

DECLARATION OF
COVENANTS, CONDITIONS AND RESTRICTIONS
COUNTRY PLACE/ NORTHWEST SUBDIVISION

ARTICLE I
DEFINITIONS

Section 1. "Association" shall mean and refer to COUNTRY PLACE/NORTHWEST HOME OWNERS' ASSOCIATION, INC., its successors and assigns. The Association has the power to collect and disburse these maintenance assessments as described in Article III.

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

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

Section 4. "Lot" shall mean and refer to any plot of land shown upon any recorded subdivision map of the Properties with the exception of the Common Area, if any.

Section 5. "Common Area" shall mean all real property owned by the Association for the common use and benefit of the owners.

Section 6. "Declarant" shall mean and refer to not only RICHARD J. O'MALLEY AND R. HAL MOORMAN, TRUSTEES, but also to such of its successors or assigns (whether immediate or remote), as successor developer of all or a substantial portion of the Lots in the undeveloped stage, but shall not include any purchaser of one or more developed Lots. For the purposes of this Declaration, "developed Lot" shall mean a Lot with the street on which it faces opened and improved and with utilities installed and ready to furnish utility service to such Lot, and "undeveloped Lot" is any Lot which is not a developed Lot.

Section 7. "Easements" shall mean and refer to: Easements for installation and maintenance of utilities are reserved as shown and provided for on the recorded plat and no structure of any kind shall be erected upon said easements, however, as to all easements (except for drainage easements and any easement to Bluebonnet Electric Cooperative) which are on the sides of Lots which are consolidated into one single family residence building site pursuant to Section 6 and in which no utilities have been constructed, no side lot easements (with the exception of any drainage easement and any easement to Bluebonnet Electric Cooperative) shall exist in the middle portion of two lots which are consolidated. Neither Declarant nor any utility company using the easement shall be liable for any damage done by either of them or their assigns, their agents, employees or servants to shrubbery, trees, flowers or improvements of the owner located on the land within or affected by said easements.

ARTICLE II.
USE RESTRICTIONS

Section 1. Single Family Residential Construction. No building shall be erected, altered or permitted to remain on any

Lot other than one detached single-family residential dwelling not to exceed two and one-half (2 1/2) stories in height, a private garage for not more than three (3) cars and bona fide servants' quarters which structures shall not exceed the main dwelling in height and which structures may be occupied only by a member of the family occupying the main residence on the building site or by domestic servants employed on the premises. Carports will not be allowed unless specifically approved by the Architectural Control Committee.

Section 2. Architectural Control.

2.01. Designation of Committee: The Association shall have an Architectural Control Committee, which shall consist of at least three (3) persons who shall be appointed by the Board of Directors of the Association. The initial members of the Architectural Control Committee shall be RICHARD J. O'MALLEY, R. HAL MOORMAN and JOHN L. SIMMS. If there exists at any time one or more vacancies in the Architectural Control Committee, the remaining person or persons of such Committee may designate successor persons(s) to fill such vacancy or vacancies. The Architectural Control Committee and the persons serving thereon shall not be liable for any act or omission in performing or purporting to perform the functions delegated hereunder. Declarant hereby retains its right to assign the duties, powers and responsibilities of the Architectural Control Committee to COUNTRY PLACE/NORTHWEST HOMEOWNER'S ASSOCIATION, INC. or R. HAL MOORMAN, when one hundred percent (100%) of all Lots in COUNTRY PLACE/NORTHWEST are occupied by residents.

2.02. Function of Architectural Control Committee: No improvement, as that term is hereinafter defined, shall be erected, constructed, placed, altered (by addition or deletion), maintained, or permitted to remain on any portion of the Properties until plans and specifications, in such form and detail as the Architectural Control Committee may deem necessary according to the procedures described in Section 2.03 B, shall have been submitted to and approved in writing by such Committee. The Architectural Control Committee shall have the power to employ professional consultants to assist it in discharging its duties. The decision of the Architectural Control Committee shall be by majority vote of the committee and shall be final, conclusive, and binding upon the applicant. In addition the Architectural Control Committee shall be responsible for monitoring the compliance of all of the Owners with the provisions of this Declaration as it pertains to Architectural Control. All actions or decisions of the Architectural Control Committee shall be final and binding subject only to Appeal by the Member or other party to the Board as provided for in Section 2.12.

2.03 Application Procedures:

A. General Procedures for Any Addition, Alteration or Change:

1. Each Lot owner will submit his proposal for any addition, alteration, or improvement to the Architectural Control Committee in writing, containing all the materials and information as follows: The proposal will contain a description of the project, including the height, width, length, size, shape, color, materials, and location of the proposed improvement. Photographs and/or architectural drawings of similar completed projects will aid in the consideration. If the alteration affects the existing drainage pattern, the proposed drainage pattern must be included. The proposal should include a letter describing the proposed addition or alterations. The proposal shall

be checked for specific conformance to all restrictions of this Declaration. Requests not in conformance will be automatically denied unless a specific request for variance is made by the owner.

2. Requests not in writing will not be considered.

3. Each alteration or addition must be specifically approved even though the intended alteration or improvement conforms to the Declaration, and even when a similar or substantially identical alteration or addition has been previously approved.

4. The applicant shall be informed in writing of the decision.

5. If the applicant fails to receive a reply within sixty (60) days, the request shall be considered to have been approved, if in compliance with this Document and architectural guidelines.

6. If a proposal is rejected, the reason(s) for disapproval shall be stated as part of the written decision.

7. The applicant is free to request reconsiderations, if new or additional information which might clarify the request or demonstrate its acceptability can be provided.

