B membership in the Association exists, and, thereafter, the Board of Directors, and in no event shall more than three (3) adjoining Lots be consolidated. The Owner of such Lots must also comply with any replatting requirements imposed by any governmental entity having jurisdiction. Any such consolidated building site must have a frontage at the building setback line of not less than the minimum frontage shown on the Plat. Upon the consolidation of adjoining Lots, the consolidated building site shall not be considered a single Lot for purposes of voting rights and assessments; rather, the Lots comprising the consolidated building site (as shown on the Plat) shall be treated separately for purposes of voting rights and assessments.

O. SIGNS. No signs whatsoever (including but not limited to commercial, political and similar signs) shall be erected or maintained on a Lot if visible from any street in the Subdivision or a neighboring Lot, except:

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

(ii) During the time of construction of any Residential Dwelling or other Improvement (defined to be from the date that construction commences until the fourteenth day after substantial completion of the Residential Dwelling or other Improvement), one job identification sign having a face area not larger than four (4) square feet;

(iii) A "for sale" sign, not larger than six (6) square feet and not extending more than four (4) feet above the ground;

(iv) Ground mounted political signs as permitted by law; and

(v) Home security signs and school spirit signs, but only if expressly authorized by the Development Guidelines and then only in strict compliance with the Development Guidelines.

Declarant, as long as Class B membership in the Association exists, and, thereafter, the Association, shall have the authority to go upon a Lot and remove any sign displayed on the Lot in violation of this Section and dispose of the sign without liability in trespass or otherwise.

P. **LAKES.** Included within the land comprising the Common Area are two (2) lakes. No non-electrical motorized watercraft of any type shall be used on any lake within the Common Area. No electric motor on a watercraft in excess of three quarters horsepower (¾ H.P.) is permitted on any lake within the Common Area. No boat in excess of fourteen (14) feet is permitted on any lake within the Common Area. There shall be no swimming in any lake in the Common Area. The use of the Common Area shall be in strict accordance with the Rules and Regulations governing the Common Area adopted and published by the Board of Directors. No domesticated ducks or geese are permitted in any lake or in the Common Area around a lake. The Association or its agent shall have the authority to remove and dispose of any domesticated ducks or geese kept in a lake or Common Area without liability to any party. Each Owner or other person who uses the Common Area, including any lake therein, does so at his/her own risk. No boats, inflatable rafts, canoes or watercraft of any kind shall be stored in the Common Area when not in use. No boat storage facility or dock may be constructed within or adjacent to any lake within the Common Area other than a storage facility or dock constructed by or at the direction of the Association.

Q. **EXEMPTIONS.** Nothing contained in this Declaration shall be construed to prevent Declarant, or its duly authorized agents, from erecting or maintaining structures or signs necessary or convenient to the development, advertisement, sale, operation or other disposition of property within the Subdivision. Moreover, any bank or other lender providing financing to Declarant in connection with the development of the Subdivision or the construction of Improvements thereon may erect signs on Lots owned by Declarant and/or the Common Area to identify such lender and the fact that it is supplying such financing.

SECTION 2.2. DECORATION, ALTERATIONS, MAINTENANCE, AND REPAIRS.

A. **DECORATION AND ALTERATIONS.** Subject to the provisions of this Declaration, each Owner shall have the right to modify, alter, repair, decorate, redecorate or improve the Residential Dwelling and other Improvements on such Owner's Lot provided that all such action is performed with a minimum inconvenience to other Owners and does not constitute a nuisance. Notwithstanding the foregoing, the Architectural Review Committee shall have the authority to require any Owner to remove or eliminate any object situated on an Owner's Lot or the Residential Dwelling or other Improvement on the Lot that is visible from any street in the Subdivision or any other Lot if, in the Architectural Review Committee's sole judgment, such object detracts from the visual attractiveness of the Subdivision.

B. **MAINTENANCE AND REPAIR.** No Residential Dwelling or Improvement on a Lot shall be permitted to fall into disrepair, and each such Residential Dwelling or other Improvement shall at all times be kept in good condition and repair and adequately painted or otherwise finished by the Owner of the Lot at such Owner's sole cost and expense. The Board of Directors shall have the exclusive authority to determine whether an Owner is maintaining his Lot in a reasonable manner and the Board of Director's reasonable, good faith determination shall be conclusive and binding on all parties. In the event the Owner of a Lot fails to keep the exterior of the Residential Dwelling or other Improvement on the Lot in good condition and repair, and such

failure continues after ten (10) days written notice from the Association, or such longer period, if required by law, the Association may at its option, without liability to the Owner or occupant of the Lot in trespass or otherwise, enter upon the Lot and repair and/or paint the exterior of the Residential Dwelling or other Improvement on the Lot and otherwise cause the Residential Dwelling or other Improvement on the Lot to be placed in good condition and repair, and to do every other thing necessary to secure compliance with this Declaration, and may charge the Owner of the Lot for the cost of such work. The Owner agrees by the purchase of such Lot to pay such charge, plus fifty percent (50%) of such costs for overhead and supervision, immediately upon receipt of the corresponding statement. Payment of such charges shall be secured by the lien created in Article V of this Declaration. Interest thereon at the rate of eighteen percent (18%) per annum, or the maximum, non-usurious rate, whichever is less, shall begin to accrue on such sum on the thirty-first (31st) day after a written invoice is delivered to the Owner.

SECTION 2.3. TYPE OF CONSTRUCTION AND MATERIALS.

A. **TYPES OF STRUCTURES.** No structures shall be erected, altered, placed or permitted to remain on any Lot other than (i) one detached, single family dwelling not to exceed the height limitation set forth in Section 2.4, paragraph B, together with an attached or detached private garage for not less than two (2) nor more than four (4) vehicles and (ii) not more than two (2) permitted accessory buildings, all of which are subject to approval by the Architectural Review Committee. A two (2) story garage with living area on the second level may be permitted with the prior written approval of the Architectural Review Committee. Each Residential Dwelling constructed on a Lot within the Subdivision is required to be a Custom Home. No Plans utilized for the construction of a Custom Home on a Lot within the Subdivision may be duplicated and utilized for the construction of the same, or a substantially similar, Custom Home on any other Lot in the Subdivision, without the consent of the Owner of the originally constructed Custom Home and the Architectural Review Committee. The Architectural Review Committee shall have exclusive authority to determine whether Plans for a Residential Dwelling to be constructed on a Lot are substantially similar to the Plans used to construct a Residential Dwelling on another Lot and its determination shall be conclusive and binding on all parties. Permitted accessory buildings must comply with the standards (type, color, size, materials, etc.) set forth in the Development Guidelines. Under no circumstances shall the materials used in the construction of a permitted accessory building (including the roof) consist of or utilize corrugated tin. All permitted accessory buildings must be located at the rear of the Lot (i.e., behind the rear elevation of the Residential Dwelling) and within the applicable side and rear building setbacks. A barn is permitted on a Lot, provided that the barn is approved in writing by the Architectural Review Committee prior to construction and meets the following requirements:

(i) the barn must be a "Barnmaster" barn or an alternative type of barn that meets or exceeds the quality of a "Barnmaster" barn, as determined by the Architectural Review Committee in its sole discretion;

(ii) the barn must be located in the rear portion of the Lot no nearer to the Residential Dwelling on the Lot than thirty (30) feet, measured from the closest points of the barn and the Residential Dwelling; and

(iii) the barn shall not exceed thirty (30) feet in height, measured from finished grade to the highest point of the barn, or the height of the Residential Dwelling on the Lot, whichever is less.

A barn shall be considered an accessory building for the purpose of determining the number of accessory buildings on a Lot.

Quarters for a live-in domestic worker, nanny or the like may be on either the ground floor or the second floor of the Residential Dwelling, garage or barn on the Lot; provided that, if a garage or barn includes quarters for a domestic worker, nanny or the like, the Architectural Review Committee shall have the authority to impose more stringent requirements for approval of the garage or barn than may be applicable to a garage or barn that does not include any living area.

B. SEQUENCE OF CERTAIN CONSTRUCTION. A detached garage or barn with living quarters, or a separate building to serve as guest quarters, may be constructed on a Lot prior to the construction of the Residential Dwelling on the Lot if (but only if) (a) Plans for the garage, barn or guest quarters are submitted to and approved in writing by the Architectural Review Committee prior the commencement of construction, (b) Plans for the Residential Dwelling to be constructed on the Lot are submitted to and approved by the Architectural Review Committee prior to the commencement of construction of the garage, barn or guest quarters (for the purposes of, among other things, assuring compatibility of design and exterior building materials, confirming compliance as to location and height, and determining the anticipated start date for the construction of the Residential Dwelling on the Lot), and (c) until such time that the Residential Dwelling on the Lot is substantially completed, the living quarters in the garage or barn, or the guest quarters, as the case may be, are occupied only by the Owner of the Lot and the immediate members of the Owner's family as temporary housing until the substantial completion of the Residential Dwelling on the Lot. Provided that, under no circumstances shall the approval of Plans to allow a detached garage, barn or guest quarters to be constructed on a Lot prior to the construction of the Residential Dwelling on the Lot be construed to extend the time to commence and complete the construction of the Residential Dwelling on the Lot, as set forth in Section 2.4, paragraph D, of this Declaration; rather, in all instances, an Owner who is permitted to construct a detached garage, barn or guest quarters on a Lot prior to the construction of a Residential Dwelling on such Lot is required to strictly comply with the requirements of Section 2.4, paragraph D, of this Declaration relating to the commencement and completion of construction of the Residential Dwelling. Further, in any instance in which the Owner of a Lot has constructed a detached garage, barn or guest quarters on the Lot prior to the construction of the Residential Dwelling and the construction of the Residential Dwelling on the Lot is not substantially completed within the time requirements set forth in Section 2.4, paragraph D, of this Declaration, the Extension Fee (as provided in Section 2.4, paragraph D) shall be $1,000.00 per month.

C. STORAGE. Without the prior written consent of the Architectural Review Committee, no building materials of any kind or character shall be placed or stored on a Lot more than thirty (30) days before the construction of a Residential Dwelling or other Improvement is commenced. All materials permitted to be placed on a Lot shall be placed within the property lines of the Lot. After the commencement of construction of any Residential Dwelling or other Improvement on a Lot, the work thereon shall be prosecuted diligently, to the end that the Residential Dwelling or other Improvement shall not remain in a partly finished condition any longer than reasonably necessary for completion thereof. Upon the completion of the construction, any unused materials shall be removed immediately from the Lot.

D. SITE CONDITIONS DURING CONSTRUCTION. Each Lot on which construction is taking place shall be cleaned on a daily basis. No dumping or washing of concrete trucks on individual Lots or on any street in the Subdivision is permitted. Each Builder shall keep

the Lot free from the accumulation of waste materials, rubbish, and construction debris. Waste materials, rubbish and construction debris shall be placed in a container that prevents such items from being windblown onto a neighboring Lot or in the Common Area. Each Builder shall provide a port-a-can on each Lot during the period of construction of a Residential Dwelling or any other substantial Improvement, as determined by the Architectural Review Committee. The port-a-can shall be placed on the Lot at the location designated by the Architectural Review Committee, such location being intended to be the least obtrusive location that still enables the port-a-can to be regularly maintained.

E. **TEMPORARY STRUCTURES.** No structures of a temporary character, trailer (with or without wheels and whether or not attached to a foundation), mobile home (with or without wheels and whether or not attached to a foundation), modular or prefabricated home, tent, shack, or other building, other than the permanent Residential Dwelling to be built thereon, a detached garage (with first or second level living quarters, if approved by the Architectural Review Committee) and not more than two (2) accessory building(s) approved by the Architectural Review Committee, shall be placed on any Lot, either temporarily or permanently, and no house, garage or other structure appurtenant thereto, shall be moved upon any Lot from another location. Notwithstanding the foregoing, Declarant reserves the exclusive right to erect, place and maintain, and to permit Builders and contractors to erect, place and maintain facilities within the Subdivision as in its sole discretion may be necessary or convenient during the period of and in connection with the sale of Lots, construction and sale of Residential Dwellings and construction of other Improvements in the Subdivision.

F. **CARPORTS/GARAGES.** No carport or porte cochere shall be constructed on a Lot without the prior written consent of the Architectural Review Committee. Garages must be provided for all Residential Dwellings and in no case shall a carport or porte cochere act as or be substituted for a garage. No garage shall be placed or maintained on any easement. A detached garage on a Lot may face the street in front of the Lot; however, an attached garage on a Lot must be either a side loading or rear loading garage (i.e., an attached garage on a Lot may not face the street in front of the Lot). All garages shall be enclosed by metal or wood garage doors with a paneled design in order to be harmonious in quality and color with the exterior of the appurtenant Residential Dwelling. Each garage on a Lot is required to be used for housing passenger vehicles used or kept by the persons who reside on the Lot. As provided in Section 2.1, paragraph D, a garage may also be used to store or house a mobile home trailer, utility trailer, recreational vehicle or boat so long as there is adequate space in the garage and on the driveway to park all passenger vehicles used or kept by the residents of the Lot. No parking spaces in a garage may be used for the storage of personal property if the result is that there is not adequate space to park the passenger vehicles used or kept by the residents of the Lot in the garage and on the driveway.

G. **AIR CONDITIONERS.** No exterior window, roof or wall type air conditioner shall be used, placed or maintained on or in any Residential Dwelling, garage or other Improvement on a Lot if visible from any street in the Subdivision or any neighboring Lot.

H. **ANTENNAS.** Satellite dish antennas which are forty inches or smaller in diameter and antennas designed to receive television broadcast signals may be installed, provided they are installed in the least obtrusive location that still enables the receipt of an acceptable quality signal. All other antennas are prohibited.

I. **FOUNDATIONS.** Not more than six inches (6") of vertical surface of the concrete slab of any Residential Dwelling or other Improvement on a Lot shall be exposed to view from any

street in the Subdivision or any adjacent Lot. Any slab in excess of the permitted height limitations shall have at least that excess in height covered with the same type, quality and grade of siding or masonry material used in the construction of the Residential Dwelling or other Improvement. Any Residential Dwelling with a pier and beam foundation shall have all mechanical, electrical, plumbing lines and fixtures located thereunder screened from view. The Architectural Review Committee, in its sole discretion, shall have the authority to determine the adequacy of any screening device or technique.

