

**DECLARATION OF
COVENANTS, CONDITIONS & RESTRICTIONS
FOR THE RANCHES AT PINEHURST**

THIS DECLARATION is made on the date hereinafter set forth by BAC INVESTMENTS, INC., a Texas corporation, having its principal place of business in Houston, Harris County, Texas, hereinafter referred to as "Developer".

WITNESSETH:

WHEREAS, Developer executes this Declaration of Covenants, Conditions and Restrictions (hereinafter referred to as the "Declaration") to be filed for record in the Office of the County Clerk of Montgomery County, Texas imposing on The Ranches at Pinehurst, a development in Montgomery County, Texas, more specifically described in Article I, Section 1.1 herein, (hereinafter referred to as the "Development") and all those certain covenants, conditions, restrictions, easements, charges, and liens therein set forth for the benefit of said property, and each owner thereof; and

WHEREAS, Developer has contracted to purchase the real property comprising the Development and desires to provide for the preservation of the values and amenities in the Development, and, to this end, desires to bring such property, as title to such property is acquired by Developer, within the scheme of the Declaration by subjecting such property to the covenants, conditions, restrictions, easements, charges, and liens hereinafter set forth each and all of which is and are for the benefit of such property and each owner in the Development; and

WHEREAS, Developer has deemed it desirable, for the efficient preservation of the values and amenities in the Development, to create an agency to which has been and will be delegated and assigned the powers of maintaining, administering, and enforcing the assessments and charges created in the Declaration and all Supplemental Declarations; and

WHEREAS, the Declaration contemplates that the authority and jurisdiction of the Association may be extended to include additional properties, and contemplates and evidences the granting to Developer, its successors and assigns, the right to bring within the scheme of the Declaration, additional properties; and

NOW, THEREFORE, Developer hereby adopts, establishes and imposes upon the Development the following reservations, easements, restrictions, covenants and conditions and declares same applicable thereto, all of which are for the purpose of enhancing and protecting the value, desirability and attractiveness of the land, which reservations, easements, covenants, restrictions and conditions shall run with the land and shall be binding upon all

parties having or acquiring any right, title or interest therein, or any part thereof, and shall inure to the benefit of each owner thereof. The following restrictions shall not be imposed, however, on any portion of the Development until and unless Developer obtains legal title to that tract. Simultaneously with the recording of a deed in the Real Property Records of Montgomery County, Texas to all or any portion of the Development, in which Developer is the Grantee, all property conveyed by said deed shall be subject to this Declaration and the scheme of this Declaration shall be imposed thereon.

ARTICLE I GENERAL

Section 1. Definition. The following words, when used in this Declaration, unless the context shall prohibit, shall have the following meanings:

- a. "Association" shall mean and refer to The Ranches at Pinehurst Property Owners' Association, its successors, and assigns, provided for in Article II hereof.
- b. "Board" shall mean and refer to the Board of Directors of the Association.
- c. "Committee" shall mean and refer to the Architectural Control Committee established in accordance with Article IV. Section 1. hereof.
- d. "Common Properties" shall mean and refer to all those areas of land shown on Exhibit "A", together with such other lands, properties or facilities, including all Improvements thereon, as the Association may at any time, or from time to time, acquire by purchase or otherwise, subject, however, to the easements, limitations, restrictions, dedications, and reservation applicable thereto by virtue hereof, and/or by virtue of prior grants or dedications by Declarant. References herein to the "Common Properties" (any Common Property) in the Development shall mean and refer to the Common Properties as defined respectively in the Declaration and all Supplemental Declarations.
- e. "Conversion Date" shall mean and refer to that date selected by Declarant, at its discretion, after 60% of all Tracts described in Exhibit "B" are sold to third parties; or such earlier date as may be established by Declarant in a Supplemental Declaration to be recorded by Declarant.
- f. "Declarant" shall mean and refer to Developer and its successors and assigns and shall include any person or entity to which Declarant may assign its rights and privileges, duties, and obligations hereunder, which are and shall be assignable.