8. All plans, specifications, and other materials submitted shall become the property of the Architectural Control Committee and will not be returned. All of the items submitted along with a copy of the Request for Improvement will be filed according to address, along with the written decision and a statement of action taken, if any.

B. Changes in Procedures: The Architectural Control Committee, subject to the approval of the Board of Directors, may change the procedures and requirements by recording such changes or new procedures in the files of the Association or Declarant and subsequently making available to all Owners upon request a copy of the new procedures for approval.

C. Charges: The Architectural Control Committee shall have the right to establish reasonable minimal fees for its regular services. Said fees may be used to cover the costs of providing the services, including, but not limited to, research, copying of materials, etc. Any fees established will be subject to the approval of the Board of Directors and shall be noted in the Book of Resolutions. The fee structure shall be equitable to all Members. In addition, the Committee shall have the right to charge for reimbursement of any unusual expenses required or helpful in reviewing an application for approval, including, but not limited to, the expenses of hiring outside expert counsel.

2.04 Definition of "Improvement": Improvement shall mean and include all buildings, and roofed structures, parking areas, fences, walls, hedges, lawns, mass plantings, driveways, swimming pools, solar energy products, changes in any exterior color or shape, and any new exterior construction or exterior improvement

which may not be included in any of the foregoing. It does not include replacement of any garden, shrub or tree or any other normal replacement or repair which does not change exterior colors or exterior appearances. It does include both original improvements and all later changes and improvements.

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

2.06 Minimum Construction Standard: The Architectural Control Committee may from time to time establish an outline of minimum acceptable construction standards; provided, however, that such outline will serve as a minimum guideline and the Architectural Control Committee shall not be bound thereby.

2.07 Variances: Anything contained in this Article II or elsewhere in this Declaration to the contrary notwithstanding, the Architectural Control Committee is hereby authorized and empowered, at its sole and absolute discretion, to make and permit reasonable modifications of and deviations from any of the requirements of this Declaration relating to the type, kind, quantity or quality of the building materials to be used in the construction of any building or improvement on any Subdivision Lot and of the size and location of any such building or improvement when, in the sole and final judgment and opinion of the Committee such modifications and deviations in such improvements will be in harmony with existing structure and will not materially detract from the aesthetic appearance of the Subdivision and its improvements as a whole. The Architectural Control Committee may require the submission to it of such documents and items (including as examples, but without limitation, written request for and description of the variances requested, plans, specifications, plot plans and samples of materials) as it shall deem appropriate, in connection with its consideration of a request for a variance. If the Architectural Control Committee shall approve such request for a variance, the Architectural Control Committee may evidence such approval, and grant its permission for such variance, only by written instrument, addressed to the Owner of the Lots(s) relative to which such variance has been requested, describing the applicable restrictive covenant(s) and the particular variance requested, expressing the decision of the Architectural Control Committee to permit the variance, describing (when applicable) the conditions on which the variance has been approved (including as examples, but without limitation, the type of alternate materials to be permitted, and alternate fence height approved or specifying the location, plans and specifications applicable to an approved out building), and signed by a majority of the then members of the Architectural Control Committee. Any request for a variance shall be deemed to have been disapproved for the purposes hereof in the event of either (a) written notice of disapproval from the Architectural Control Committee; or (b) failure by the Architectural Control Committee to respond to the request for variance within sixty (60) days after said plans have been submitted to it.

2.08 Failure of the Committee to Act: In the event said Architectural Control Committee fails to approve or disapprove such plans and specifications for addition, alteration or change within sixty (60) days after said plans and specifications have been received (except as specifically set out in Section 2.07 above) approval will not be required and the provisions of this

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structure (exclusive of porches, garages and servants' quarters) shall not be less than 1,800 square feet for one-story dwellings nor less than 1,200 square feet for a dwelling of more than one-story. The total living areas for a multi-story dwelling shall be not less than 2,000 square feet. The Architectural Control Committee, at its sole discretion, is hereby permitted to approve deviations in any building area herein prescribed in instances which in its sole judgment, such deviation would result in a more beneficial common use. Such approvals must be granted in writing and when given shall become a part of these restrictions to the extent of the particular lot involved.

Section 4. Exterior Materials. The exterior materials of the main residential structure and any attached garage and servants' quarters shall not be less than fifty-one (51%) percent masonry. The Architectural Control Committee, at its sole discretion, is hereby permitted to approve deviations in such requirement in instances which, in its sole judgment, such deviation would result in an aesthetically pleasing structure which complements the rest of the structures in the subdivision. Owners shall maintain any nonmasonry exterior materials in a condition similar to the original finish quality of the materials when placed on the structure immediately following the period when construction is substantially completed on such structure (hereinafter called "finished condition") and in good repair. If an Owner fails to keep such nonmasonry materials in finished condition and in good repair, and if such default continues after thirty (30) days written notice thereof, Declarant, the Association or its assigns, may without liability to Owner or Occupant, but without being under any duty to do so, in trespass or otherwise, in or upon said Lot and cause such exterior materials to be maintained in a finished condition and repaired and to do any other thing necessary to secure compliance with these restrictions and to place such structure in a neat, attractive, and aesthetically pleasing finished condition and in good repair and may charge the Owner or Occupant of such Lot for the cost of such work. The Owner or Occupant, as the case may be, agrees by the purchase or occupation of the lot to pay such statement immediately upon receipt thereof. Any unpaid amount shall bear interest at the lesser of the highest rate allowed by law or eighteen (18%) percent per annum and such unpaid amounts shall constitute a lien on the property under the provisions of Article III, Section 1 of the Declaration.

Section 5. Location of the Improvements Upon the Lot.