J. **EXTERIOR FINISH.** The exterior of the front of the Residential Dwelling on each Lot, excluding doors, shutters, trim work, eaves and dormers, must be comprised of one hundred percent (100%) masonry material, which includes brick, stone, Hardi Plank or other masonry material; provided that, fifty percent (50%) of the exterior of the front of the Residential Dwelling on each Lot, excluding doors, shutters, trim work, eaves and dormers, must be comprised of brick or stone. The exterior of each side and the rear of the Residential Dwelling on a Lot, excluding doors, shutters, trim work, eaves and dormers, must be comprised of not less than one hundred percent (100%) brick, stone, Hardi plank or masonry material, unless otherwise approved in writing by the Architectural Review Committee. For purposes of this provision, stucco (except stucco built according to the E.F.I.S. system) shall be considered a masonry material. All permitted stucco shall be applied to a metal lathe with an appropriate air space between the stucco and the paper barrier. All brick, stonework, masonry material and mortar must be approved by the Architectural Review Committee as to type, size, color and application. Neither wood siding nor vinyl siding is permitted on any part of a Residential Dwelling. Steps, stoops or porches may be concrete or stamped concrete, tile, brick or stone, as approved in writing by the Architectural Review Committee. No concrete, concrete block or cinder block shall be used as an exposed building surface. Any concrete, concrete block or cinder block utilized in the construction of a Residential Dwelling or other Improvement or for retaining walls and foundations shall be finished in the same materials utilized for the remainder of the Residential Dwelling or other Improvement. Metal flashing, valleys, vents and gutters installed on a Residential Dwelling or other Improvement shall blend or be painted to blend with the color of the exterior materials to which they are adhered or attached. Brick or stone on the exterior of a Residential Dwelling or other Improvement may not be painted without the prior written consent of the Architectural Review Committee.

K. **EXTERIOR LIGHTING AND STREET NUMBERS.** All exterior lighting on a Lot must be approved by the Architectural Review Committee as to type, location and illumination. No exterior lighting shall be directed toward another Lot or illuminate beyond the boundaries of the Lot on which the lighting fixture is situated. All street numbers displayed on a Lot must be approved by the Architectural Review Committee.

L. **MAILBOXES.** Declarant anticipates that cluster mailboxes will be used for the Lots in the Subdivision. If cluster mailboxes are used, individual mailboxes are prohibited. If cluster mailboxes are not used, all mailboxes erected on Lots shall comply with uniform design and construction standards promulgated by Declarant.

M. **ROOFING.** The roofing materials to be installed on any Residential Dwelling or other Improvement must be approved in writing by the Architectural Review Committee prior to installation. The Architectural Review Committee shall have the right to establish specific requirements for the pitch of any roof and the type of roofing materials which may be utilized for any Residential Dwelling or other Improvement. No solar or other energy collection panel, equipment or device shall be installed or maintained on any Lot or the Residential Dwelling or

other Improvement on the Lot, including, without limitation, the roof of any Residential Dwelling or other Improvement, if visible from any street or the Common Area. No plumbing or heating vents, stacks and other projections of any nature shall be placed on the roof on the front of any Residential Dwelling. All such vents, stacks and other projections from the roof of any Residential Dwelling shall be located on the rear roof of such Residential Dwelling and shall blend or be painted to blend with the color of the roofing material.

N. **CHIMNEYS.** The exterior of all chimneys shall be constructed of either brick, stone, Hardi plank, masonry or other material approved in writing by the Architectural Review Committee. No cantilevered chimneys or chimneys with siding shall be permitted. If a fireplace utilizes a metal spark arrestor or other metal venting apparatus at the top of the chimney, then a painted metal cowling or surround shall be installed atop the chimney. All metal or other materials placed on top of or around a chimney shall blend or be painted to blend with the color of the roofing material used for the Residential Dwelling.

O. **WINDOW TREATMENTS AND DOORS.** Reflective glass shall not be permitted on the exterior of any Residential Dwelling or other Improvement. No foil or other reflective materials shall be installed on any windows or used for sunscreens, blinds, shades or other purposes except as approved in writing by the Architectural Review Committee. Burglar bars or doors shall not be permitted on the exterior of any windows or doors. Screen doors shall not be used on the front or side of any Residential Dwelling. No aluminum or metal doors with glass fronts (e.g., storm doors) shall be allowed on the front of any Residential Dwelling; provided that, metal or fiberglass front doors (which are not storm doors) are permitted if approved by the Architectural Review Committee.

P. **UTILITY METERS AND HVAC EQUIPMENT.** All electrical, gas, telephone and cable television meters shall be located at the rear of all Residential Dwellings. All exterior heating, ventilating and air-conditioning compressor units and equipment on a Lot shall be located at the rear of the Residential Dwelling or at the side of the Lot screened from view in a manner approved by the Architectural Review Committee.

Q. **RECREATIONAL FACILITIES.**

(1) Free-standing play structures are permitted on Lots only with the prior written approval of the Architectural Review Committee. If a free-standing play structure is approved by the Architectural Review Committee, it shall be considered an accessory building for the purpose of determining the number of permitted accessory buildings on a Lot. No play structure on a Lot shall exceed fourteen (14) feet in height, measured from the ground to the highest point of the play structure. A canopy on a play structure shall be a solid color approved by the Architectural Review Committee; a multi-colored canopy is not permitted. A play structure on a Lot must be located within the applicable side and rear building setbacks; provided that, the Architectural Review Committee may condition the approval of a play structure on a Lot on the requirement that it be placed farther away from a side or rear property line than the applicable setback to minimize any inconvenience to the occupants of an adjacent Lot.

(2) A treehouse on a Lot is permitted if it is not visible from a neighboring Lot or the street in front of the Lot at ground level or, if a corner Lot, the side street adjacent to the Lot at ground level.

(3) The type, color and location of a basketball goal on a Lot must be approved by the Architectural Review Committee. A basketball goal on a Lot shall not be located nearer to a

property line than the applicable building setback. The Architectural Review Committee is expressly authorized to prohibit the erection of a basketball goal on a Lot solely on the basis of location, the proximity of the basketball goal to another Lot or Improvements on another Lot, and/or any other factor determined to be detrimental to an adjacent Lot Owner or the Subdivision. No portable basketball goal shall be placed at or in any street in the Subdivision, whether or not in use.

(4) Barbecue grills or other types of outdoor cooking equipment shall be located at the rear of the Residential Dwelling; all barbecue grills and other types of outdoor cooking equipment must be maintained and kept in a reasonably neat and attractive condition. The Architectural Review Committee is hereby vested with the authority to determine whether a barbecue grill or other type of outdoor cooking equipment on a Lot is being maintained in a reasonably neat and attractive condition and its reasonable, good faith determination shall be conclusive and binding on all parties.

(5) Tennis courts are permitted on Lots with the prior written approval of the Architectural Review Committee; provided that, if lighting is installed, the lighting must be downcast and approved by the Architectural Review Committee. Further, fencing around a tennis court, if installed, must be constructed with vinyl coated chain link materials, and the entire fencing, including windscreens, must be dark (forest) green. No names, logos or the like are permitted on a fence or windscreen surrounding a tennis court. No lighting for a tennis court may be utilized after 10:00 o'clock p.m.

R. LANDSCAPING.

(1) The landscaping plan for each Lot shall be submitted to the Architectural Review Committee for approval pursuant to the provisions of Article III.

(2) The minimum width of a landscaping bed in the front of a Lot shall be five (5) feet, measured from the front of the Residential Dwelling to the outer edge of the bed.

(3) All landscaping for a Lot shall be completed in accordance with the landscaping plan approved by the Architectural Review Committee no later than thirty (30) days following the date that the Residential Dwelling is ready for occupancy.

(4) No hedge or shrubbery shall be placed or permitted to remain on a Lot where such hedge or shrubbery interferes with traffic sight-lines for streets within the Subdivision. The determination of whether any such obstruction exists shall be made by the Architectural Review Committee, and its reasonable, good faith determination shall be conclusive and binding on all parties.

(5) Rock or similar hardscape may be incorporated into the landscaping if approved in writing by the Architectural Review Committee; provided that, a solid rock yard or similar type of hardscape is not permitted in the front yard of a Lot or in the side yard of a Lot if visible from the street in front of the Lot at ground level or, if a corner Lot, the side street adjacent to the Lot at ground level.

(6) No rocks, rock walls or other substances shall be placed on a Lot as a front or side yard border. No bird baths, fountains, reflectors, statues, lawn sculptures, artificial plants, rock gardens, rock walls, free-standing bird houses or other fixtures and accessories shall be placed or installed within the front or side yards of a Lot, unless approved in writing by the Architectural Review Committee.

(7) No vegetable, herb or similar garden or plants shall be planted or maintained in the front yard of a Lot or in the side yard of a Lot if visible from the street in front of the Lot at ground level or, if a corner Lot, the side street adjacent to the Lot at ground level.

(8) Grass on a Lot shall not be permitted to grow to a height in excess of nine (9) inches, measured from the surface of the ground. As provided in Section 2.1, paragraph B, of this Declaration, a portion of a Lot may be used to produce hay, as long as the portion of the Lot to be used for the production of hay is approved by the Architectural Review Committee. The limitation on the permissible height of grass on a Lot shall not be applicable to the portion of a Lot used to produce hay, if any; however, the portion of a Lot used to produce hay, if any, must be maintained in a manner consistent with commonly accepted practices for hay production.

(9) Seasonal or holiday decorations (e.g., Christmas trees and lights, pumpkins, Easter decorations) shall be removed from each Lot, Residential Dwelling or other Improvement within a reasonable period of time after such holiday passes. In the event of any dispute, the decision of the Architectural Review Committee concerning a reasonable period of time shall be conclusive and binding on all parties.

S. **SWIMMING POOLS AND OTHER AMENITIES.** In-ground swimming pools, outdoor hot tubs, reflecting ponds, saunas, whirlpools, lap pools, and other water amenities may be constructed, installed, and maintained on a Lot only with the prior written approval of Architectural Review Committee. A swimming pool or lap pool constructed on a Lot must be enclosed by tubular steel fencing that conforms to the uniform standards (type, height, color, materials, etc.) set forth in the Design Guidelines. Above-ground swimming pools, whether portable or permanent, are prohibited.

T. **DRIVEWAYS.** From the edge of the street to the adjacent property line of a Lot and from the property line of the Lot inward (i.e., toward the interior of the Lot) a distance of twenty (20) feet, each driveway shall be constructed of asphalt. Beyond the required asphalt driveway, alternative material(s) may be used in the construction of a driveway but the material(s) must be approved in writing by the Architectural Review Committee prior to construction. A driveway on a Lot shall not exceed eighteen (18) feet in width except as required for garage, porte cochere or carport access and then only as permitted in writing by the Architectural Review Committee. No driveway on a Lot shall be less than ten (10) feet in width. A driveway on a Lot shall be located a minimum of ten (10) feet from the side building line, unless otherwise approved in writing by the Architectural Review Committee. That portion of a driveway providing access to a Lot that is between the street adjacent to the Lot and the property line of the Lot shall be maintained and repaired by the Association. With the exception of the roadway described in Section 2.6, paragraph D, of this Declaration, all driveways located on a Lot shall be maintained and repaired by the Owner of the Lot. The materials used in the construction of any sidewalk on a Lot that is visible from the street in front of the Lot at ground level or, if a corner Lot, the side street adjacent to the Lot at ground level, must be approved in writing by the Architectural Review Committee.

U. **LOT MAINTENANCE.** The Owners or occupants of all Lots shall at all times keep all weeds and grass thereon cut in a sanitary, healthful and attractive manner. In no event shall an Owner use any Lot for storage of materials and equipment (except for normal residential requirements or incident to construction of Improvements thereon as herein permitted) or permit the accumulation of garbage, trash or rubbish of any kind thereon. Owners shall not burn anything

on any Lot; provided that, this provision shall not be construed to prohibit cooking on an outdoor pit. In addition, the Owner of a Lot may have one (1) self-contained fire pit on the Lot for recreational purposes only; the walls of the fire pit must be metal or stone or some other material approved in writing by the Architectural Review Committee. The location of a fire pit on a Lot must be approved in writing by the Architectural Review Committee. The Owners or occupants of any Lots at the intersection of streets, where the rear yard or portion of the Lot is visible to full public view, shall screen the following from public view: yard equipment, wood piles and storage piles that are incident to the normal residential requirements of a typical family. The Board of Directors shall have the exclusive authority to determine whether an Owner is maintaining his Lot in a reasonable manner and the Board of Director's determination shall be conclusive and binding on all parties. In the event the Owner or occupant of any Lot fails to maintain the Lot in a reasonable manner as required by this Declaration and such failure continues after ten (10) days written notice from the Association, or such longer period, if required by law, the Association may, at its option, without liability to the Owner or occupant in trespass or otherwise, enter upon the Lot and cause the Lot to be mowed, edged and cleaned, cause the landscaping beds to be weeded and cleaned, cause shrubs and trees to be trimmed or pruned, cause dead or diseased shrubs or trees to be removed, and to do every other thing necessary to secure compliance with this Declaration, and may charge the Owner of such Lot for the cost of such work. The Owner agrees by the purchase or occupancy of such Lot to pay such charge, plus fifty percent (50%) of such costs for overhead and supervision, immediately upon receipt of the corresponding statement. Payment of such charges shall be secured by the lien created in Article V of this Declaration. Interest thereon at the rate of eighteen percent (18%) per annum or the maximum, non-usurious rate, whichever is less, shall begin to accrue on such sum on the thirty-first (31st) day after a written invoice is delivered to the Owner.

V. **EXTERIOR COLORS.** Iridescent colors or tones considered to be brilliant are not permitted. Exterior colors shall be generally limited to earth tones and forest tones. The purpose of this covenant is to maintain harmony of the exterior paint colors of the Improvements throughout the Subdivision. All exterior colors and color impregnations require the prior written approval of the Architectural Review Committee.

W. **TREE REMOVAL.** No tree (other than a dead tree) with a caliper of four (4) inches or more that is not within the area seven and one-half (7 ½) feet around the foundation of the Residential Dwelling and garage constructed or to be constructed on a Lot shall be removed from any Lot without the prior written approval of the Architectural Review Committee. A dead tree shall be removed from a Lot within thirty (30) days of the date that it is determined the tree is no longer growing.

X. **WATER WELLS AND PROPANE TANKS.** A water well is permitted on a Lot; provided that, a water well shall not be located nearer to any property line of the Lot than fifty (50) feet. In addition, any enclosure of and exterior equipment relating to a water well are subject to the prior written approval of the Architectural Review Committee. A propane tank is permitted on a Lot; provided that the size, color and location of the propane tank must be approved by the Architectural Review Committee prior to installation. Further, the Architectural Review Committee shall have the authority to require an above-ground propane tank to be screened from view by landscaping as a condition to the installation of the propane tank.