- g. "Declaration" shall mean and refer to this Declaration of Covenants, Conditions and Restrictions for The Ranches at Pinehurst.
- h. "Tract" and/or "Tracts" shall mean and refer to each of the tracts shown on attached Exhibit "B". References herein to "the Tracts" (each Tract) in the Subdivision shall mean and refer to Tracts as defined respectively in the Declaration and all Supplemental Declarations.
- i. "Member" and/or "Members" shall mean and refer to every person or entity who holds membership in the Association, as set forth in Article II hereof, together with all the Owners in the Subdivision who are Members of the Association as provided for in all Supplemental Declarations.
- j. "Owner" shall mean and refer to the holder of record title to the fee interest to any Tract whether or not such holder actually resides on any part of the Development, including contract sellers, but excluding those having such interest merely as security for the performance of an obligation.
- k. "Special Assessments" shall mean and refer to those assessments made by the Association from time to time as provided under Section 4 of Article III hereof.
- l. "Development" shall currently mean and refer to those properties shown in Exhibits "A & B", all as more specifically described by metes and bounds in Exhibit "C" and shall include all subsequent sections of The Ranches at Pinehurst brought within the scheme of the Declaration and any additional properties which may hereinafter be brought within the scheme of the Declaration pursuant to the provisions set forth herein.
- m. "Supplemental Declaration" shall mean and refer to any Supplemental Declaration of Covenants, Conditions and Restrictions bringing additional property within the scheme of the Declaration under the authority provided herein and as contemplated in the Declaration. References herein (whether specific or general) to the provisions set forth in "any (all) Supplemental Declaration)" shall be deemed to relate to the respective properties covered by such Supplemental Declarations.

Section 2. Additions to Existing Property. Additional lands may become subject to the scheme of this Declaration in the following manner:

- a. If Declarant or any other person, firm or corporation is the owner of any property which it desires to add to the scheme of this Declaration

- (including, without limitation, subsequent sections of The Ranches at Pinehurst), it may do so by filing of record a Supplemental Declaration, which shall extend the scheme of the covenants and of this Declaration to such property, PROVIDED HOWEVER, that such covenants and restrictions as applied to the property which is so added may be altered or modified by said Supplemental Declaration, and PROVIDED FURTHER, if property is added to the scheme of this Declaration by any person, firm, or corporation other than Declarant, the Association, acting through its Board, must give written consent thereto. Properties may be added to the scheme of this Declaration whether or not such properties are contiguous to the properties covered by this Declaration.
- b. Upon a merger or consolidation of the Association with another association, the Association's properties, rights, and obligations may, by operation of law, be transferred to another surviving or consolidated association or, alternatively, the properties, rights, and obligations of another association may, by operation of law, be added to 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, however, shall affect any revocation, change or addition to the covenants established by the Declaration or any Supplemental Declaration.

ARTICLE II THE ASSOCIATION

Section 1. Organization. The Declarant shall cause the Association to be organized and formed as a non-profit corporation under the laws of the State of Texas.

Section 2. Purpose. The purpose of the Association in general is to provide for and promote the health, safety, and welfare of the Members, to collect, and administer, the annual maintenance assessments, to provide for the maintenance, repair, preservation, upkeep, and protection of the Common Properties in the Subdivision and such other purposes as are stated in the Articles of Incorporation consistent with the provisions of the Declaration and all Supplemental Declarations

Section 3. Membership. Each and every person, persons, or legal entity who shall own any Tract in the Development or, in the case of Declarant, any tract for which it has contracted to purchase and said contract is still in effect, shall automatically be a Member of the Association, PROVIDED that any person or entity who holds such an interest merely as security for the performance of any obligation shall not be a Member.

Section 4. Classes of Voting Members. The Association shall have two

classes of voting membership:

Class A. Class A Members shall be all those Members described in Section 3 hereof with the exception of Declarant. Class A Members shall be entitled to one vote for each Tract in which they hold the ownership interest required for membership by the Declaration or any Supplemental Declaration. When more than one person holds such interest or interests in any Tract, all such persons shall be Members, and the vote for such Tracts shall be exercised as they among themselves determine, but in no event shall more than one vote be cast with respect to any such Tract.