A. No building or other improvements shall be located on any lot nearer to the front lot line or nearer to the street sideline than the minimum building setbacks shown on the recorded plat. Subject to the provisions of this Section hereinafter contained and of Section 6, no building shall be located nearer than five (5) feet to an interior lot line, except that a garage or other permitted accessory building located sixty (60) feet or more from the front lot line may be a minimum distance of three (3) feet from an interior lot line. No garage door located less than twenty-five (25) feet behind the front wall of the main residential structure shall open at less than a ninety (90°) degree angle to the front property line. No garage door on Lots 1, 22, 30, 60, 52, 59, 68, 51, and 76 shall open at less than a ninety (90°) degree angle to the front property line or street except that such garage door may open parallel to the front wall of the house if such door is at least twenty-five (25) feet behind the front wall of the house. No garage door in Lot 14 and Lot 69 shall not open at less than a ninety (90°) degree angle to the front property line and Reserve A as shown on the final plat filed in Plat Cabinet No. 208B, 209A and 209B except that such garage door may open parallel to the front wall of the house if

such door is at least twenty-five (25) feet behind the front wall of the house. For the purposes of this covenant or restriction, eaves, steps and unroofed terraces shall not be considered as part of a building, provided, however, that this shall not be construed to permit any portion of the construction on a Lot to encroach upon another Lot.

B. No building or other improvements shall be located on any Lot nearer to the front lot line or nearer to the street sideline than the minimum building setbacks shown on the recorded plat. For the purposes of this covenant or restriction, eaves, steps and unroofed terraces shall not be construed to permit any portion of the construction on a Lot to encroach upon another Lot.

Section 6. Composite Building Site. Any Owner of one or more adjoining Lots may consolidate such Lots into one single-family residence building site with the privilege of placing or constructing improvements on such site, in which case setback lines shall be measured from the resulting side property lines rather than from the lot lines shown on the recorded plat. Any such composite building site must have a frontage at the building setback line of not less than the minimum frontage of Lots in the same block.

Section 7. Easements. Easements for installation and maintenance of utilities are reserved as shown and provided for on the recorded plat and no structure of any kind shall be erected upon any of said easements. Neither Declarant nor any utility company using the easement shall be liable for any damage done by either of them or their assigns, their agents, employees or servants to shrubbery, trees, flowers or improvements of the owner located on the land within or affected by said easements.

Section 8. Prohibition of Trade and Offensive Activities. No activity, whether for profit or not, shall be carried on on any Lot which is not related to single family residential purposes. No noxious or offensive activity of any sort shall be permitted nor shall anything be done on any Lot which may be or become an annoyance or a nuisance to the neighborhood. Without limiting the foregoing, no activities shall be carried on which cause loud noises. No mercury or sodium vapor lights or other bright lights shall be permitted to be used on the residences and lots herein (except for street lamps placed on the property by a municipality). No firearms or fireworks shall be discharged on any Lot or Common Area without the approval of the COUNTRY PLACE/NORTHWEST HOME OWNERS' ASSOCIATION, INC.

Section 9. Use of Temporary Structures. No structures of a temporary character, mobile home, trailer, basement, tent, shack, garage, barn or other outbuildings shall be used on any Lot at any time as a residence. Portable buildings used for accessory or storage purposes shall be limited to not more than six (6') feet in height and shall be subject to approval of the Architectural Control Committee. Temporary structures may be used as building offices and for related purposes during the construction period. Such structures shall be inconspicuous and slightly and shall be removed immediately after completion of construction.

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

Section 11. Mineral Operations. No oil drilling, oil development operations, oil refining, quarry or mining operations of any kind shall be permitted upon or in any Lot, nor shall any wells, tanks, tunnels, mineral excavation, or shafts be permitted upon or in any Lot. No derrick or other structures designed for the use of boring for oil or natural gas shall be erected, maintained, or permitted upon any Lot.

Section 12. Animal Husbandry. No animals, livestock or poultry of any kind shall be raised, bred or kept on any Lot except that dogs, cats or other common household pets of the domestic variety may be kept provided that they are not kept, bred or maintained for commercial purposes and provided that no more than two (2) of each type animal is kept and except that subject to the approval of the Architectural Control Committee, one horse, cow or sheep may be raised on lots greater than one (1) acre in size for each full acre contained in a lot, provided that all pens and stalls are kept clean and neat and are located behind the residence on the property. No animals of any type shall be a nuisance.

Section 13. Walls, Fences and Hedges. No wall, fence or hedge in excess of three (3) feet in height shall be erected or maintained nearer to the front lot line than the walls of the dwelling existing on such Lot except with the approval of the Architectural Control Committee. No side or rear fence, wall or hedge (except fences or walls which in the sole opinion of the Architectural Control Committee are a part of the main residential structure) shall be more than six (6') feet in height. No chain link fence type construction will be permitted on any Lot. Any wall, fence or hedge erected on a Lot by Declarant, or its assigns, shall pass ownership with title to the Lot and it shall be Owner's responsibility to maintain said wall, fence or hedge thereafter.