Y. **ENTRANCES TO CERTAIN LOTS.** The main entryway into the Subdivision will be from Nichols Road. Declarant intends to construct stone columns at the entryway to enhance the appearance of the Subdivision. To provide uniformity in appearance, the Owners of Lots 1 through 7 (which are adjacent to Nichols Road) are required to construct stone columns on either side of the road providing access to their respective Lots from Nichols Road. The columns shall conform to the uniform standards (size, design, materials, etc.) promulgated by Declarant. Access to Lots 8 and 36 may be from Mesquite River Trail; provided that, if the Owner of either Lot 8 or Lot 36 elects to provide access to such Lot from Nichols Road, the Owner shall be required to construct stone columns on either side of the road providing access to the Lot in conformance with the uniform standards applicable to Lots 1 through 7. The columns must be constructed in conjunction with the construction of the road on the Lot. The columns may not be replaced with columns that do not conform to the uniform standards promulgated by Declarant without the prior written approval of Declarant as long as Class B membership in the Association exists, and, thereafter, the Board of Directors.

Z. **CULVERTS.** A culvert constructed on a Lot in connection with the construction of a driveway or roadway must be constructed in a manner that meets or exceeds any uniform standards promulgated by Declarant. In no event shall a culvert be constructed on a Lot in a manner that does not meet the minimum standards adopted by Harris County, Texas which are in effect at the time of construction.

AA. **FLAG POLES.** One (1) in-ground flagpole is permitted on a Lot with the prior written approval of the Architectural Review Committee. An in-ground flagpole shall be located in the rear yard of a Lot within the applicable side and rear building setbacks or in the front yard of a Lot not farther than fifteen (15) feet from the nearest point of the front elevation of the Residential Dwelling and within the applicable side building setbacks. No in-ground flagpole may exceed fifteen (15) feet in height. An in-ground flagpole may be illuminated but the type of illumination must be approved in writing by the Architectural Review Committee. A flagpole may not be illuminated after ten o'clock p.m. In-ground flagpoles are intended to display the American flag. No other type of flag may be displayed without the prior written approval of the Architectural Review Committee.

SECTION 2.4. SIZE AND LOCATION OF RESIDENTIAL DWELLINGS.

A. **MINIMUM ALLOWABLE AREA OF INTERIOR LIVING SPACE.** The minimum allowable area of interior living space in a one-story Residential Dwelling on a Lot shall be three thousand one hundred (3,100) square feet. The minimum allowable area of interior living space in a two (2) story Residential Dwelling on a Lot shall be three thousand five hundred (3,500) square feet. The minimum allowable area of interior living space in the ground floor of a two (2) story Residential Dwelling on a Lot shall be two thousand (2,000) square feet. For purposes of this Declaration, the term "interior living space" excludes steps, porches, exterior balconies and garages.

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

provided that, no Residential Dwelling on a Lot shall exceed a height of forty-five (45) feet above finished grade. No garage or other Improvement on a Lot (including a barn) shall exceed the actual height of the Residential Dwelling on the Lot.

C. **LOCATION OF IMPROVEMENTS - SETBACKS.** No Residential Dwelling, garage or Improvement on any Lot other than fencing and/or landscaping or an in-ground flagpole approved by the Architectural Review Committee shall be located nearer to the front property line than sixty (60) feet. No Residential Dwelling, garage or Improvement other than approved fencing and/or landscaping on any Lot shall be located nearer to the rear property line than fifteen (15) feet. No Residential Dwelling, garage or Improvement other than approved fencing and/or landscaping on any Lot shall be located nearer to a side property line than twenty (20) feet, except a Lot that is a corner Lot, in which case no Residential Dwelling, garage or Improvement other than approved landscaping shall be located nearer to the side property line adjacent to the side street than thirty (30) feet. Fencing along the side property line of a corner lot shall not be located nearer to the street than the side wall of the Residential Dwelling, unless otherwise approved in writing by the Architectural Review Committee. The Architectural Review Committee shall have the authority to grant variances from these setbacks, in the manner provided in Article III, Section 3.12, when, in its sole discretion, a variance is deemed necessary or appropriate. The Residential Dwelling on Lots 1 through 7 (adjacent to Nichols Road) must face Nichols Road. The Residential Dwelling on Lot 8 and Lot 36 may face either Nichols Road or Mesquite River Trail. The Residential Dwelling on Lots 16 through 19 must face east.

D. **TIME TO COMMENCE AND COMPLETE CONSTRUCTION ON LOTS.** The construction of a Residential Dwelling on a Lot must commence within three (3) years of the date that the original deed from Declarant is recorded in the Official Public Records of Real Property of Harris County, Texas. For purposes hereof, the construction of a Residential Dwelling on a Lot shall not be deemed to have commenced until the forms for the foundation of the Residential Dwelling have been set. Thereafter, construction must be diligently pursued to completion. In any event, substantial completion of a Residential Dwelling on a Lot must be completed within four (4) years of the date that the original deed from Declarant is recorded in the Official Public Records of Real Property of Harris County, Texas or within twelve (12) months of the date that construction is commenced, whichever date is the first to occur. Provided that, the period required for substantial completion of a Residential Dwelling on a Lot may be extended by Declarant, as long as there is Class B membership in the Association, and, thereafter, the Board of Directors of the Association, if substantial completion of the Residential Dwelling within such period is rendered impossible or would result in a hardship due to a strike, fire, national emergency, critical materials shortage or other event beyond the control of the Owner of the Lot and/or the Owner's Builder. Declarant, as long as Class B membership in the Association exists, and, thereafter, the Board of Directors of the Association, acting reasonably and in good faith, shall have the authority to determine whether a delay in achieving substantial completion of the Residential Dwelling is rendered impossible or would result in a hardship as the result of an event beyond the control of the Owner of the Lot and/or the Owner's Builder and its determination shall be conclusive and binding on all parties. In the event that Declarant or the Board of Directors, as the case may be, determines that substantial completion of the Residential Dwelling within the required period of time is rendered impossible or would result in a hardship as the result of an event beyond the control of the Owner of the Lot and/or the Owner's Builder, Declarant or the Board of Directors, as the case may be, shall also have the authority to determine the length of time by which the required period of time to achieve substantial completion of the Residential Dwelling

shall be extended. For purposes hereof, "substantial completion" of the Residential Dwelling is the date on which the Residential Dwelling is ready for occupancy, with functioning HVAC and plumbing systems, and all construction materials and equipment (including the port-a-can) have been removed from the Lot. In the event that the construction of a Residential Dwelling on a Lot has not commenced within the specified three (3) year period, Declarant shall have the right, but not the obligation, to repurchase the Lot from the then Owner of the Lot at the price for which it was sold by Declarant. Declarant may exercise its option to repurchase the Lot by delivering written notice thereof to the then Owner of the Lot within ninety (90) days of the date that the three (3) year period to commence construction of a Residential Dwelling expires. Closing on the purchase of the Lot shall occur within thirty (30) days of the date of delivery of Declarant's notice of intent to repurchase the Lot. The then Owner of the Lot is obligated to convey title to the Lot to Declarant by general warranty deed, free and clear of all liens. Taxes on such Lot shall be prorated as of the date of closing.

As used herein, the date on which the period to substantially complete construction of a Residential Dwelling on a Lot expires, or, if an extension is granted by the Declarant or the Board of Directors, as applicable, based upon an event beyond the control of the Owner of the Lot or the Owner's Builder, the later date designated by Declarant or the Board of Directors, as applicable, is the "Completion Date." In the event that the construction of a Residential Dwelling on a Lot is not substantially completed by the Completion Date, the Owner of the Lot shall pay to the Association a monthly extension fee ("Extension Fee") until the construction of the Residential Dwelling is substantially completed. Each Extension Fee is due in advance, on the first day of each month, and shall be delinquent if not received by the Association by the fifteenth (15th) day of the month. Extension Fees shall be added to the Owner's assessment account and secured by the lien established in Article V of this Declaration; if not timely paid, Extension Fees shall accrue late charges and interest and shall be collected in the manner provided in Article V of this Declaration. Written notice of the commencement of the Extension Fee shall be provided to the Owner of the Lot by certified mail, return receipt requested, at the last known mailing address of the Owner of the Lot according to the records of the Association. The written notice shall include a statement of the Association's determination of the date that construction of the Residential Dwelling commenced, the initial amount of the Extension Fee, a schedule of the increases in the Extension Fee, and a statement that the Owner shall have the right to request a hearing before the Board of Directors of the Association to dispute the Association's determination of the date that construction of the Residential Dwelling commenced. A request for a hearing must be made by the Owner of the Lot in writing within thirty (30) days of the date of receipt of the Association's notice. The hearing shall be held within thirty (30) days of the date of receipt of the Owner's written request, unless otherwise agreed upon by the Owner and the Board of Directors of the Association. No Extension Fees shall be imposed against an Owner or the Owner's Lot prior to the expiration of the thirty (30) period in which the Owner is entitled to request a hearing or, if a hearing is requested, prior to the conclusion of the hearing.

The Extension Fee applicable during the six (6) month period immediately following the Completion Date is $100.00 per month. Commencing in the seventh (7th) month after the Completion Date and continuing through the twelfth (12th) month after the Completion Date, the Extension Fee is $250.00 per month. Commencing in the thirteenth (13th) month after the Completion Date and continuing each month thereafter until the Residential Dwelling is substantially completed, the Extension Fee shall be $500.00 per month.

E. **COMPLIANCE WITH DEVELOPMENT GUIDELINES.** All Owners and Builders are obligated to strictly comply with all provisions of the Development Guidelines for Spring Creek Ranch in effect as of the date of recording this Declaration or as such Development Guidelines may hereafter be amended. In the event that a Builder fails to comply with the provisions of the Development Guidelines and does not correct the violation within ten (10) days of the date of receipt of written notice of the violation from Declarant, or such longer period that may, in the sole discretion of Declarant, be stipulated in the notice, Declarant shall have the authority to impose a fine against the Builder in the amount of $100.00 each day that the violation continues to exist after the period specified in the notice to correct the violation. Any fines imposed against a Builder in accordance with this Section shall be payable to the Association. Payment of such fines shall be the personal obligation of the Builder; provided that, payment of such fines shall also be secured by the lien referred to and established in Article V of this Declaration against the Lot, if owned by the Builder.

SECTION 2.5. FENCES.

A. **FENCES ON LOTS.** Except for fencing required to enclose a swimming pool or lap pool, fencing on Lots is not required; however, if erected, all fencing (except tennis court fences with windscreens) on a Lot must be visually open. Solid wood or other types of walls or solid fences are not permitted. All fencing on Lots must be approved in writing by the Architectural Review Committee as to type, materials, height and location. Except as otherwise expressly permitted by the provisions of this paragraph, no portion of a fence constructed on a Lot shall be chain link, barbed wire or razor wire. Fencing in the front yard of a Lot parallel to the street is permitted; provided that, the fencing must be a split, three (3) rail fence and the fencing may not be nearer to the front property line than twenty (20) feet. All other perimeter fencing on a Lot is required to be a split, three (3) rail fence except perimeter fencing either in a flood zone or a densely wooded area, as determined by the Architectural Review Committee, in which event the fencing may be either a split, three (3) rail fence or a smooth wire fence with wood posts. Fencing on a Lot that is parallel to the front property line on either or both sides of the Residential Dwelling and is nearer to the front property line than the rear elevation of the Residential Dwelling is also required to be a split, three (3) rail fence. Horse wire, smooth wire, and any similar wire is permitted within the perimeter of a Lot (but not as perimeter fencing) and as cross fencing for the purpose of confining animals. In addition, barbed wire and low voltage electrical current wire is permitted within the perimeter of a Lot (but not as perimeter fencing) and as cross fencing for the purpose of confining animals; provided that, in no event shall a barbed wire or low voltage electrical current wire fence be accessible to animals or humans from the outside of the fence (i.e., outside the area in which animals are intended to be confined). Temporary fences using electrical tape or any similar material is not permitted.

B. **MAINTENANCE OF FENCES.** Subject to the provisions of Section 2.5, paragraph C, below, ownership of any fence erected on a Lot shall pass with title to such Lot and it shall be the responsibility of the Owner of the Lot (or the Owners in the event of a fence located on a common property line) to maintain such fence. In the event the applicable Owner or Owners fails to maintain any fence in a reasonable manner as required by this Section and such failure continues after ten (10) days written notice from the Association, the Association may, at its option, without liability to the Owner or Owners in trespass or otherwise, enter upon the Lot and cause the fence to be repaired or maintained and to do every other thing necessary to secure compliance with this Declaration, and may charge the Owner or Owners for the cost of such work. The Board of

Directors shall have the exclusive authority to determine whether a fence on a Lot is being maintained in a reasonable manner and the Board of Director's reasonable, good faith determination shall be conclusive and binding on all parties. Each Owner agrees by the purchase of his Lot, to pay such charge, plus fifty percent (50%) of such costs for overhead and supervision, immediately upon receipt of the corresponding statement. Payment of such charges shall be secured by the lien created in Article V of this Declaration. Interest thereon at the rate of eighteen percent (18%) per annum or the maximum, non-usurious rate, whichever is less, shall begin to accrue on such sum on the thirty-first (31st) day after a written invoice is delivered to the Owner.

C. **FENCES ERECTED BY DECLARANT.** Declarant shall erect open (split 3-rail) fencing along the west property lines of Lots 1 through 8 and Lot 36. Declarant hereby reserves for itself and the Association a perpetual easement upon and across Lots 1 through 8 and Lot 36, for the purpose of erecting, maintaining, repairing and replacing the fencing erected along the west property lines of such Lots. The area subject to the easement shall be five (5) feet in width and shall extend across the entire width of the Lot adjacent to the west property line. No Owner of any one (1) of these Lots shall have the authority to remove or in any way alter any portion of the fence on the Lot erected by Declarant. The Association shall be responsible for maintaining and repairing such fencing. Declarant shall have the right, but not the obligation, to construct other fences within or around the Subdivision which are deemed by the Declarant to enhance the appearance of the Subdivision. An Owner shall be responsible for any damage to a fence constructed by or at the direction of the Declarant which is caused by such Owner or his family members, or the negligent, but not the intentional, acts of his guests, agents or invitees. Further, any Builder who constructs a Residential Dwelling or other Improvement on any such Lot shall be responsible for any damage to a fence constructed by or at the direction of Declarant which is caused by such Builder or its employees, agents or subcontractors during the course of constructing a Residential Dwelling or other Improvement on the Lot. The obligation to maintain and repair any fence constructed by Declarant on any Common Area shall pass with title to the Common Area to the Association.

D. **ATTACHMENTS**. No item, structure or Improvement may be attached to a fence without the written consent of the Architectural Review Committee.

SECTION 2.6. RESERVATIONS AND EASEMENTS.