Class B. The Class B Member shall be Declarant. The Class B Member shall be entitled to ten (10) votes for each Tract in which it holds the interest required for membership by the Declaration or any Supplemental Declaration; provided, that after the Conversion Date, the Class B membership shall cease and become converted to Class A membership. Thereafter, the Class B Member shall be deemed to be a Class A Member entitled to one (1) vote for each Tract in which it holds the interest required for membership by the Declaration or any Supplemental Declaration.

ARTICLE III ASSESSMENTS

Section 1. Covenants for Assessments. Each purchaser of any such Tract by acceptance of a deed therefor, whether or not it shall be so expressed in any such deed or other conveyance, shall be deemed to covenant to pay to the Association: (1) annual assessments or charge (as specified in Section 3 hereof), and (2) special assessments for capital improvements (as specified in Section 4 hereof), all of such assessments to be fixed, established and collected from time to time as hereinafter provided.

Section 2. Purpose of Assessments. The assessments levied by the Association shall be used exclusively for the purpose of promoting the comfort, health, safety, and welfare of the Owners of the Development, or any part thereof, and for carrying out the purposes of the Association as stated in its Articles of Incorporation. The uses and benefits to be provided by the Association shall include, but not be limited to, at its sole option, any and all of the following: maintaining rights-of-way, easements and esplanades; furnishing and maintaining landscaping, lighting and beautification of the Development; payment of all legal and other expenses incurred in connection with the enforcement of all recorded charges, assessments, covenants, restrictions and conditions affecting the Development to which the maintenance assessment applies, payment of all reasonable and necessary expenses in connection with the collection and administration of the maintenance charge and assessment; employing a security patrol; and doing such other things and taking such other actions as are necessary or desirable in the opinion of the Association to keep the Development neat and in good order, or which is considered of general

benefit to the owners or occupants of the Tract, it being understood that the judgment of the Association in the expenditure of said funds shall be final and conclusive so long as such judgment is exercised in good faith.

Section 3. Maximum Annual Assessment. The Owner of each Tract shall pay to the Association an annual assessment of Two Hundred Forty and 00/100 Dollars (\$240.00) plus One and 00/100 Dollar (\$1.00) times the number of acres in that Tract as reflected on the recorded deed, payable annually, in advance, on the 1st day of January of each year during the term hereof. In the event of any conveyance or transfer of any Tract, the proration of any prepaid assessment shall be the responsibility of the transferor and transferee, and under no circumstances shall the Association be liable for the refund of any assessment. The annual assessment may be increased from time to time by the Board of the Association in an annual amount as follows: The maximum annual assessment for fiscal years 1992 through 1994, both inclusive, may be increased by 10% over the maximum annual assessment imposed for the immediately preceding fiscal year by action of the Board, without approval of the Members. The maximum annual assessment for fiscal year 1995 and subsequent years may be increased over the maximum annual assessment imposed for the immediately preceding year by action of the Board, without approval of the Members, by an amount up to, but not more than, that percent of the annual assessment for the immediately preceding year which is equal to the percent of increase, if any, in the "Annual Average" of the Consumer Price Index - All Items, 1967 equals 100, as determined by the U. S. Department of Labor, Bureau of Labor Statistics during the immediately preceding year. If the U.S. Department of Labor, Bureau of Labor Statistics ceases to publish the Consumer Price Index - All Items, 1967 equals 100, the Board shall select such other indexes which in its judgment reflects the then broad range of economic factors represented in said Consumer Price Index - All Items, 1967 equals 100. The Board may, after consideration of current maintenance costs and future needs of the Association, fix the actual assessment for any year at a lesser amount. Any Tracts which are permitted to be consolidated pursuant to the terms of Section 5 of Article V. hereof, shall be deemed to be one Tract effective as of January 1 of the year following the year in which such Tract are consolidated, for purposes of determining the annual assessment with respect to such consolidated Tract.