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

Section 15. Lot Maintenance. The Owner or occupants of all Lots shall at all times keep all weeds and grass thereon cut in a sanitary healthful, attractive manner and shall in no event use any Lot for storage of material and equipment except for normal residential requirements or incident to construction of improvements thereon as herein permitted. The accumulation of garbage, trash or rubbish of any kind or the burning thereof (except as such burning is permitted by law) of any such materials is prohibited. Each Lot owner shall arrange for at least weekly garbage, rubbish and trash pickup from the Lot as long as such service is not provided and required by a municipality. The Association may, at its option, require each Lot Owner to purchase trash service from one service and charge for such service as part of the assessments mentioned in Article III hereof. In the event of default on the part of the Owner or occupant of any Lot in observing the above requirements or any of them, such default continuing after ten (10) days' written notice thereof, Declarant, or its assigns, may without liability to Owner or occupant, but without being under any duty to so do, in trespass or otherwise, enter upon said Lot, cut, or cause to be cut, such weeds and grass and remove or cause to be removed, such garbage, trash and rubbish or do any other thing necessary to

secure compliance with these restrictions and to place said Lot in a neat, attractive, healthful and sanitary condition, and may charge the Owner or occupant of such Lot for the cost of such work. The Owner or occupant, as the case may be, agrees by the purchase or occupation of the Lot to pay such statement immediately upon receipt thereof. Any unpaid amount shall bear interest at the lesser of the highest rate allowed by law or eighteen (18%) percent per annum.

Section 16. Visual Screening on Lots. The drying of clothes in public view is prohibited. The Owner or occupants of any Lots at the intersection of streets or adjacent to parks, playground or other facilities where the rear yard or portion of the Lot is visible to the public shall construct and maintain a drying yard or other suitable enclosure to screen drying clothes from public view. All yard equipment, wood piles or storage piles, trash collection barrels, heating and air conditioning compressor or similar units, butane tanks, or similar facilities shall be kept screened so as to conceal them from public view of neighboring Lots, streets or other property.

Section 17. Signs, Advertisements and Billboards. No sign, advertisement, billboard or advertising structure of any kind shall be placed, maintained or displayed to the public view on any Lot except one sign for each building site, of not more than five (5) square feet, advertising the property for sale or rent, provided that Declarant, or its assigns, may maintain, as long as it owns property in COUNTRY PLACE/NORTHWEST SUBDIVISION, in or upon such portions of the Properties as Declarant may determine, such facilities as in its sole discretion may be necessary or convenient, including, but without limitation to offices, storage areas, model units and signs. Declarant, or its assigns, shall have the right to remove any such sign, advertisement, billboard or structure which is placed on said Lots in violation hereof, and in doing so shall not be subject to any liability for trespass or other tort in connection therewith or arising from such removal.

Section 18. Roofing Material. The roof of all buildings (including any garage or servants' quarters) shall be constructed or covered with wood or composition shingles acceptable to and approved by the Architectural Control Committee. Any other type of roofing material shall be permitted only at the sole discretion of the Architectural Control Committee upon written request.

Section 19. Maximum Height of Antennae. No electronic antenna or device of any type other than an antenna for receiving normal television signs shall be erected, constructed, placed or permitted to remain on any Lot, houses, or buildings except as approved by the Architectural Control Committee. Television antennae may be attached to the house provided, however, such antenna must be located to the rear of the roof ridge line, gable or center line of the principal dwelling. Freestanding antennae must be attached to and located behind the rear wall of the main residential structure. No antennae, either freestanding or attached, shall be permitted to extend more than ten (10') feet above the roof of the main residential structure on the Lot, or shall be erected on a wooden pole. No circular or disk shaped antennae shall be allowed except with the approval of the Architectural Control Committee.

Section 20. Resubdivision. Any of the Lots owned by the Declarant may be resubdivided by Declarant to Lots of not less than one-quarter (1/4) of an acre Lots and a public road may put through any of the Lots owned by Declarant. No Lot may be resubdivided in any manner or have a public road put through it by a Lot Owner.

Section 21. Septic Systems. Prior to occupancy of a Lot, each Lot Owner shall construct, install and maintain a septic tank and subsurface sewage disposal system in compliance with the specifications for the same as established by Washington County, and in compliance, at a minimum, with Construction Standards for Private Sewage Facilities established by the Texas Department of Health. Where conflicts between the regulations of Washington County and of the Texas Department of Health exists, the more stringent requirements shall apply.

Specifically, the subsurface sewage disposal system for Lots 5 through 11 and 23 through 35 of COUNTRY PLACE/NORTHWEST SUBDIVISION shall be of evapotranspiration bed type meeting the minimum requirements of Section .002(f)(4) entitled "Evapotranspiration Beds" of the Construction Standards for Private Sewage Facilities established by the Texas Department of Health and any amendments to such standard or such alternate system as approved by the Declarant and Washington County.

The Lot Owner shall cause the accumulated solids in such system to be pumped out every three (3) years or more frequently if necessary or advisable to maintain such system in a safe, clean, odor free condition.

If such septic system complies with such specifications, and construction standards, but still emits foul or noxious odors or unsafe liquid onto streets, ditches or adjoining lots, such system shall be modified so as to eliminate such foul or noxious odors or unsafe liquid.

The Lot Owner has an affirmative duty to notify the Declarant and the Association and its assigns of the commencement of construction of a septic system and to periodically provide notice so that Declarant and/or the Association and its assigns may inspect such septic system prior to the time it is completed to make sure that such septic system complies with this Section. Approval of the construction of such system creates no warranty or liability whatsoever on Declarant and/or Association or its assigns that the System will perform as specified. Failure of the Lot Owner to strictly comply with this Section 21 shall be an event of default, and if such default continues after thirty (30) days written notice thereof, Declarant and/or the Association or its assigns, may without liability to Owner or Occupant, but without being under any duty to do so, in trespass or otherwise, enter upon the Lot, and correct such problem or improper construction of such septic system and do any other thing necessary to secure compliance with this Section 21 and to place the Lot in a healthful and sanitary condition, and may charge the Owner or Occupant of such Lot for the cost of such work. The Owner or Occupant, as the case may be, agrees by the purchase or occupation of the Lot to pay for such work immediately upon receipt of such statement. Any unpaid amount shall bear interest at the lessor of the highest rate allowed by law or eighteen (18%) percent per annum and shall be a lien upon such Lot under the provisions of Article III, Section 1 of the Declaration."