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

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

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

D. ACCESS EASEMENT FOR CERTAIN LOTS. Access to Lots 16 through 19 will be from A.J. Foyt Road. Accordingly, Declarant will construct a single roadway near the east boundary line of Lot 19 northerly to Lot 16, and within the easement areas described below, to provide access to the Lots. There are hereby created perpetual easements upon, across and over Lots 19, 18 and 17 for ingress and egress, as follows:

1. a perpetual easement for ingress and egress is created upon, across and over Lot 19 for the benefit of the Owners of Lots 16, 17 and 18, their family members, guests and invitees. The area subject to the easement is the area sixty (60) feet in width that is parallel to the east boundary line of Lot 19 and extends from the south boundary line of Lot 19 to the north boundary line of Lot 19;
2. a perpetual easement for ingress and egress is created upon, across and over Lot 18 for the benefit of the Owners of Lots 16 and 17, their family members, guests and invitees. The area subject to the easement is the area sixty (60) feet in width that is parallel to the east boundary line of Lot 18 and extends from the south boundary line of Lot 18 to the north boundary line of Lot 18;
3. a perpetual easement for ingress and egress is created upon, across and over Lot 17 for the benefit of the Owner of Lot 16, his family members, guests and invitees. The area subject to the easement is the area sixty (60) feet in width that is parallel to the east boundary line of Lot 17, and extends from the south boundary line Lot 17 to the north boundary line of Lot 17;

These easements are for ingress and egress only. The easements do not create a right for any party to use the area subject to the easement for any other purpose, including, without limitation, vehicular parking. The maintenance and repair of the roadway constructed in the easement areas shall be shared by the Owners of Lots 16 through 19 on a percentage basis. The percentage applicable to Lots 19, 18 and 17 shall be determined by dividing the number of feet from the southeast corner of the Lot to the northeast corner of the Lot by the number of feet from the southeast corner of Lot 19 to the end of the roadway on Lot 16. The percentage applicable to Lot 16 shall be determined by dividing the number of feet from the southeast corner of Lot 16 to the end of the roadway on Lot 16 by the number of feet from the southeast corner of Lot 19 to the end of the roadway on Lot 16. The determination of whether all or some portion of the roadway needs to be maintained or repaired, and the appropriate method of effecting the maintenance or repair work, requires the consent of Owners representing three (3) of the four (4) Lots. Each Owner of one (1) of the Lots is obligated to contribute his prorata share of the costs to maintain or repair the roadway in a timely manner so that the necessary work (once approved by the requisite number of Lot Owners) is not delayed. If the Owner of a Lot fails or refuses to contribute his prorata share of the costs to maintain or repair the roadway within thirty (30) days of the receipt of an invoice or statement therefor, any one or all of the remaining Lot Owners may pay the

defaulting Lot Owner's share of the cost. In that event, the amount due shall bear interest from the date paid at the rate of eighteen percent (18%) per annum. Further, in any suit filed to recover such costs, the Owner(s) of the Lot(s) who paid the defaulting Lot Owner's share of the costs shall be entitled to recover reasonable attorney's fees.

E. RIDING TRAIL. Declarant intends to establish a horseback riding trail within the Subdivision. The riding trail will be located on portions of Lots 11 through 14, and Lots 27 through 32. Declarant hereby reserves for itself and the Association a perpetual easement upon and across Lots 11 through 14 and Lots 27 through 32 for the purpose of maintaining a horseback riding trail on portions of such Lots. The easement area shall be, in all instances, fourteen (14) feet in width and shall extend across each Lot as follows:

Lot 11 - along the entire width of the east boundary line of Lot 11.

Lot 12 - along the entire width of the east boundary line of Lot 12.

Lot 13 - along the entire width of the east boundary line of Lot 13.

Lot 14 - along the entire widths of both the east and south boundary lines of Lot 14.

Lot 27 - along the entire widths of the east, south and west boundary lines of Lot 27.

Lot 28 - along the entire widths of the east and north boundary lines of Lot 28.

Lot 29 - along the entire widths of the north, west and south boundary lines of Lot 29.

Lot 30 - along the entire width of the east boundary line of Lot 30.

Lot 31 - along the entire width of the east boundary line of Lot 31.

Lot 32 - along the entire width of the east boundary line of Lot 32 and along the south boundary line of Lot 32 from the southeast corner of the Lot westerly a distance of fifty (50) feet.

By virtue of these easements, it shall be permissible for any Owner and the Owner's family members, guests and invitees to use the easement areas for hiking and horseback riding; provided that, the use of the easement areas shall be subject to any Rules and Regulations governing hiking and horseback riding promulgated by the Association.

The easements do not create a right for any party to use the area subject to the easement for any purpose other than hiking and horseback riding, including, without limitation, the operation of any type of vehicle thereon or vehicle parking.

F. LANDSCAPE EASEMENT. Declarant may, but shall not be obligated to, plant trees on either side or both sides of all or some portion of Mesquite River Trail. Declarant hereby reserves for itself and the Association a perpetual easement upon and across Lots 8 through 11 and Lots 32 through 36 for the purpose of planting, maintaining, watering and replacing trees and any related landscaping on portions of such Lots. The easement area shall be, in all instances, forty (40) feet in width and shall extend across the entire widths of the north boundary lines of Lots 8 through 11 and the entire widths of the south boundary lines of Lots 32 through 36. By virtue of these easements, it shall be permissible for Declarant, the Association and their respective agents, employees and contractors to go upon that portion of each Lot subject to the easement for the purposes of planting, watering, pruning, fertilizing, removing and replacing trees and related

landscaping. The Owner of a Lot subject to this easement shall not have the authority to erect any fence in the easement area; make any improvements to the easement area; remove, replace, prune or take any similar action with regard to the trees or landscaping in the easement area; or otherwise interfere with the use of the easement area for open landscape purposes.

G. MINERAL RIGHTS. It is expressly agreed and understood that the title conveyed by Declarant to any Lot or other parcel of land in the Subdivision by contract, deed or other conveyance shall not in any event be held or construed to include the title to any oil, gas, coal, lignite, uranium, iron ore, or any other minerals, water (surface or underground), gas, sewer, storm sewer, electric light, electric power, telegraph or telephone lines, poles or conduits or any utility or appurtenances thereto constructed by or under authority of Declarant or its agents or Utility Companies through, along or upon said easements or any part thereof to serve said Lot or other parcel of land or any other portions of the Subdivision. Declarant hereby expressly reserves the right to maintain, repair, sell or lease such lines, utilities, drainage facilities and appurtenances to any public service corporation or other governmental agency or to any other party. Notwithstanding the fact that the title conveyed by Declarant to any Lot or other parcel of land in the Subdivision by contract, deed, or other conveyances shall not be held or construed to include the title to oil, gas, coal, lignite, uranium, iron ore or any other minerals, Declarant shall have no surface access to the Subdivision for mineral purposes.

H. DRAINAGE. No Owner of a Lot shall be permitted to construct Improvements on such Lot or to grade such Lot or permit such Lot to remain in or be placed in such condition that rain water falling on such Lot drains to any other Lot or Common Area. It is the intent of this provision to preserve natural drainage. The Declarant may, but shall not be required to, install drainage inlets or underground drains within the utility easement on one or more Lots. If so, no Owner shall in any manner obstruct or interfere with such drainage system. If drains are not installed by Declarant, an underground drainage system may be required on a Lot by the Architectural Review Committee to assure proper drainage on the Lot.

I. ELECTRIC DISTRIBUTION SYSTEM. An electric distribution system will be installed in the Subdivision, which service area embraces all of the Lots which are platted in the Subdivision. This electrical distribution system shall consist of underground primary and secondary circuits, pad mounted or other types of transformers, junction boxes, and such other appurtenances as shall be necessary to make underground service available. The Owner of each Lot containing a single dwelling unit, shall, at his or its own cost, furnish, install, own and maintain (all in accordance with the requirements of local governing authorities and the National Electrical Code) the underground service cable and appurtenances from the point of electric company's metering at the structure to the point of attachment at such company's installed transformers or energized secondary junction boxes, such point of attachment to be made available by the electric company at a point designated by such company at the property line of each Lot. The electric company furnishing service shall make the necessary connections at said point of attachment and at the meter. Declarant has or will have either by designation on the Plat of the Subdivision or by separate instrument granted necessary easements to the electric company providing for the installation, maintenance and operation of its electric distribution system and has also granted or will grant to the various Owners reciprocal easements providing for access to the area occupied by and centered on the service wires of the various Owner's to permit installation, repair and maintenance of each Owner's owned, and installed service wires. In addition, the Owner of each Lot containing a single dwelling unit, shall, at his or its own cost, furnish, install, own and maintain

a meter loop (in accordance with the then current Standards and Specifications of the electric company furnishing service) for the location and installation of the meter of such electric company for each dwelling unit involved. For so long as service is maintained, the electric service to each dwelling unit therein shall be uniform in character and exclusively of the type known as single phase, 120/240 volt, three wire, 60 cycle, alternating current.

The electric company has installed the electric distribution system at no cost to Declarant (except for certain conduits, where applicable, and except as hereinafter provided) upon Declarant's representation that the Subdivision is being developed for residential dwelling units, consisting solely of homes, all of which are designed to be permanently located where originally constructed which are built for sale or rent.

The provisions of the two preceding paragraphs also apply to any future residential development in Spring Creek Ranch.

ARTICLE III
ARCHITECTURAL APPROVAL

SECTION 3.1. ARCHITECTURAL REVIEW COMMITTEE. The Architectural Review Committee shall consist of three (3) members, all of whom shall be appointed by Declarant, except as otherwise set forth herein. Declarant shall have the continuing right to appoint all three (3) members until the earlier of (a) the date that Class B membership in the Association ceases to exist, or (b) the date Declarant elects to discontinue such right of appointment by written notice to the Board. Thereafter, the Board shall have the right to appoint all members. As long as there is Class B membership in the Association, members of the Architectural Review Committee are not required to be Members of the Association. When Class B membership in the Association ceases to exist, all members of the Architectural Review Committee are required to be Members of the Association. Members of the Architectural Review Committee appointed by Declarant may be removed at any time and shall serve until resignation or removal by Declarant. Members of the Architectural Review Committee appointed by the Board may be removed at any time by the Board, and shall serve for such term as may be designated by the Board or until resignation or removal by the Board.

SECTION 3.2. APPROVAL OF IMPROVEMENTS REQUIRED. In order to preserve the architectural and aesthetic appearance and the natural setting and beauty of the development, to establish and preserve a harmonious design for the development and to protect and promote the value of the Lots and the Residential Dwellings and Improvements thereon, no Improvements of any nature shall be commenced, erected, installed, placed, moved onto, altered, replaced, relocated, permitted to remain on or maintained on any Lot by any Owner, other than Declarant, which affect the exterior appearance of any Lot or the Residential Dwelling or other Improvement on a Lot unless Plans therefor have been submitted to and approved by the Architectural Review Committee in accordance with the terms and provisions of this Article. Without limiting the foregoing, the construction and installation of any Residential Dwelling, sidewalk, driveway, mailbox, deck, patio, landscaping, swimming pool, tennis court, greenhouse, play structure, awning, wall, fence, exterior lighting, garage, guest or servant's quarters, or any other Improvement shall not be undertaken, nor shall any exterior addition to or change or alteration be made (including, without limitation, painting or staining of any exterior surface) to any Residential Dwelling or other Improvement, unless the Plans for the same have been submitted

to and approved by the Architectural Review Committee in accordance with the terms and provisions of this Article.

The Architectural Review Committee is hereby authorized and empowered to approve all Plans and the construction of all Residential Dwellings and other Improvements on any Lot and the Builder of such Improvements. Prior to the commencement of any Residential Dwelling or other Improvement on a Lot, the Owner thereof shall submit to the Architectural Review Committee Plans and related data for all such Improvements, which shall include, as appropriate, the following:

(i) A check in the amount of the then applicable Submission Fee, if any, made payable to "Spring Creek Ranch Community Association, Inc."

(ii) Two (2) copies of an accurately drawn and dimensioned site development plan indicating the location of any and all Improvements, including, specifically, the Residential Dwelling to be constructed on said Lot, the location of all driveways, walkways, decks, terraces, and patios and the relationship of the same to any setback requirements applicable to the Lot or Residential Dwelling and any utility easements affecting the Lot.

(iii) Two (2) copies of a foundation plan, floor plans and exterior elevation drawing of the front, back, and sides of the Residential Dwelling or other Improvement to be constructed on the Lot.

(iv) Two (2) copies of written specifications and, if requested by the Architectural Review Committee, samples indicating the nature, color, type, shape, height and location of all exterior materials to be used in the construction of the Residential Dwelling on such Lot or any other Improvement, including, without limitation, the type and color of all brick, stone, stucco, roofing and other materials to be utilized on the exterior of a Residential Dwelling or other Improvement and the color of paint or stain to be used on all doors, shutters, trim work, eaves and dormers on the exterior of such Residential Dwelling or other Improvement.

(v) Information sufficient to show that the lighting plan complies with the Declaration and Development Guidelines.

(vi) Information sufficient to show that the landscaping and irrigation plans comply with the Declaration and Development Guidelines.

(vii) Two (2) copies of information or documentation which clearly identifies all trees with a caliper of four (4) inches or more proposed outside the area described in Section 2.3, paragraph W, of this Declaration to be removed from the Lot.

(viii) The name, address and telephone number of the Builder.

(ix) A written statement of the estimated date of commencement, if the proposed Improvement is approved, and the estimated dated of completion.

(x) Such other plans, specifications or other information or documentation as may be required by the Architectural Review Committee.

The Architectural Review Committee shall, in its sole discretion, determine whether the Plans and other data submitted by any Owner for approval are acceptable. One copy of all Plans and related data so submitted to the Architectural Review Committee shall be retained in the records of the Architectural Review Committee and the other copy shall be returned to the Owner submitting the same marked "approved", "approved as noted" or "disapproved". The Architectural Review Committee may establish and change from time to time, if deemed appropriate, a non-refundable fee sufficient to cover the expense of reviewing Plans and related data and to compensate any consulting architects, landscape architects, designers, engineers, inspectors and/or attorneys retained in order to approve such Plans and to monitor and otherwise enforce the terms hereof (the "Submission Fee"). The Submission Fee applicable to a Residential Dwelling to be constructed on a Lot as of the date this Declaration is recorded is $100.00. However, this Submission Fee may be increased or decreased by the Architectural Review Committee as deemed appropriate.

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

Any revisions, modifications or changes in any Plans previously approved by the Architectural Review Committee must be approved by the Architectural Review Committee in the same manner specified above.