Section 4. Special Assessments. In addition to the annual assessments authorized by Section 3 hereof, the Association may, by vote of its Members as set out in Section 5 hereof, levy in any assessment year or years a special assessment for the purpose of defraying, in whole or in part, the cost of any construction or reconstruction, unexpected repair or replacement of a described improvement including the necessary fixtures and personal property related thereto, and/or the cost of installation, maintenance and operation of a roadway lighting system as provided under Section 6 of Article V. hereof, and/or for carrying out other purposes of the Association as stated in its Articles of Incorporation.

Section 5. Vote Required for Special Assessment. Special Assessments authorized by Section 4 hereof must be approved by a majority of the total eligible votes of the membership of the Association as defined in Article II hereof, voting in person or by proxy, at a meeting duly called for such purpose, written notice of which shall be given to all Members at least thirty (30) days in advance and shall set forth the purpose of the meeting.

Section 6. Commencement Date of Annual Assessment. The first annual assessment provided for herein shall commence with the year 1992 and shall continue thereafter from year to year.

Section 7. Due Date of Assessments. The first annual assessment shall become due and payable on January 1, 1992, and shall be considered delinquent if not paid by January 31, 1992. The assessments for any year after 1992 shall become due and payable on January 1 of such year and shall be considered delinquent if not paid by January 31 of such year. The due date and delinquent date of any special assessment under Section 4 hereof shall be fixed in the resolution authorizing such assessment. Special assessments may be assessed annually, quarterly, monthly or at other times as fixed in the resolution authorizing such assessment

Section 8. Owner's Personal Obligation for Payment of Assessments. The annual and special assessments provided for herein shall be the personal and individual debt of the Owner of the Tract covered by such assessments. No Owner may exempt himself from liability for such assessments. In the event of default in the payment of any such assessment, the Owner of the Tract shall be obligated to pay interest at the rate of eighteen percent (18%) per annum, (but in any event, no higher than the highest rate allowed by law) on the amount of the assessment from the due date thereof, together with all costs and expenses of collection, including attorneys' fees.

Section 9. Assessment Lien and Foreclosure. All sums assessed in the manner provided in this Article but unpaid shall, together with interest as provided in Section 8 hereof and the cost of collection, including attorney's fees as herein provided, thereupon become a continuing lien and charge on the Tract covered by such assessment, which shall bind such Tract in the hands of the Owner, and his heirs, devisees, personal representatives, and assigns. The aforesaid lien shall be superior to all other liens and charges against said Tract, except only for tax liens and all sums unpaid on a first mortgage lien or first deed of trust lien of record, securing in either instance sums borrowed from a state or national bank, mortgage company, savings association, credit union, insurance company or other institutional lender for the purchase and/or improvement of the Tract in question. The Association, acting through its Board, shall have the power to subordinate the aforesaid assessment lien to any other lien. To evidence the aforesaid assessment lien, the Board of the Association shall prepare a written notice of assessment lien (the "Assessment Notice") setting forth the amount of the unpaid indebtedness, the name of the Owner