Section 22. Water System. No water wells shall be drilled or maintained on any lot except as approved by the ACC. Each lot owner shall pay a monthly fee for its water usage as assessed by the COUNTRY PLACE / NORTHWEST HOME OWNERS' ASSOCIATION, INC. or Declarants. The fee shall be a minimum monthly fee and another fee based on increased usage. Such fees shall be an assessment as described in Article III hereof.

Section 23. Central Sewage System - Mandatory Hookup. If a central sewerage treatment plant and disposal system shall be established to serve this subdivision, whether publicly owned or

privately owned or operated, then all of the tract owners to whom such sewerage disposal service is available shall connect their premises thereto for sewerage disposal, paying the established rate and all connection fees or charges therefore at their expense and from and after the time such sewerage disposal service becomes available to any lot, no septic tank whether therefore or thereafter built or installed, shall be used in connection with any tract.

ARTICLE III
COVENANT FOR MAINTENANCE ASSESSMENTS

Section 1. Creation of the Lien and Personal Obligation of Assessments. Declarant, in the case of each Lot owned within the Properties, hereby covenants, and each Owner of any Lot by acceptance of a deed therefore, whether or not it shall be so expressed in such deed, shall be deemed to covenant and agree to pay to the Association: (1) annual assessments or charges, (2) special assessments for capital improvements, for repayment of funds borrowed and used in payment of capital improvements, (3) regular monthly assessments for the water system and trash service, (4) other assessments for mowing lots or removing trash. Such assessments shall be established and collected as hereinafter provided. The annual, monthly, and special assessments, together with interest, costs, and reasonable attorneys' fees, shall be a charge on the Lot and shall be a continuing lien upon the Lot against which each such assessment is made. Each such assessment, together with interest, costs and reasonable attorneys' fees, shall also be the personal obligation of the person who was the Owner of the Lot at the time when the assessment fell due. Appropriate recitations in the deed conveying each Lot will evidence the retention of a vendor's lien by Declarant for the purpose of securing payment of said charge assigned to the COUNTRY PLACE/NORTHWEST HOME OWNERS' ASSOCIATION, INC., without recourse on Declarant in any manner for the payment of said charge and indebtedness.

Section 2. Purpose of Assessments. The assessments levied by the Association shall be used exclusively to promote the recreation, health, safety and welfare of the owners in the Properties and for the improvements and maintenance of the Common Area, if any. Such assessments do not include the cost of maintaining the water well pump and related equipment nor for the cost of electricity and water, all of which shall be a regular assessments separate and apart from the annual assessment.

Section 3. Maximum Annual Assessment. Until January 1 of the year immediately following the conveyance of the first Lot to an Owner, the maximum annual assessment not including assessments for water and trash, service and other special assessments shall be ONE HUNDRED EIGHTY AND NO/100 (\$180.00) DOLLARS per Lot. The maximum limits on assessments do not include those for water and trash service which shall be fixed from time to time by the Board of Directors of the Association.

A. From and after January 1, of the year immediately following the conveyance of the first Lot in COUNTRY PLACE/NORTHWEST SUBDIVISION, to an Owner, the maximum annual assessment may be increased each year by an amount equal to not more than five (5%) percent above the maximum assessment which could have been made without a vote of the Owners of the Lots in the Properties in the case of the previous year.

B. From and after January 1, of the year immediately following the conveyance of the first Lot to an Owner, the maximum annual assessment may be increased to an amount in

excess of five (5%) percent of the maximum assessment for the previous year by a vote of two-thirds (2/3) of the Owners of the Lots in the Properties, each Owner or Owners of Lots being entitled to one vote per each Lot owned, who are voting in person or by proxy, at a meeting duly called for such purpose.

C. The Board of Directors of the Association may fix the annual assessment at an amount not in excess of the maximum.

Section 4. Special Assessments for Capital Improvements.

In addition to the annual assessments authorized above, the Association may levy, in any assessment year, a special assessment applicable to that year only for the purpose of defraying, in whole or in part, the cost of any construction, reconstruction, repair or replacement of a capital improvement upon the Common Area, including fixtures and personal property related thereto provided that any such assessment shall have the assent of two-thirds (2/3) of the votes of the Owners of Lots in the Properties who are voting in person or by proxy at a meeting duly called for this purpose.

Section 5. Notice and Quorum for any Action Authorized

Under Sections 3 and 4. Written notice of any meeting called for the purpose of taking any action authorized under Sections 3 and 4 shall be mailed (by U. S. first class mail) to all Owners of Lots not less than thirty (30) days nor more than sixty (60) days in advance of the meeting. At the first such meeting called, the presence of Owners or of proxies entitled to cast sixty (60%) percent of all the votes of the Owners of the Lots in the Properties shall constitute a quorum. If the required quorum is not present at any such meeting, the meeting shall be adjourned but another meeting may be called subject to the same notice requirement, but the required quorum at such subsequent meeting shall be one-half (1/2) of the required quorum applicable in the case of the preceding meeting. No such subsequent meeting shall be held more than sixty (60) days following the preceding meeting.

Section 6. Rate of Assessment.