If construction of the Residential Dwelling or other Improvement has not substantially commenced (e.g., by clearing and grading, pouring of footing and otherwise commencing framing and other related construction work) within ninety (90) days of approval by the Architectural Review Committee of the Plans for such Residential Dwelling or other Improvement (or such longer period if agreed to in writing by the Architectural Review Committee), then no construction may be commenced (or continued) on such Lot and the Owner of such Lot shall be required to resubmit all Plans for any Residential Dwelling or other Improvement to the Architectural Review Committee for approval in the same manner specified above.

SECTION 3.3. ADDRESS OF COMMITTEE. The address of the Architectural Review Committee shall be at the principal office of the Association.

SECTION 3.4. DEVELOPMENT GUIDELINES. If the Development Guidelines impose requirements that are more stringent than the provisions of this Declaration, without directly conflicting with the provisions of the Declaration, the provisions of the Development Guidelines shall control, it being the intent of the Declarant to allow the Development Guidelines to supplement the Declaration on matters generally relating to architectural control and the discretionary authority vested in the Architectural Review Committee.

SECTION 3.5. FAILURE OF COMMITTEE TO ACT ON PLANS. Any request for approval of a proposed Improvement on a Lot shall be deemed disapproved by the Architectural Review Committee, unless approval is transmitted to the Owner by the Architectural Review Committee within thirty (30) days of the date of actual receipt by the Architectural Review Committee of the request. A written request for additional information or materials shall also be deemed to be a disapproval of a request, whether or not so stated in the written request.

SECTION 3.6. PROSECUTION OF WORK AFTER APPROVAL. After approval of any proposed Improvement on a Lot, the proposed Improvement shall be prosecuted diligently and continuously and shall be completed within the time frame approved by the Architectural Review Committee and in strict conformity with the description of the proposed Improvement in the Plans submitted to the Architectural Review Committee. No building materials shall be placed on a Lot until the Owner is ready to commence construction. Owners shall keep the job site and all surrounding areas clean during the progress of construction. All construction trash, debris and rubbish on each Lot shall be properly disposed of on a daily basis. In no event shall any used construction material be buried on or beneath any Lot, Residential Dwelling or other Improvement. No Owner shall allow dirt, mud, gravel or other substances to collect or remain on any street. All construction vehicles must be parked on the Lot in areas designated by the Architectural Review Committee. Construction on a Lot is permitted only between dawn and dusk Monday through Saturday, unless special permission to proceed with construction at other times is given by the Architectural Review Committee. All Builders, contractors and subcontractors must use the contractor entrance(s) designated by Declarant for both ingress to and egress from the Subdivision. Declarant shall have the authority to impose a fine in the amount of $100.00 per violation for each occasion that a Builder, contractor or one of its subcontractors fails to use the designated contractor entrance(s) for ingress to or egress from the Subdivision. Any fines imposed against a Builder in accordance with this paragraph shall be payable to the Association. Payment of such fines shall be the personal obligation of the Builder; provided that, payment of such fines shall also be secured by the lien referred to and established in Article V of this Declaration against each Lot owned by such Builder. No Improvement on a Lot shall be deemed completed until the exterior fascia and trim on the structure has been applied and finished and all construction materials and debris have been cleaned and removed from the site and all rooms in the Residential Dwelling, other than attics, have been finished. Removal of materials and debris shall not take in excess of thirty (30) days following completion of the exterior.

SECTION 3.7. NOTICE OF COMPLETION. Promptly upon completion of the Improvement on a Lot, the Owner shall deliver a notice of completion ("Notice of Completion") to the Architectural Review Committee and, for all purposes hereunder, the date of receipt of such Notice of Completion by the Architectural Review Committee shall be deemed to be the date of

completion of such Improvement, provided that the Improvement is, in fact, completed as of the date of receipt of the Notice of Completion.

SECTION 3.8. INSPECTION OF WORK. The Architectural Review Committee or its duly authorized representative shall have the right to inspect any Improvement on a Lot before or after completion, provided that the right of inspection shall terminate sixty (60) days after the Architectural Review Committee actually receives a Notice of Completion from the Owner.

SECTION 3.9. NOTICE OF NONCOMPLIANCE. If, as a result of inspections or otherwise, the Architectural Review Committee finds that any Improvement on a Lot has been constructed or undertaken without obtaining the approval of the Architectural Review Committee, or has been completed other than in strict conformity with the description and materials furnished by the Owner to the Architectural Review Committee, or has not been completed within the required time period after the date of approval by the Architectural Review Committee, the Architectural Review Committee shall notify the Owner in writing of the noncompliance ("Notice of Noncompliance"), which notice shall be given, in any event, within sixty (60) days after the Architectural Review Committee receives a Notice of Completion from the Owner. The Notice of Noncompliance shall specify the particulars of the noncompliance and shall require the Owner to take such action as may be necessary to remedy the noncompliance. If the Owner does not comply with the Notice of Noncompliance within the period specified by the Architectural Review Committee, the Association may, acting through the Board, at its option but with no obligation to do so, (a) record a Notice of Noncompliance against the Lot on which the noncompliance exists in the Official Public Records of Real Property of Harris County, Texas; (b) remove the noncomplying Improvement on the Lot and/or (c) otherwise remedy the noncompliance (including, if applicable, completion of the Improvement in question), and, if the Board elects to take any action with respect to such violation, the Owner shall reimburse the Association upon demand for all expenses incurred therewith. The permissive (but not mandatory) right of the Association to remedy or remove any noncompliance (it being understood that no Owner may require the Board to take such action) shall be in addition to all other rights and remedies that the Association may have at law, in equity, under this Declaration, or otherwise. Any expenses incurred by the Association as a result of the Owner's noncompliance, plus fifty percent (50%) of such costs for overhead and supervision and interest thereon (from the date an invoice is submitted to Owner) at the rate of eighteen percent (18%) per annum, or the maximum, non-usurious rate, whichever is less, shall be charged to the Owner's assessment account and collected in the same manner as provided in Article V.

SECTION 3.10. FAILURE OF COMMITTEE TO ACT AFTER NOTICE OF COMPLETION. If, for any reason other than the Owner's act or neglect, the Architectural Review Committee fails to notify the Owner of any noncompliance within sixty (60) days after receipt by the Architectural Review Committee of a written Notice of Completion from the Owner, the Improvement on the Lot shall be deemed in compliance if the Improvement on the Lot in fact was completed as of the date of Notice of Completion; provided, however, that no such deemed approval shall operate to permit any Owner to construct or maintain any Improvement on a Lot that violates any provision of this Declaration or the recorded Development Guidelines, the Architectural Review Committee at all times retaining the right to object to any Improvement on a Lot that violates this Declaration or the recorded Development Guidelines.

SECTION 3.11. NO IMPLIED WAIVER OR ESTOPPEL. No action or failure to act by the Architectural Review Committee or by the Board of Directors shall constitute a waiver or

estoppel with respect to future action by the Architectural Review Committee or the Board of Directors, with respect to any Improvement on a Lot. Specifically, the approval by the Architectural Review Committee of an Improvement on a Lot shall not be deemed a waiver of any right or an estoppel against withholding approval or consent for any similar Improvement on another Lot or any similar proposals, Plans, specifications, or other materials submitted with respect to any other Improvement on a Lot by such person or otherwise.

SECTION 3.12. POWER TO GRANT VARIANCES. The Architectural Review Committee may authorize variances from compliance with any of the provisions of Article II of this Declaration (except for the provisions relating to single family residential construction and use), including restrictions upon placement of structures, the time for completion of construction of Improvements on a Lot or similar restrictions, when circumstances such as topography, natural obstructions, hardship, aesthetic, environmental, or other relevant considerations may require. Such variances must be evidenced in writing and shall become effective when signed by at least a majority of the members of the Architectural Review Committee. If any such variance is granted, no violation of the provisions of this Declaration shall be deemed to have occurred with respect to the matter for which the variance was granted; provided, however, that the granting of a variance shall not operate to waive any of the provisions of this Declaration for any purpose except as to the particular property and particular provision hereof covered by the variance, nor shall the granting of any variance affect the jurisdiction of the Architectural Review Committee other than with respect to the subject matter of the variance, nor shall the granting of a variance affect in any way the Owner's obligation to comply with all governmental laws and regulations affecting the property concerned.

SECTION 3.13. COMPENSATION OF ARCHITECTURAL REVIEW COMMITTEE MEMBERS. The members of the Architectural Review Committee shall be entitled to reimbursement for reasonable expenses incurred by them in the performance of their duties hereunder as the Board from time to time may authorize or approve.

SECTION 3.14. ESTOPPEL CERTIFICATES. The Board of Directors, upon the reasonable request of any interested party and after confirming any necessary facts with the Architectural Review Committee, shall furnish a certificate with respect to the approval or disapproval of any Improvement on a Lot or with respect to whether any Improvement on a Lot was made in compliance with the provisions of this Declaration and the Development Guidelines. Any person, without actual notice of any falsity or inaccuracy of such a certificate, shall be entitled to rely on such certificate with respect to all matters set forth therein.

SECTION 3.15. NONLIABILITY FOR ARCHITECTURAL REVIEW COMMITTEE ACTION. None of the members of the Architectural Review Committee, the Association, any member of the Board of Directors, or Declarant shall be liable for any loss, damage, or injury arising out of or in any way connected with the performance of the duties of the Architectural Review Committee, except to the extent caused by the willful misconduct or bad faith of the party to be held liable. In reviewing any matter, the Architectural Review Committee shall not inspect, guarantee or warrant the workmanship of the Improvement, including its design, construction, safety, whether structural or otherwise, conformance with building codes, or other governmental laws or regulations or whether the Improvement is suitable or fit for its intended purpose. Furthermore, none of the members of the Architectural Review Committee, any member of the Board of Directors, or Declarant shall be personally liable for debts contracted for or otherwise incurred by the Association or for any torts committed by or on behalf of the

estoppel with respect to future action by the Architectural Review Committee or the Board of Directors, with respect to any Improvement on a Lot. Specifically, the approval by the Architectural Review Committee of an Improvement on a Lot shall not be deemed a waiver of any right or an estoppel against withholding approval or consent for any similar Improvement on another Lot or any similar proposals, Plans, specifications, or other materials submitted with respect to any other Improvement on a Lot by such person or otherwise.

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SECTION 3.15. NONLIABILITY FOR ARCHITECTURAL REVIEW COMMITTEE ACTION. None of the members of the Architectural Review Committee, the Association, any member of the Board of Directors, or Declarant shall be liable for any loss, damage, or injury arising out of or in any way connected with the performance of the duties of the Architectural Review Committee, except to the extent caused by the willful misconduct or bad faith of the party to be held liable. In reviewing any matter, the Architectural Review Committee shall not inspect, guarantee or warrant the workmanship of the Improvement, including its design, construction, safety, whether structural or otherwise, conformance with building codes, or other governmental laws or regulations or whether the Improvement is suitable or fit for its intended purpose. Furthermore, none of the members of the Architectural Review Committee, any member of the Board of Directors, or Declarant shall be personally liable for debts contracted for or otherwise incurred by the Association or for any torts committed by or on behalf of the

estoppel with respect to future action by the Architectural Review Committee or the Board of Directors, with respect to any Improvement on a Lot. Specifically, the approval by the Architectural Review Committee of an Improvement on a Lot shall not be deemed a waiver of any right or an estoppel against withholding approval or consent for any similar Improvement on another Lot or any similar proposals, Plans, specifications, or other materials submitted with respect to any other Improvement on a Lot by such person or otherwise.

SECTION 3.12. POWER TO GRANT VARIANCES. The Architectural Review Committee may authorize variances from compliance with any of the provisions of Article II of this Declaration (except for the provisions relating to single family residential construction and use), including restrictions upon placement of structures, the time for completion of construction of Improvements on a Lot or similar restrictions, when circumstances such as topography, natural obstructions, hardship, aesthetic, environmental, or other relevant considerations may require. Such variances must be evidenced in writing and shall become effective when signed by at least a majority of the members of the Architectural Review Committee. If any such variance is granted, no violation of the provisions of this Declaration shall be deemed to have occurred with respect to the matter for which the variance was granted; provided, however, that the granting of a variance shall not operate to waive any of the provisions of this Declaration for any purpose except as to the particular property and particular provision hereof covered by the variance, nor shall the granting of any variance affect the jurisdiction of the Architectural Review Committee other than with respect to the subject matter of the variance, nor shall the granting of a variance affect in any way the Owner's obligation to comply with all governmental laws and regulations affecting the property concerned.

SECTION 3.13. COMPENSATION OF ARCHITECTURAL REVIEW COMMITTEE MEMBERS. The members of the Architectural Review Committee shall be entitled to reimbursement for reasonable expenses incurred by them in the performance of their duties hereunder as the Board from time to time may authorize or approve.

SECTION 3.14. ESTOPPEL CERTIFICATES. The Board of Directors, upon the reasonable request of any interested party and after confirming any necessary facts with the Architectural Review Committee, shall furnish a certificate with respect to the approval or disapproval of any Improvement on a Lot or with respect to whether any Improvement on a Lot was made in compliance with the provisions of this Declaration and the Development Guidelines. Any person, without actual notice of any falsity or inaccuracy of such a certificate, shall be entitled to rely on such certificate with respect to all matters set forth therein.

SECTION 3.15. NONLIABILITY FOR ARCHITECTURAL REVIEW COMMITTEE ACTION. None of the members of the Architectural Review Committee, the Association, any member of the Board of Directors, or Declarant shall be liable for any loss, damage, or injury arising out of or in any way connected with the performance of the duties of the Architectural Review Committee, except to the extent caused by the willful misconduct or bad faith of the party to be held liable. In reviewing any matter, the Architectural Review Committee shall not inspect, guarantee or warrant the workmanship of the Improvement, including its design, construction, safety, whether structural or otherwise, conformance with building codes, or other governmental laws or regulations or whether the Improvement is suitable or fit for its intended purpose. Furthermore, none of the members of the Architectural Review Committee, any member of the Board of Directors, or Declarant shall be personally liable for debts contracted for or otherwise incurred by the Association or for any torts committed by or on behalf of the

Association, or for a tort of another of such individuals, whether such other individuals were acting on behalf of the Association, the Architectural Review Committee, the Board of Directors, or otherwise. Finally, neither Declarant, the Association, the Board, the Architectural Review Committee, or their officers, agents, members, or employees shall be liable for any incidental or consequential damages for failure to inspect any Improvement or portion thereof, or for failure to repair or maintain the same.

SECTION 3.16. CONSTRUCTION PERIOD EXCEPTION. During the course of actual construction of any permitted Improvement on a Lot, and provided construction is proceeding with due diligence, the Architectural Review Committee may temporarily suspend the provisions of Article II contained in this Declaration as to the Lot upon which the construction is taking place to the extent necessary to permit such construction; provided, however, that during the course of any such construction, nothing shall be done that will result in a violation of any of the provisions of this Declaration upon completion of construction or that will constitute a nuisance or unreasonable interference with the use and enjoyment of other property within the Subdivision.