All Lots in COUNTRY PLACE/NORTHWEST SUBDIVISION, shall commence to bear their applicable maintenance fund assessment simultaneously and Lots in COUNTRY PLACE/NORTHWEST SUBDIVISION, owned by Declarant are not exempt from assessment. Lots which are occupied by residents shall be subject to the annual assessment determined by the Board of Directors in accordance with the provisions of Sections 3 and 7 hereof. Lots in COUNTRY PLACE/NORTHWEST SUBDIVISION, which are not occupied by a resident and which are owned by Declarant, a builder, or a building company, shall be assessed at the rate of one-half (1/2) of the annual assessment above. The rate of assessment for an individual Lot, within a calendar year, can change as the character of ownership and the status of the occupancy by a resident changes, and the applicable assessment for such Lot shall be prorated according to the rate required during each type of ownership. The rate of assessment for water and trash service shall be set by the Declarant or the Board of Directors of the Association, whichever is in charge of such at the time.

Section 7. Date of Commencement of Assessments:

Due Dates. The annual and monthly assessments provided for herein shall commence as to all Lots in COUNTRY PLACE/NORTHWEST SUBDIVISION, when the first lot therein is deeded to an owner, a builder or building company by Declarant. The first annual assessment shall be adjusted according to the number of months remaining in the then current calendar year. The Board of

Directors of the Association shall fix the amount of the annual assessment against each Lot at least thirty (30) days in advance of each annual assessment period. Written notice of the annual assessment shall be mailed (by U. S. first class mail) to every Owner subject thereto. The payment dates shall be established by the Board of Directors. The Association shall, upon demand, and for a reasonable charge, furnish a certificate signed by an officer of the Association setting forth whether the assessments on a specified Lot have been paid and the amount of any delinquencies. The Association shall not be required to obtain a request for such certificate signed by the Owner, but may deliver such certificate to any party who in the Association's judgment has a legitimate reason for requesting same.

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

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

ARTICLE IV GENERAL PROVISIONS

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

Section 2. Severability. Invalidity of any one of these covenants or restrictions by judgment or court order shall in no wise affect any other provisions which shall remain in full force and effect.

Section 3. Owner's Easement of Enjoyment. Every Owner shall have a right and easement of enjoyment in and to the Common Area, if any, which shall be appurtenant to and shall pass with the title to every lot subject to the following provisions:

A. The right of the Association to charge reasonable admission and other fees for the use of the Common Area, if any.

B. The right of the Association to suspend the voting rights and right to use of the Common Area, if any, by an Owner for any period during which any assessment against

his Lot remains unpaid; and for a period not to exceed sixty (60) days from each infraction of its published rules and regulations.

C. The right of the Association to dedicate or transfer all or any part of the Common Area, if any, to any public agency, authority or utility for such purposes and subject to such conditions as may be agreed to by the Owners of the Lots in the Properties. No such dedication or transfer shall be effective unless an instrument signed by two-thirds (2/3) of the Owners of the Lots in the Properties agreeing to such dedication or transfer has been recorded in the Deed Records of Washington County, Texas.

Section 4. Delegation of Use. Any Owner may delegate in accordance with the Bylaws of the COUNTRY PLACE/NORTHWEST HOME OWNERS' ASSOCIATION, INC., his right of enjoyment to the Common Area and facilities, if any, to the members of his family, his tenants or contract purchasers who reside on the property.

Section 5. Amendment. The covenants and restrictions of this Declaration shall run with and bind the land, for a term of thirty-five (35) years from the date this Declaration is recorded, after which time they shall be automatically extended for successive periods of twenty (20) years. This Declaration may be amended during the first thirty-five (35) year period by an instrument signed by those Lot Owners owning not less than eighty-five (85%) percent of the Lots within COUNTRY PLACE/NORTHWEST SUBDIVISION, and thereafter by an instrument signed by those Owners owning not less than seventy-five (75%) percent of the Lots within COUNTRY PLACE/NORTHWEST SUBDIVISION. The Declarant may amend Sections 7, 21 and 22, Article I without approval or consent of the Owners of Lots in the properties by an instrument signed by it anytime during the period ending on the earlier of ten (10) years from the date hereof or when the Declarant has sold ninety (90%) percent of the Lots in COUNTRY PLACE/NORTHWEST SUBDIVISION. In determining the percentage requirements for votes hereunder, each Lot shall be counted as one Lot. No person shall be charged with notice of or inquiry with respect to any amendment until and unless it has been filed for record in the Deed Records of Washington County, Texas.

Section 6. Annexation. Additional residential property and/or Common Area may be annexed to the Properties by Declarant without approval or consent of Owners of Lots in the Properties.

Section 7. Gender and Number. Whenever used, the singular number shall include the plural, the plural the singular, and the use of any gender shall be applicable to all genders.

Section 8. Headings. The paragraph entitlements hereof are inserted for convenience of reference only and shall in no way alter, modify or define, or be used in construing, the text of such paragraphs.

Section 9. Execution by the Association. The Association, by joining in the execution hereof agrees to be bound by all the terms and provisions of this Declaration.

Section 10. Lienholder. WASHINGTON COUNTY STATE BANK ("lienholder") joins herein solely for the purpose of subordinating the liens held by it of record upon the Properties to the covenants, conditions and restrictions hereby imposed by Declarant with, however, the stipulation that such subordination does not extend to any lien or charge imposed by or provided for in this Declaration.

AMENDMENT TO DECLARATION OF
COVENANTS, CONDITIONS AND RESTRICTIONS
COUNTRY PLACE/NORTHWEST SUBDIVISION

THE STATE OF TEXAS §
 § KNOW ALL MEN BY THESE PRESENTS:
COUNTY OF WASHINGTON §

This amendment is made on the date hereinafter set forth by RICHARD J. O'MALLEY and R. HAL MOORMAN, TRUSTEES (hereinafter referred to as "Declarant").

The following amendments are made to the Declaration of Covenants, Conditions and Restrictions of COUNTRY PLACE/NORTHWEST SUBDIVISION recorded in Volume 457, Pages 407-428, Washington County Deed Records, Washington County, Texas, which Declaration was dated October 18, 1983.

WHEREAS, Article IV, Section 5 provides that the Declarant may amend this Declaration without approval or consent of the Owners of Lots in the properties by an instrument signed by it at any time during the period ending on the earlier of ten (10) years from the date hereof or when the Declarant has sold ninety (90%) percent of the lots in COUNTRY PLACE/NORTHWEST SUBDIVISION; and

WHEREAS, Declarant has not sold ninety (90%) percent of the lots, therefore, the Declarant makes the following amendments to the Declaration of Covenants, Conditions and Restrictions:

Article I, Section 7. Easements shall read as follows: "Easements for installation and maintenance of utilities are reserved as shown and provided for on the recorded plat and no structure of any kind shall be erected upon said easements, however, as to all easements (except for drainage easements and any easement to Bluebonnet Electric Cooperative) which are on the sides of Lots which are consolidated into one single family residence building site pursuant to Section 6 and in which no utilities have been constructed, no side lot easements (with the exception of any drainage easement and any easement to Bluebonnet Electric Cooperative) shall exist in the middle portion of two lots which are consolidated. Neither Declarant nor any utility company using the easement shall be liable for any damage done by either of them or their assigns, their agents, employees or servants to shrubbery, trees, flowers or improvements of the owner located on the land within or affected by said easements."

Article I, Section 4. Exterior Materials is revised to read as follows: "The exterior materials of the main residential structure and any attached garage and servants' quarters shall not be not less than fifty-one (51%) percent masonry. The Architectural Control Committee, at its sole discretion, is hereby permitted to approve deviations in such requirement in instances which, in its sole judgment, such deviation would result in an aesthetically pleasing structure which complements the rest of the structures in the subdivision. Owners shall maintain any nonmasonry exterior materials in a condition similar to the original finish quality of the materials when placed on the structure immediately following the period when construction is substantially completed on such structure (hereinafter called "finished condition") and in good repair. If an Owner fails to keep such nonmasonry materials in finished condition and in good repair, and if such default continues after thirty (30) days written notice thereof, Declarant, the Association or its assigns, may without liability to Owner or Occupant, but without

being under any duty to do so, in trespass or otherwise, in or upon said Lot and cause such exterior materials to be maintained in a finished condition and repaired and to do any other thing necessary to secure compliance with these restrictions and to place such structure in a neat, attractive, and aesthetically pleasing finished condition and in good repair and may charge the Owner or Occupant of such Lot for the cost of such work. The Owner or Occupant, as the case may be, agrees by the purchase or occupation of the lot to pay such statement immediately upon receipt thereof. Any unpaid amount shall bear interest at the lessor of the highest rate allowed by law or eighteen (18%) percent per annum and such unpaid amounts shall constitute a lien on the property under the provisions of Article III, Section 1 of the Declaration."

Article I, Section 20, Resubdivision is revised to read as follows: "Any of the Lots owned by the Declarant may be resubdivided by Declarant to Lots of not less than one-quarter (1/4) of an acre Lots and a public road may put through any of the Lots owned by Declarant. No Lot may be resubdivided in any manner or have a public road put through it by a Lot Owner."

Article I, Section 21, Septic Systems is revised to read as follows: "Prior to occupancy of a Lot, each Lot Owner shall construct, install and maintain a septic tank and subsurface sewage disposal system in compliance with the specifications for the same as established by Washington County, and in compliance, at a minimum, with Construction Standards for Private Sewage Facilities established by the Texas Department of Health. Where conflicts between the regulations of Washington County and of the Texas Department of Health exists, the more stringent requirements shall apply.

Specifically, the subsurface sewage disposal system for Lots 5 through 11 and 23 through 35 of COUNTRY PLACE/NORTHWEST SUBDIVISION shall be of evapotranspiration bed type meeting the minimum requirements of Section .002(f)(4) entitled "Evapotranspiration Beds" of the Construction Standards for Private Sewage Facilities established by the Texas Department of Health and any amendments to such standard or such alternate system as approved by the Declarant and Washington County.

The Lot Owner shall cause the accumulated solids in such system to be pumped out every three (3) years or more frequently if necessary or advisable to maintain such system in a safe, clean, odor free condition.

If such septic system complies with such specifications, and construction standards, but still emits foul or noxious odors or unsafe liquid onto streets, ditches or adjoining lots, such system shall be modified so as to eliminate such foul or noxious odors or unsafe liquid.

The Lot Owner has an affirmative duty to notify the Declarant and the Association and its assigns of the commencement of construction of a septic system and to periodically provide notice so that Declarant and/or the Association and its assigns may inspect such septic system prior to the time it is completed to make sure that such septic system complies with this Section. Approval of the construction of such system creates no warranty or liability whatsoever on Declarant and/or Association or its assigns that the System will perform as specified. Failure of the Lot Owner to strictly comply with this Section 21 shall be an event of default, and if such default continues after thirty (30) days written notice thereof, Declarant and/or the Association or

its assigns, may without liability to Owner or Occupant, but without being under any duty to do so, in trespass or otherwise, enter upon the Lot, and correct such problem or improper construction of such septic system and do any other thing necessary to secure compliance with this Section 21 and to place the Lot in a healthful and sanitary condition, and may charge the Owner or Occupant of such Lot for the cost of such work. The Owner or Occupant, as the case may be, agrees by the purchase or occupation of the Lot to pay for such work immediately upon receipt of such statement. Any unpaid amount shall bear interest at the lessor of the highest rate allowed by law or eighteen (18%) percent per annum and shall be a lien upon such Lot under the provisions of Article III, Section 1 of the Declaration."