SECTION 3.17. SUBSURFACE CONDITIONS. The approval of Plans by the Architectural Review Committee for any Residential Dwelling or other Improvement on a Lot shall not be construed in any respect as a representation or warranty by the Architectural Review Committee or Declarant to the Owner submitting such Plans or to any of the successors or assigns of such Owner that the surface or subsurface conditions of such Lot are suitable for the construction of the Improvement contemplated by such Plans. It shall be the sole responsibility of each Owner to determine the suitability and adequacy of the surface and subsurface conditions of any Lot for the construction of any contemplated Improvement thereon.

SECTION 3.18. LANDSCAPING. No landscaping, grading, excavation or fill work of any nature should be implemented or installed by any Owner on any Lot unless and until landscaping plans therefor have been submitted to and approved by the Architectural Review Committee in accordance with the provisions of this Article III.

ARTICLE IV
MANAGEMENT AND OPERATION OF SUBDIVISION

SECTION 4.1. MANAGEMENT BY ASSOCIATION. The affairs of the Subdivision shall be administered by the Association. The Association shall have the right, power and obligation to provide for the management, administration, and operation of the Subdivision as herein provided for and as provided for in the Articles of Incorporation, Bylaws, and Rules and Regulations. The business and affairs of the Association shall be managed by its Board of Directors. The Declarant shall determine the number of Directors and appoint, dismiss and reappoint all of the members of the Board until the First Meeting of the Members of the Association is held in accordance with the provisions of Section 4.4 and a Board of Directors is elected (the Board of Directors appointed by Declarant, at any given time, being referred to herein as "the Appointed Board"). The Appointed Board may engage the Declarant or any entity, whether or not affiliated with Declarant, to perform the day to day functions of the Association and to provide for the management, administration and operation of the Subdivision. The Association, acting through the Board, shall be entitled to enter into such contracts and agreements concerning the Subdivision as the Board deems reasonably necessary or appropriate to manage and operate the Subdivision in accordance with this Declaration, including without limitation, the right to grant

utility and other easements for uses the Board shall deem appropriate and the right to enter into agreements with adjoining or nearby land owners or governmental entities on matters of maintenance, trash pick-up, repair, administration, patrol services, traffic, operation of recreational facilities, or other matters of mutual interest.

SECTION 4.2. MEMBERSHIP IN ASSOCIATION. Each Owner of a Lot, whether one or more persons or entities, shall, upon and by virtue of becoming such Owner, automatically become and shall remain a Member of the Association until his ownership ceases for any reason, at which time his membership in the Association shall automatically cease. Membership in the Association shall be appurtenant to and shall automatically follow the ownership of each Lot and may not be separated from such ownership.

SECTION 4.3. VOTING OF MEMBERS. Subject to any limitations set forth in this Declaration or the ByLaws, each Member other than Declarant shall be a Class A Member entitled to one (1) vote per Lot owned on each matter submitted to a vote of the Members. Declarant shall be a Class B Member having five (5) votes for each Lot owned. No Member in Good Standing shall be entitled to vote at any meeting of the Association until such Owner has presented evidence of ownership of a Lot in the Subdivision to the Secretary of the Association. In the event that ownership interests in a Lot are owned by more than one Class A Member of the Association, such Class A Members shall exercise their right to vote in such manner as they may among themselves determine, but in no event shall more than one (1) vote be cast for each Lot. Such Class A Members shall appoint one of them as the Class A Member who shall be entitled to exercise the vote of that Lot at any meeting of the Association. Such designation shall be made in writing to the Board of Directors and shall be revocable at any time by actual written notice to the Board. The Board shall be entitled to rely on any such designation until written notice revoking such designation is received by the Board. In the event that a Lot is owned by more than one Class A Member of the Association, and no single Class A Member is designated to vote on behalf of the Class A Members having an ownership interest in such Lot, then the Class A Member exercising the vote for the Lot shall be deemed to be designated to vote on behalf of the Class A Members having an ownership interest in the Lot. All Members of the Association may attend meetings of the Association and all Members in Good Standing may exercise their vote at such meetings either in person or proxy. Occupants of Lots who are not Members of the Association may attend meetings of the Association and serve on committees (except the Architectural Review Committee, after Class B membership in the Association ceases to exist). Fractional votes and split votes will not be permitted. The decision of the Board of Directors as to the number of votes which any Member is entitled to cast, based upon the number of Lots owned by him, shall be conclusive and binding on all parties.

Class B membership in the Association shall cease and be converted to Class A membership at the conclusion of the First Meeting as provided in Section 4.4 of this Article, or on any earlier date selected by Declarant and evidenced by a written notice recorded in the Official Public Records of Real Property of Harris County, Texas.

SECTION 4.4. MEETINGS OF THE MEMBERS. The First Meeting of the Members of the Association shall be held when called by the Appointed Board upon no less than ten (10) and no more than fifty (50) days' prior written notice to the Members. Such written notice may be given at any time but must be given not later than thirty (30) days after all of the Lots subject to this Declaration have been sold by Declarant as evidenced by a deed recorded in the Official Public

utility and other easements for uses the Board shall deem appropriate and the right to enter into agreements with adjoining or nearby land owners or governmental entities on matters of maintenance, trash pick-up, repair, administration, patrol services, traffic, operation of recreational facilities, or other matters of mutual interest.

SECTION 4.2. MEMBERSHIP IN ASSOCIATION. Each Owner of a Lot, whether one or more persons or entities, shall, upon and by virtue of becoming such Owner, automatically become and shall remain a Member of the Association until his ownership ceases for any reason, at which time his membership in the Association shall automatically cease. Membership in the Association shall be appurtenant to and shall automatically follow the ownership of each Lot and may not be separated from such ownership.

SECTION 4.3. VOTING OF MEMBERS. Subject to any limitations set forth in this Declaration or the ByLaws, each Member other than Declarant shall be a Class A Member entitled to one (1) vote per Lot owned on each matter submitted to a vote of the Members. Declarant shall be a Class B Member having five (5) votes for each Lot owned. No Member in Good Standing shall be entitled to vote at any meeting of the Association until such Owner has presented evidence of ownership of a Lot in the Subdivision to the Secretary of the Association. In the event that ownership interests in a Lot are owned by more than one Class A Member of the Association, such Class A Members shall exercise their right to vote in such manner as they may among themselves determine, but in no event shall more than one (1) vote be cast for each Lot. Such Class A Members shall appoint one of them as the Class A Member who shall be entitled to exercise the vote of that Lot at any meeting of the Association. Such designation shall be made in writing to the Board of Directors and shall be revocable at any time by actual written notice to the Board. The Board shall be entitled to rely on any such designation until written notice revoking such designation is received by the Board. In the event that a Lot is owned by more than one Class A Member of the Association, and no single Class A Member is designated to vote on behalf of the Class A Members having an ownership interest in such Lot, then the Class A Member exercising the vote for the Lot shall be deemed to be designated to vote on behalf of the Class A Members having an ownership interest in the Lot. All Members of the Association may attend meetings of the Association and all Members in Good Standing may exercise their vote at such meetings either in person or proxy. Occupants of Lots who are not Members of the Association may attend meetings of the Association and serve on committees (except the Architectural Review Committee, after Class B membership in the Association ceases to exist). Fractional votes and split votes will not be permitted. The decision of the Board of Directors as to the number of votes which any Member is entitled to cast, based upon the number of Lots owned by him, shall be conclusive and binding on all parties.

Class B membership in the Association shall cease and be converted to Class A membership at the conclusion of the First Meeting as provided in Section 4.4 of this Article, or on any earlier date selected by Declarant and evidenced by a written notice recorded in the Official Public Records of Real Property of Harris County, Texas.

SECTION 4.4. MEETINGS OF THE MEMBERS. The First Meeting of the Members of the Association shall be held when called by the Appointed Board upon no less than ten (10) and no more than fifty (50) days' prior written notice to the Members. Such written notice may be given at any time but must be given not later than thirty (30) days after all of the Lots subject to this Declaration have been sold by Declarant as evidenced by a deed recorded in the Official Public

Records of Real Property of Harris County, Texas for each Lot. The First Elected Board shall be elected at the First Meeting of the Members of the Association. Thereafter, annual and special meetings of the Members of the Association shall be held at such place and time and on such dates as shall be specified or provided in the Bylaws.

SECTION 4.5. PROFESSIONAL MANAGEMENT. The Board shall have the authority to retain, hire, employ or contract with such professional management companies or personnel as the Board deems appropriate to perform the day to day functions of the Association and to provide for the administration and operation of the Subdivision as provided for herein and as provided for in the Bylaws.

SECTION 4.6. BOARD ACTIONS IN GOOD FAITH. Any action, inaction or omission by the Board made or taken in good faith shall not subject the Board or any individual member of the Board to any liability to the Association, its Members or any other party.

SECTION 4.7. STANDARD OF CONDUCT. The Board of Directors, the officers of the Association, and the Association shall have the duty to represent the interests of the Owners in a fair and just manner. Any act or thing done by any Director, officer or committee member taken in furtherance of the purposes of the Association, and accomplished in conformity with the Declaration, Articles of Incorporation, ByLaws and the laws of the State of Texas, shall be reviewed under the standard of the Business Judgment Rule as established by the common law of Texas, and such act or thing shall not be a breach of duty on the part of the Director, officer or committee member if taken or done within the exercise of their discretion and judgment. The Business Judgment Rule means that a court shall not substitute its judgment for that of the Director, officer or committee member. A court shall not re-examine the decisions made by a Director, officer or committee member by determining the reasonableness of the decision as long as the decision is made in good faith and in what the Director, officer, or committee member believed to be in the best interest of the Association.

SECTION 4.8. IMPLIED RIGHTS; BOARD AUTHORITY. The Association may exercise any right or privilege given to it expressly by the provisions of this Declaration or its Articles of Incorporation or Bylaws, or reasonably implied from or reasonably necessary to effectuate any such right or privilege. All rights and powers of the Association may be exercised by the Board of Directors without a vote of the membership except where any provision in this Declaration, the Articles of Incorporation, the Bylaws or applicable law specifically requires a vote of the membership.

The Board may institute, defend, settle or intervene on behalf of the Association in litigation, administrative proceedings, binding or non-binding arbitration or mediation in matters pertaining to (a) Common Areas or other areas in which the Association has or assumes responsibility pursuant to the provisions of this Declaration, (b) enforcement of this Declaration or any Rules and Regulations or the Development Guidelines or (c) any other civil claim or action. However, no provision in this Declaration or the Articles of Incorporation or Bylaws shall be construed to create any independent legal duty to institute litigation on behalf of or in the name of the Association.

Records of Real Property of Harris County, Texas for each Lot. The First Elected Board shall be elected at the First Meeting of the Members of the Association. Thereafter, annual and special meetings of the Members of the Association shall be held at such place and time and on such dates as shall be specified or provided in the Bylaws.

SECTION 4.5. PROFESSIONAL MANAGEMENT. The Board shall have the authority to retain, hire, employ or contract with such professional management companies or personnel as the Board deems appropriate to perform the day to day functions of the Association and to provide for the administration and operation of the Subdivision as provided for herein and as provided for in the Bylaws.

SECTION 4.6. BOARD ACTIONS IN GOOD FAITH. Any action, inaction or omission by the Board made or taken in good faith shall not subject the Board or any individual member of the Board to any liability to the Association, its Members or any other party.

SECTION 4.7. STANDARD OF CONDUCT. The Board of Directors, the officers of the Association, and the Association shall have the duty to represent the interests of the Owners in a fair and just manner. Any act or thing done by any Director, officer or committee member taken in furtherance of the purposes of the Association, and accomplished in conformity with the Declaration, Articles of Incorporation, ByLaws and the laws of the State of Texas, shall be reviewed under the standard of the Business Judgment Rule as established by the common law of Texas, and such act or thing shall not be a breach of duty on the part of the Director, officer or committee member if taken or done within the exercise of their discretion and judgment. The Business Judgment Rule means that a court shall not substitute its judgment for that of the Director, officer or committee member. A court shall not re-examine the decisions made by a Director, officer or committee member by determining the reasonableness of the decision as long as the decision is made in good faith and in what the Director, officer, or committee member believed to be in the best interest of the Association.

SECTION 4.8. IMPLIED RIGHTS; BOARD AUTHORITY. The Association may exercise any right or privilege given to it expressly by the provisions of this Declaration or its Articles of Incorporation or Bylaws, or reasonably implied from or reasonably necessary to effectuate any such right or privilege. All rights and powers of the Association may be exercised by the Board of Directors without a vote of the membership except where any provision in this Declaration, the Articles of Incorporation, the Bylaws or applicable law specifically requires a vote of the membership.

The Board may institute, defend, settle or intervene on behalf of the Association in litigation, administrative proceedings, binding or non-binding arbitration or mediation in matters pertaining to (a) Common Areas or other areas in which the Association has or assumes responsibility pursuant to the provisions of this Declaration, (b) enforcement of this Declaration or any Rules and Regulations or the Development Guidelines or (c) any other civil claim or action. However, no provision in this Declaration or the Articles of Incorporation or Bylaws shall be construed to create any independent legal duty to institute litigation on behalf of or in the name of the Association.

ARTICLE V
MAINTENANCE EXPENSE CHARGE AND MAINTENANCE FUND

SECTION 5.1. MAINTENANCE FUND. All Annual Maintenance Charges collected by the Association and all interest, penalties, assessments and other sums and revenues collected by the Association constitute the Maintenance Fund. The Maintenance Fund shall be held, managed, invested and expended by the Board, at its discretion, for the benefit of the Subdivision and the Owners of Lots therein. The Board shall by way of illustration and not by way of limitation, expend the Maintenance Fund for the administration, management, and operation of the Subdivision; for the maintenance, repair and improvement of the Common Area; for the maintenance of any easements granted to the Association; for the enforcement of the provisions of this Declaration by action at law or in equity, or otherwise, and the payment of court costs as well as reasonable and necessary legal fees; and for all other purposes that are, in the discretion of the Board, desirable in order to maintain the character and value of the Subdivision and the Lots therein. The Board and its individual members shall not be liable to any person as a result of actions taken by the Board with respect to the Maintenance Fund, except for willful neglect or intentional wrongdoings.