Article IV, Section 5, Amendment is revised to read as follows: "The covenants and restrictions of this Declaration shall run with and bind the land, for a term of thirty-five (35) years from the date this Declaration is recorded, after which time they shall be automatically extended for successive periods of twenty (20) years. This Declaration may be amended during the first thirty-five (35) year period by an instrument signed by those Lot Owners owning not less than eighty-five (85%) percent of the Lots within COUNTRY PLACE/NORTHWEST SUBDIVISION, and thereafter by an instrument signed by those Owners owning not less than seventy-five (75%) percent of the Lots within COUNTRY PLACE/NORTHWEST SUBDIVISION. The Declarant may amend Sections 7, 21 and 22, Article I without approval or consent of the Owners of Lots in the properties by an instrument signed by it anytime during the period ending on the earlier of ten (10) years from the date hereof or when the Declarant has sold ninety (90%) percent of the Lots in COUNTRY PLACE/NORTHWEST SUBDIVISION. In determining the percentage requirements for votes hereunder, each Lot shall be counted as one Lot. No person shall be charged with notice of or inquiry with respect to any amendment until and unless it has been filed for record in the Deed Records of Washington County, Texas."

Except as otherwise provided, Declarant hereby affirms and ratifies the Declaration referred to above which covers the land described in Exhibit "A" attached hereto and made a part hereof for all purposes.

MADE AND EXECUTED this 8th day of May, 1984.

DECLARANT:

Richard J. O'Malley, Trustee
RICHARD J. O'MALLEY, TRUSTEE

R. Hal Moorman, Trustee
R. HAL MOORMAN, TRUSTEE

ASSOCIATION:

COUNTRY PLACE/NORTHWEST HOME OWNERS' ASSOCIATION, INC.

BY: R. Hal Moorman, President
R. HAL MOORMAN, President

ATTEST:

Richard J. O'Malley
RICHARD J. O'MALLEY

LIENHOLDER:

WASHINGTON COUNTY STATE BANK

BY: _____

ATTEST:

THE STATE OF TEXAS

COUNTY OF WASHINGTON

This instrument was acknowledged before me on the 8th day
of May, 1984, by RICHARD J. O'MALLEY, Trustee.

Alison C. Duckworth
Notary Public, State of Texas
Notary's name printed:
ALISON C. DUCKWORTH
My commission expires: 9-28-85

THE STATE OF TEXAS

COUNTY OF WASHINGTON

This instrument was acknowledged before me on the 12th day
of June, 1984, by R. HAL MOORMAN, Trustee.

Peggie Thomas
Notary Public, State of Texas
Notary's name printed:
PEGGIE THOMAS
My commission expires: 11-1-84

THE STATE OF TEXAS

COUNTY OF WASHINGTON

This instrument was acknowledged before me on the 24th day
of June, 1984, by R. HAL MOORMAN, as President of COUNTRY
PLACE/NORTHWEST HOME OWNERS' ASSOCIATION, INC., a Texas
Corporation, on behalf of said corporation.

JOHN B. PIERCE
Notary Public, State of Texas
My Commission Expires: 11-1-84
(Printed Name of Notary)

ALL THAT TRACT OR PARCEL OF LAND situate in Washington County, Texas out of the Phillip Coe Survey A-31 and the A. Harrington Survey A-55 and being a portion of a called 80.57 acre tract described in a deed from Dan Steakley to Oscar Bode, Jr. dated April 2, 1965 and recorded in Volume 258, Page 568 and all of a called 4.336 acre tract designated as Lot 18 of Pecanwood Subdivision as recorded in Plat Cabinet 153A, Washington County Plat Records and described in a deed from Benton Schulze et ux to Oscar Bode, Jr. dated March 29, 1978 and recorded in Volume 363, Page 823 of the Washington County Deed Records, more particularly described as follows:

BEGINNING at an iron pin at fence corner lying in the Southeast line of County Road 30 marking the apparent Northmost corner of a tract of land now or formerly owned by L. B. Newsome and the occupied Westmost corner of the original called 80.57 acre tract;

THENCE with the Southeast line of County Road 30
N 53° 00' 52" E, 623.35 ft. to a fence angle;

THENCE N 48° 20' 50" E, 187.42 ft. to a fence angle;

THENCE N 46° 15' 30" E, 66.00 ft. to a fence angle;

THENCE N 51° 22' E, 680.48 ft. to a found iron pin at fence corner marking the West or Northwest corner of a tract of land now or formerly owned by Thomas Brinkmeyer and the Northmost corner of the tract of land herein described;

THENCE with the West line of the Brinkmeyer tract and a tract of land now or formerly owned by L. Koch S 13° 27' 55" E, 482.10 ft. to a found iron pin at fence corner marking the Southwest corner of the Koch tract and an interior corner of the tract of land herein described;

THENCE with the Southeast line of the Koch tract N 76° 33' 12" E, 1161.77 ft. to a found iron pin at fence corner lying in the Southwest right-of-way line of the G. C. & S. F. Railroad for Northeast corner of the tract of land herein described;

THENCE with said right-of-way line S 49° 52' 17" E, 130.00 ft. to a set iron pin lying in the division line between the Phillip Coe Survey A-31 and the A. Harrington Survey A-55;

THENCE departing said railroad right-of-way with said division line S 13° 36' 32" E, 485.70 ft. to a found iron pin at fence corner marking the Northwest corner of Lot 18 of the Pecanwood Subdivision;

THENCE with the North line of said tract S 75° 10' E, 70.35 ft. to a set iron pin;