SECTION 5.2. COVENANTS FOR ANNUAL MAINTENANCE CHARGES AND ASSESSMENTS. Subject to Article V, Section 5.7, below, each and every Lot in the Subdivision is hereby severally subjected to and impressed with an Annual Maintenance Charge or assessment in an amount to be determined annually by the Board, which Annual Maintenance Charge shall run with the land. Each Owner of a Lot, by accepting a deed to the Lot, whether or not it shall be so expressed in such deed, is hereby conclusively deemed to covenant and agree, as a covenant running with the land, to pay to the Association, its successors or assigns, each and all of the Annual Maintenance Charges and assessments levied against his Lot and/or assessed against him by virtue of his ownership thereof, as the same shall become due and payable, without demand. The Annual Maintenance Charges and assessments herein provided for shall be a charge and a continuing lien upon each Lot, together with all Improvements thereon, as hereinafter more particularly stated. Each Annual Maintenance Charge or assessment, together with late charges, interest, costs, and reasonable attorney's fees, shall also be the personal obligation of the person who was the Owner of the Lot at the time the obligation to pay such Annual Maintenance Charge or assessment accrued, but no Owner shall be personally liable for the payment of any Annual Maintenance Charge or assessment made or becoming due and payable after his ownership ceases. No Owner shall be exempt or excused from paying any such Annual Maintenance Charge or assessment by waiver of the use or enjoyment of the Common Areas, or any part thereof, or by abandonment of his Lot or his interest therein.

SECTION 5.3. BASIS AND MAXIMUM ANNUAL MAINTENANCE CHARGE. Until January 1 of the year immediately following the conveyance of the first Lot from Declarant to an Owner, the maximum Annual Maintenance Charge or assessment shall be $750.00 per Lot. From and after January 1 of the year immediately following the conveyance of the first Lot from Declarant to an Owner, the maximum Annual Maintenance Charge or assessment may be automatically increased, effective January 1 of each year, by an amount equal to a fifteen percent (15%) increase over the prior year's maximum Annual Maintenance Charge or assessment without a vote of the Members of the Association. From and after January 1 of the year immediately following the conveyance of the first Lot by Declarant to an Owner, the maximum Annual

Maintenance Charge or assessment may be increased above fifteen percent (15%) only if approved in writing by a majority of the Members in Good Standing or by the vote of not less than two-thirds (2/3) of the Members in Good Standing present and voting, in person or by proxy, at a meeting of the Members called for that purpose at which a quorum is present. After consideration of current maintenance costs and future needs of the Association, the Board of Directors may fix the Annual Maintenance Charge or assessment at an amount not in excess of the maximum amount established pursuant to this Section. Except as provided in Section 5.7, the Annual Maintenance Charge or assessment levied against each Lot shall be uniform.

SECTION 5.4. DATE OF COMMENCEMENT AND DETERMINATION OF ANNUAL MAINTENANCE CHARGE. The initial maximum Annual Maintenance Charge or assessment provided for herein shall be established as to all Lots on the date this Declaration is recorded in the Official Public Records of Real Property of Harris County, Texas. However, the Annual Maintenance Charge or assessment shall commence as to each Lot on the date of the conveyance of the Lot by the Declarant and shall be prorated according to the number of days remaining in the calendar year. On or before the 30th day of November in each year, the Board of Directors of the Association shall fix the amount of the Annual Maintenance Charge or assessment to be levied against each Lot in the next calendar year. Written notice of the figure at which the Board of Directors of the Association has set the Annual Maintenance Charge or assessment for Lots shall be sent to every Lot Owner. Provided that, the failure to fix the amount of the Annual Maintenance Charge or assessment or to send written notice thereof to all Owners shall not affect the authority of the Association to levy Annual Maintenance Charges or assessments or to increase Annual Maintenance Charges or assessments as provided in this Declaration.

SECTION 5.5. SPECIAL ASSESSMENTS. If the Board at any time, or from time to time, determines that the Annual Maintenance Charges assessed for any period are insufficient to provide for the continued operation of the Subdivision or any other purposes contemplated by the provisions of this Declaration, then the Board shall have the authority to levy such Special Assessments ("Special Assessments") as it shall deem necessary to provide for such continued maintenance and operation. No Special Assessment shall be effective until the same is approved in writing by at least a majority of the Members in Good Standing, or by the vote of not less than two-thirds (2/3) of the Members in Good Standing present and voting, in person or by proxy, at meeting of the Members called for that purpose at which a quorum is present. Any such Special Assessment shall be payable in the manner determined by the Board and the payment thereof may be enforced in the manner herein specified for the payment of the Annual Maintenance Charges. The amount of any Special Assessment levied against Lots shall be uniform.

SECTION 5.6. ENFORCEMENT OF ANNUAL MAINTENANCE CHARGE/ SUBORDINATION OF LIEN. The Annual Maintenance Charge assessed against each Lot shall be due and payable, in advance, on the date of the sale of such Lot by Declarant for that portion of the calendar year remaining, and on the first (1st) day of each January thereafter. Any Annual Maintenance Charge which is not paid and received by the Association by the thirty-first (31st) day of each January thereafter shall be deemed to be delinquent, and, without notice, shall bear interest at the rate of eighteen percent (18%) per annum or the maximum, non-usurious rate, whichever is less, from the date originally due until paid. Further, the Board of Directors of the Association shall have the authority to impose a monthly late charge on any delinquent Annual Maintenance Charge, Special Assessment or Reserve Assessment. The monthly late charge, if imposed, shall be in addition to interest. To secure the payment of the Annual Maintenance Charge, Special

Maintenance Charge or assessment may be increased above fifteen percent (15%) only if approved in writing by a majority of the Members in Good Standing or by the vote of not less than two-thirds (2/3) of the Members in Good Standing present and voting, in person or by proxy, at a meeting of the Members called for that purpose at which a quorum is present. After consideration of current maintenance costs and future needs of the Association, the Board of Directors may fix the Annual Maintenance Charge or assessment at an amount not in excess of the maximum amount established pursuant to this Section. Except as provided in Section 5.7, the Annual Maintenance Charge or assessment levied against each Lot shall be uniform.

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Assessments and Reserve Assessments levied hereunder and any other sums due hereunder (including, without limitation, interest, late fees, costs, attorney's fees or delinquency charges), there is hereby created and fixed a separate and valid and subsisting lien upon and against each Lot and all Improvements thereon for the benefit of the Association, and superior title to each Lot is hereby reserved in and to the Association. The lien described in this Section 5.6 and the superior title herein reserved shall be deemed subordinate to any Mortgage for the purchase or Improvement of any Lot and any renewal, extension, rearrangements or refinancing thereof. The collection of such Annual Maintenance Charge, Special Assessment, Reserve Assessment, and other sums due hereunder may, in addition to any other applicable method at law or in equity, be enforced by suit for a money judgment and in the event of such suit, the expense incurred in collecting such delinquent amounts, including interest, late charges, costs and attorney's fees shall be chargeable to and be a personal obligation of the defaulting Owner. Further, the voting rights of any Owner in default in the payment of the Annual Maintenance Charge, Special Assessment, Reserve Assessment or other charge owing hereunder for which an Owner is liable, and/or any services provided by the Association, shall be automatically suspended without the necessity of action by the Board for the period during which such default exists, unless otherwise provided by law. Notice of the lien referred to in the preceding paragraph may, but shall not be required to, be given by recording an affidavit, duly executed, and acknowledged by an authorized representative of the Association, setting forth the amount owned, the name of the Owner or Owners of the affected Lot according to the records of the Association, and the legal description of such Lot in the Official Public Records of Real Property of Harris County, Texas. Each Owner, by acceptance of a deed to his Lot, hereby expressly recognizes the existence of such lien as being prior to his ownership of such Lot and hereby vests in the Association the right and power to bring all actions against such Owner or Owners personally for the collection of such unpaid Annual Maintenance Charge, Special Assessment, Reserve Assessment and other sums due hereunder as a debt, and to enforce the aforesaid lien by all methods available for the enforcement of such liens, including both judicial and non-judicial foreclosure pursuant to Chapter 51 of the Texas Property Code (as same may be amended or revised from time to time hereafter); in addition to and in connection therewith, by acceptance of the deed to his Lot, each Owner expressly grants, bargains, sells and conveys to the President of the Association from time to time serving, as trustee (and to any substitute or successor trustee as hereinafter provided for) such Owner's Lot, and all rights appurtenant thereto, in trust, for the purpose of securing the aforesaid Annual Maintenance Charge, Special Assessments, Reserve Assessments and other sums due hereunder remaining unpaid hereunder by such Owner from time to time and grants to such trustee a power of sale. The trustee herein designated may be changed any time and from time to time by execution of an instrument in writing signed by the President or Vice President of the Association and filed in the Official Public Records of Real Property of Harris County, Texas. In the event of the election by the Board to foreclose the lien herein provided for nonpayment of sums secured by such lien, then it shall be the duty of the trustee, or his successor, as hereinabove provided, to enforce the lien and to sell such Lot, and all rights appurtenant thereto, in accordance with the provisions of Chapter 51 of the Texas Property Code as same may hereafter be amended. At any foreclosure, judicial or non-judicial, the Association shall be entitled to bid up to the amount of the sum secured by its lien, together with costs and attorney's fees, and to apply as a cash credit against its bid all sums due to the Association covered by the lien foreclosed. From and after any such foreclosure the occupants of such Lot shall be required to pay a reasonable rent for the use of such Lot and such occupancy shall constitute a tenancy-at-sufferance, and the purchaser at such foreclosure sale shall

be entitled to the appointment of a receiver to collect such rents and, further, shall be entitled to sue for recovery of possession of such Lot by forcible detainer without further notice, except as may otherwise be provided by law.

SECTION 5.7. PAYMENT OF ASSESSMENTS BY DECLARANT. Lots owned by Declarant are exempt from Annual Maintenance Charges and Special Assessments levied by the Association as long as Class B membership in the Association exists. Provided that, as long as there is Class B membership, Declarant shall loan funds to the Association to pay any deficiency in the operating budget, less sums deposited in any reserve account established by the Association or otherwise set aside for reserves.

SECTION 5.8. RESERVE ASSESSMENT. Upon the initial conveyance of a Lot by Declarant, the purchaser of the Lot shall pay to the Association a sum equal to one and one-half (1½) times the Annual Maintenance Charge or assessment in effect for Lots as of the date of closing on the sale of such Lot. The sum payable to the Association upon the sale of a Lot as provided in this section is referred to herein as the "Reserve Assessment". The Reserve Assessment shall be due and payable on or before ten (10) days after the date the deed conveying the Lot to the purchaser is recorded or, if a contract for deed or similar instrument, the date the contract for deed is executed. Payment of the Reserve Assessment shall be in default if the Reserve Assessment is not paid on or before the due date for such payment. Reserve Assessments in default shall bear interest at the rate of eighteen percent (18%) per annum or the maximum, non-usurious rate, whichever is less, from the due date until paid and late charges at the same rate applicable to the Annual Maintenance Charge. All Reserve Assessments collected by the Association shall be deposited into a reserve account established and maintained by the Association for capital improvements and/or the repair or refurbishment of the Common Areas. No Reserve Assessment paid by an Owner shall be refunded to the Owner by the Association. The Association may enforce payment of the Reserve Assessment in the same manner which the Association may enforce payment of Annual Maintenance Charges and Special Assessments pursuant to this Article V.

SECTION 5.9. SILT REMOVAL FEE. Upon the initial conveyance of a Lot by Declarant to an Owner, the Owner is required to pay a fee to the Association in the amount of $350.00 (the "Silt Removal Fee"). The funds received by the Association through the payment of these fees shall be used by the Association from time to time to remove silt from the ditches throughout the Subdivision. The Silt Removal Fee shall be due and payable on or before ten (10) days after the date the deed conveying the Lot to the purchaser is recorded or, if a contract for deed or similar instrument, the date the contract for deed is executed. Payment of the Silt Removal Fee shall be in default if the Silt Removal Fee is not paid on or before the due date for such payment. Silt Removal Fees in default shall bear interest at the rate of eighteen percent (18%) per annum or the maximum, non-usurious rate, whichever is less, from the due date until paid and late charges at the same rate applicable to the Annual Maintenance Charge. No Silt Removal Fee paid by an Owner shall be refunded to the Owner by the Association. The Silt Removal Fee shall be considered an assessment; the Association may enforce payment of the Silt Removal Fee in the same manner which the Association may enforce payment of Annual Maintenance Charges and Special Assessments pursuant to this Article V.

SECTION 5.10. NOTICE OF SUMS OWING. Upon the written request of an Owner, the Association shall provide to such Owner a written statement setting out the then current total of all Annual Maintenance Charges, Special Assessments, Reserve Assessments, and other sums, if any, owing by such Owner with respect to his Lot. In addition to such Owner, the written

statement from the Association so advising the Owner may also be addressed to and be for the benefit of a prospective lender or purchaser of the Lot, as same may be identified by said Owner to the Association in the written request for such information. The Association shall be entitled to charge the Owner a reasonable fee for such statement.

SECTION 5.11. FORECLOSURE OF MORTGAGE. In the event of a foreclosure of a Mortgage on a Lot that is superior to the lien created by this Declaration for the benefit of the Association, the purchaser at the foreclosure sale shall not be responsible for Annual Maintenance Charges, Special Assessments, Reserve Assessments or other sums, if any, which accrued and were payable to the Association by the prior Owner of the Lot, but said purchaser and its successors shall be responsible for Annual Maintenance Charges, Special Assessments, Reserve Assessments and other sums, if any, becoming due and owing to the Association with respect to said Lot after the date of foreclosure.

SECTION 5.12. TRANSFER FEES AND RESALE CERTIFICATES. The Board of Directors of the Association shall establish and change from time to time, if deemed appropriate, a fee sufficient to cover the expense associated with providing information in connection with the sale of a Lot in the Subdivision and changing the ownership records of the Association ("Transfer Fee"). A Transfer Fee shall be paid to the Association or the managing agent of the Association, if agreed upon by the Association, upon each transfer of title to a Lot. The Transfer Fee shall be paid by the purchaser of the Lot, unless otherwise agreed by the seller and purchaser of the Lot. The Association shall also have the authority to establish and change from time to time, if deemed appropriate, a fee sufficient to cover the expense associated with providing a Resale Certificate in connection with the sale of a Lot. The fee for a Resale Certificate shall be paid to the Association or the managing agent of the Association, if agreed to by the Association. The fee for a Resale Certificate shall be in addition to, not in lieu of, the Transfer Fee.

ARTICLE VI
INSURANCE; SECURITY

SECTION 6.1. GENERAL PROVISIONS. The Board shall have the authority to determine whether or not to obtain insurance for the Association and, if insurance is obtained, the amounts thereof. In the event that insurance is obtained, the premiums for such insurance shall be an expense of the Association which shall be paid out of the Maintenance Fund.

SECTION 6.2. INDIVIDUAL INSURANCE. Each Owner, tenant or other person occupying a Residential Dwelling, shall be responsible for insuring his Lot and his Residential Dwelling, its contents and furnishings. Each Owner, tenant or other person occupying a Residential Dwelling, shall, at his own cost and expense, be responsible for insuring against the liability of such Owner, tenant or occupant.

SECTION 6.3. INDEMNITY OF ASSOCIATION. Each Owner shall be responsible for any costs incurred as a result of such Owner's negligence or misuse or the negligence or misuse of his family, tenants, guests, invitees, agents, employees, or any resident or occupant of his Residential Dwelling, and by acceptance of a deed to a Lot does hereby indemnify the Association, its officers, directors and agents, and all other Owners against any such costs.

SECTION 6.4. SECURITY. THE ASSOCIATION, ITS DIRECTORS, OFFICERS, MANAGERS, EMPLOYEES, AGENTS AND ATTORNEYS, ("ASSOCIATION AND RELATED PARTIES") SHALL NOT IN ANY WAY BE CONSIDERED AN INSURER OR GUARANTOR OF SECURITY WITHIN THE PROPERTY. THE ASSOCIATION AND RELATED PARTIES SHALL NOT BE LIABLE FOR ANY LOSS OR DAMAGE BY REASON OF FAILURE TO PROVIDE ADEQUATE SECURITY OR THE INEFFECTIVENESS OF SECURITY MEASURES UNDERTAKEN. OWNERS, LESSEE AND OCCUPANTS OF ALL LOTS, ON BEHALF OF THEMSELVES, AND THEIR GUESTS AND INVITEES, ACKNOWLEDGE THAT THE ASSOCIATION AND RELATED PARTIES DO NOT REPRESENT OR WARRANT THAT ANY FIRE PROTECTION, BURGLAR ALARM SYSTEMS, ACCESS CONTROL SYSTEMS, PATROL SERVICES, SURVEILLANCE EQUIPMENT, MONITORING DEVISES, OR OTHER SECURITY SYSTEMS (IF ANY ARE PRESENT) WILL PREVENT LOSS BY FIRE, SMOKE, BURGLARY, THEFT, HOLD-UP OR OTHERWISE, NOR THAT FIRE PROTECTION, BURGLAR ALARM SYSTEMS, ACCESS CONTROL SYSTEMS, PATROL SERVICES, SURVEILLANCE EQUIPMENT, MONITORING DEVISES OR OTHER SECURITY SYSTEMS WILL IN ALL CASES PROVIDE THE DETECTION OR PROTECTION FOR WHICH THE SYSTEM IS DESIGNED OR INTENDED. OWNERS, LESSEES, AND OCCUPANTS OF LOTS ON BEHALF OF THEMSELVES, AND THEIR GUESTS AND INVITEES, ACKNOWLEDGE AND UNDERSTAND THAT THE ASSOCIATION AND RELATED PARTIES ARE NOT AN INSURER AND THAT EACH OWNER, LESSEE AND OCCUPANT OF ANY LOT AND ON BEHALF OF THEMSELVES AND THEIR GUESTS AND INVITEES ASSUMES ALL RISKS FOR LOSS OR DAMAGE TO PERSONS, TO RESIDENTIAL DWELLINGS AND TO THE CONTENTS OF THEIR RESIDENTIAL DWELLING AND FURTHER ACKNOWLEDGES THAT THE ASSOCIATION AND RELATED PARTIES HAVE MADE NO REPRESENTATIONS OR WARRANTIES NOR HAS ANY OWNER OR LESSEE ON BEHALF OF THEMSELVES AND THEIR GUESTS OR INVITEES RELIED UPON ANY REPRESENTATIONS OR WARRANTIES, EXPRESSED OR IMPLIED, INCLUDING ANY WARRANTY OF MERCHANTABILITY OR FITNESS FOR ANY PARTICULAR PURPOSE, RELATIVE TO ANY FIRE PROTECTION, BURGLAR ALARM SYSTEMS, ACCESS CONTROL SYSTEMS, PATROL SERVICES, SURVEILLANCE EQUIPMENT, MONITORING DEVISES OR OTHER SECURITY SYSTEMS RECOMMENDED OR INSTALLED OR ANY SECURITY MEASURES UNDERTAKEN WITHIN THE PROPERTY.

ARTICLE VII
FIRE OR CASUALTY: REBUILDING

SECTION 7.1. REBUILDING. In the event of a fire or other casualty causing damage or destruction to the Residential Dwelling or other Improvement on a Lot, the Owner of such damaged or destroyed Residential Dwelling or other Improvement shall within ninety (90) days after such fire or casualty contract to repair or reconstruct the damaged portion of the Residential Dwelling or other Improvement and shall cause such Residential Dwelling or other Improvement to be fully repaired or reconstructed in accordance with the original Plans therefor, or in accordance with new Plans presented to and approved by the Architectural Review Committee, and shall promptly commence repairing or reconstructing such Residential Dwelling or other

Improvement, to the end that the Residential Dwelling or other Improvement shall not remain in a partly finished condition any longer than reasonably necessary for completion thereof. Alternatively, such damaged or destroyed Residential Dwelling or other Improvement shall be razed and the Lot restored as nearly as possible to its original condition within ninety (90) days of its damage or destruction. In the event that the repair and reconstruction of the Residential Dwelling or other Improvement has not been commenced within ninety (90) days after such fire or casualty and the damaged or destroyed Residential Dwelling or other Improvement has not been razed and the Lot restored to its original condition, the Association and/or any contractor engaged by the Association, shall, upon ten (10) days written notice to the Owner at the Owner's last known mailing address according to the records of the Association, have the authority but not the obligation to enter upon the Lot, raze the Residential Dwelling or other Improvement and restore the Lot as nearly as possible to its original condition. Any costs incurred by the Association to raze the Residential Dwelling or other Improvement and to restore the Lot to its original condition, plus fifty percent (50%) of such costs for overhead and supervision and interest thereon (from the date an invoice is submitted to Owner) at the rate of eighteen percent (18%) per annum, or the maximum, non-usurious rate, whichever is less, shall be charged to the Owner's assessment account and collected in the manner provided in Article V of this Declaration.

ARTICLE VIII
AMENDMENT, DURATION, ANNEXATION AND MERGER

SECTION 8.1. AMENDMENT. For a period of ten (10) years after the date this Declaration is recorded, Declarant shall have the authority to amend this Declaration, without the joinder or consent of any other party, so long as an amendment does not adversely affect any substantive rights of the Lot Owners. After the expiration of the ten (10) year period, Declarant shall have the right to amend this Declaration, without the joinder or consent of any other party, for the purpose of clarifying or resolving any ambiguities or conflicts herein, or correcting any inadvertent misstatements, errors, or omissions; provided, however, any such amendment shall be consistent with and in furtherance of the general plan and scheme of development for the Subdivision. In addition, the provisions of this Declaration may be amended at any time by an instrument in writing signed by the Secretary of the Association certifying that Owners representing not less than two-thirds (2/3) of the Lots have approved such amendment, in writing, setting forth the amendments, and duly recorded in the Official Public Records of Real Property of Harris County, Texas; provided that, until the First Meeting of the Members of the Association, as provided in Section 4.4 of this Declaration, an amendment of this Declaration must also be approved in writing by Declarant. Provided further that, without the joinder of Declarant, no amendment may diminish the rights of or increase the liability of Declarant under this Declaration. In the event that there are multiple Owners of a Lot, the written approval of an amendment to this Declaration may be reflected by the signature of a single Co-Owner. Any legal challenge to the validity of an amendment to this Declaration must be initiated by filing a suit not later than one (1) year after the date the amendment document is recorded in the Official Public Records of Real Property of Harris County, Texas.

SECTION 8.2. DURATION. The provisions of this Declaration shall remain in full force and effect until January 1, 2030, and shall be extended automatically for successive ten (10) year periods; provided, however, that the provisions of this Declaration may be terminated on January 1, 2030, or on the commencement of any successive ten year period by filing for record in the

Official Public Records of Real Property of Harris County, Texas, an instrument in writing signed by Owners representing not less than seventy-five percent (75%) of the Lots.

SECTION 8.3. ANNEXATION. Additional land may be annexed and subjected to the provisions of this Declaration by Declarant, without the consent of the Members, within twenty (20) years of the date that this Declaration is recorded in the Official Public Records of Real Property of Harris County, Texas. Further, additional land may be annexed and subjected to the provisions of this Declaration with the consent of not less than two-thirds (2/3) of the Members in Good Standing of the Association present and voting, in person or by proxy, at a meeting of the Members called for that purpose at which a quorum is present. Provided that, as long as there is Class B membership in the Association, the annexation of additional land shall also require the written consent of Declarant. The annexation of additional land shall be effective upon filing of record an annexation instrument in the Official Public Records of Real Property of Harris County, Texas.

SECTION 8.4. DEANNEXATION OF LAND. Land made subject to this Declaration may be deannexed by an instrument signed by Owners representing not less than two-thirds (2/3) of the Lots and filed of record in the Official Public Records of Real Property of Harris County, Texas; provided that, as long as Class B membership in the Association exists, the deannexation of land shall also require the written consent of Declarant.

SECTION 8.5. MERGER. Upon a merger or consolidation of the Association with another association, the Association's properties, rights, and obligations may be transferred to another surviving or consolidated association or, alternatively, the properties, rights, and obligations of another association may be added to the properties, rights and obligations of the Association as a surviving corporation pursuant to a merger. The surviving or consolidated association shall administer the covenants and restrictions applicable to the properties of the merging or consolidating associations as one scheme. No such merger or consolidation shall effect any revocation, change or addition to the provisions of this Declaration.

ARTICLE IX
MISCELLANEOUS

SECTION 9.1. SEVERABILITY. In the event of the invalidity or partial invalidity or partial unenforceability of any provision in this Declaration, the remainder of the Declaration shall remain in full force and effect.

SECTION 9.2. NUMBER AND GENDER. Pronouns, whenever used herein, and of whatever gender, shall include natural persons and corporations, entities and associations of every kind and character, and the singular shall include the plural, and vice versa, whenever and as often as may be appropriate.

SECTION 9.3. ARTICLES AND SECTIONS. Article and section headings in this Declaration are for convenience of reference and shall not affect the construction or interpretation of this Declaration. Unless the context otherwise requires references herein to articles and sections are to articles and sections of this Declaration.

SECTION 9.4. DELAY IN ENFORCEMENT. No delay in enforcing the provisions of this Declaration with respect to any breach or violation thereof shall impair, damage or waive the right of any party entitled to enforce the same to obtain relief against or recover for the continuation or repetition of such breach or violation or any similar breach or violation thereof at any later time.

SECTION 9.5. LIMITATION OF LIABILITY. Notwithstanding anything provided herein to the contrary, neither the Declarant, the Architectural Review Committee, the Association, nor any agent, employee, representative, member, shareholder, partner, officer or director thereof, shall have any liability of any nature whatsoever for any damage, loss or prejudice suffered, claimed, paid or incurred by any Owner on account of (a) any defects in any Plans submitted, reviewed, or approved in accordance with the provisions of Article III above, (b) any defects, structural or otherwise, in any work done according to such Plans, (c) the failure to approve or the disapproval of any Plans or other data submitted by an Owner for approval pursuant to the provisions of Article III, (d) the construction or performance of any work related to such Plans, (e) bodily injuries (including death) to any Owner, occupant or the respective family members, guests, employees, servants, agents, invitees or licensees of any such Owner or occupant, or other damage to any Residential Dwelling, Improvement or the personal property of any Owner, occupant or the respective family members, guests, employees, servants, agents, invitees or licensees of such Owner or occupant, which may be caused by, or arise as result of, any defect, structural or otherwise, in any Residential Dwelling or Improvement or the Plans thereof or any past, present or future soil and/or subsurface conditions, known or unknown and (f) any other loss, claim, damage, liability or expense, including court costs and attorney's fees suffered, paid or incurred by any Owner arising out of or in connection with the use and occupancy of any Lot, Residential Dwelling, or any other Improvement situated thereon.

SECTION 9.6. ENFORCEABILITY. The provisions of this Declaration shall run with the Subdivision and shall be binding upon and inure to the benefit of and be enforceable by Declarant, the Association, each Owner and occupant of a Lot in the Subdivision, or any portion thereof, and their respective heirs, legal representatives, successors and assigns. If notice and an opportunity to be heard are given as provided by law, the Association shall be entitled to impose reasonable fines for violations of the provisions of this Declaration, the Development Guidelines or any Rules and Regulations adopted by the Association or the Architectural Review Committee pursuant to any authority conferred by either of them by the provisions of this Declaration and to collect reimbursement of actual attorney's fees and other reasonable costs incurred by it relating to violations of the provisions of such documents. Such fines, fees and costs may be added to the Owner's assessment account and collected in the manner provided in Article V of this Declaration.

SECTION 9.7. REMEDIES. In the event any one or more persons, firms, corporations or other entities shall violate or attempt to violate any of the provisions of this Declaration, the Development Guidelines or the Rules and Regulations, the Declarant, the Association, each Owner or occupant of a Lot within the Subdivision, or any portion thereof, may institute and prosecute any proceeding at law or in equity to abate, preempt or enjoin any such violation or attempted violation or to recover monetary damages caused by such violation or attempted violation.

SECTION 9.8. INTERPRETATION. The provisions of this Declaration shall be liberally construed to give full effect to their intent and purposes. If this Declaration or any word, clause, sentence, paragraph, or other part thereof shall be susceptible to more than one conflicting

interpretation, then the interpretation which is most nearly in accordance with the general purposes and objectives of this Declaration and the general plan of development established by this Declaration shall govern.

IN WITNESS WHEREOF, the undersigned, being the Declarant herein, has executed this Declaration on this the 7th day of September, 2005, to become effective upon recording in the Official Public Records of Real Property of Harris County, Texas.

S C Ranch, L.P.
a Texas limited partnership, Declarant

By: _____
Fred Caldwell, General Partner

THE STATE OF TEXAS §
§
COUNTY OF HARRIS §

BEFORE ME, the undersigned Notary Public, on this day personally appeared Fred Caldwell, General Partner of SC Ranch, L.P., known to me to be the person whose name is subscribed to the foregoing instrument and acknowledged to me that he executed the same for the purposes and consideration therein expressed and in the capacity stated.

GIVEN UNDER MY HAND AND SEAL OF OFFICE on this the 7th day of September, 2005.

KATHY C. COUNCE
MY COMMISSION EXPIRES
October 3, 2008

_____
Notary Public in and for the State of Texas

Return to:
Rick S. Butler
Butler & Hailey, P.C.
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