of the Tract covered by such lien and a description of the Tract. Such notice shall be signed by any member of the Board and shall be recorded in the office of the County Clerk of Montgomery County, Texas. Such lien for payment of assessments shall attach with the priority above set forth from the date that such payment becomes delinquent as set forth hereinabove and may be enforced by non-judicial foreclosure of the defaulting Owner's Tract by the Association in the like manner as under a deed of trust (with power of sale) on real property subsequent to the recording of the Assessment Notice as provided above. In furtherance of the foregoing, and as security for the payment of said assessments, Declarant, on behalf of itself and all subsequent Owners of Tracts, hereby grants and conveys all of the Tracts, in trust unto Bruce A. Coplen, as Trustee. In the event of default in the payment of any assessment when due, it shall thereupon at any time thereafter be the duty of said Trustee, or his successor or substitute as hereinafter provided, at the request of any member of the Board (which request is hereby conclusively presumed), to enforce this Trust; and after advertising the time, place and terms of the sale of the Tract or Tracts described in said Assessment Notice, and mailing and filing notices as required by Section 51.002, Texas Property Code, as then amended (successor to Article 3810, Texas Revised Civil Statutes), and otherwise complying with that statute, said Trustee shall sell said Tract or Tracts then subject to the lien herein retained, at public auction in accordance with such notice on the first Tuesday of any month between the hours of 10:00 o'clock a.m. and 4:00 o'clock p.m., to the highest bidder for cash, selling, if there be more than one Tract, such property in its entirety or in separate Tracts as the Trustee acting may elect, and make due conveyance to the purchaser or purchasers, with general warranty binding the Owner thereof, his heirs and assigns; and out of the monies arising from such sale, said Trustee acting shall first pay all the expenses of advertising the sale and making the conveyance, including a commission of five percent (5%) to himself, which commission shall be due and owing in addition to any attorney's fees or collection costs otherwise provided to be paid hereunder and all other indebtedness secured hereby, rendering the balance of the purchase price, if any, to said Owner, his heirs or assigns; and the recitals in the conveyance to the purchaser or purchasers shall be full and conclusive evidence of the truth of the matters therein stated, and all requisites to said sale shall be presumed to have been performed, and such sale and conveyance shall be conclusive against said Owner, his heirs and assigns. It is further agreed that in the event a foreclosure hereunder should be commenced by said Trustee, or his substitute or successor, such sale may be abandoned, and the Board of the Association may then institute suit for the collection of any assessment, and for foreclosure of this lien judicially; and it is further agreed that if the Board of the Association should so institute suit for collection thereof, and for foreclosure of the lien herein retained, that the Board may at any time before entry of final judgment in said suit dismiss the same, and require said Trustee, his successor or substitute, to sell such Tract or Tracts in accordance with the provisions hereof. The Board of the Association in any event is hereby authorized to appoint a substitute trustee or a successor trustee to act instead of any trustee named herein without other formality than a designation in writing of a

substitute or a successor trustee signed by any member of the Board of the Association; and the authority hereby conferred shall extend to the appointment of other successor and substitute trustees successively until all assessments hereby secured have been paid in full, or until all said Tracts are sold hereunder, and each substitute and successor trustee shall succeed to all the rights and powers of the original Trustee. The lien herein retained and created shall not be exhausted by any one or more sales of one or more Tracts but shall continue as security for payment of all assessments at any time to become due hereunder. The Association shall have the power to bid on any Tract or Tracts being foreclosed.

Section 10. Common Properties Exempt. All Common Properties as defined in Article I., Section 1 hereof, and all portions of the Development owned by or otherwise dedicated to any political subdivision, shall be exempted from the assessments and lien created herein.

ARTICLE IV ARCHITECTURAL CONTROL COMMITTEE

Section 1. Designation of Committee. The Association shall have an Architectural Control Committee, which shall consist of three (3) members who shall be natural persons, and who shall be appointed by the Board of Directors of the Association. Until the Conversion Date, the appointment of members of the Committee must be approved by Declarant and any and all members of such committee may be removed by the Board or the Declarant without cause. After such date, the Board shall have the exclusive right and power at any time and from time to time to create and fill vacancies on the Committee.

Section 2. Function of the 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 Development until plans and specifications, in such form and detail as the Committee may deem necessary, shall have been submitted to and approved in writing by such committee. The Committee shall have the power to employ professional consultants to assist it in discharging its duties. The decision of the Committee shall be final, conclusive, and binding upon the applicant.

Section 3. Content of Plans and Specifications. The plans and specifications to be so submitted and approved shall include the following:

- a. A topographical plat showing existing contour grades and showing the location of all improvements, structures, walks, patios, driveways, fences, and walls. Existing and finished grades shall be shown at Tracts corners. Tract's drainage provisions shall be indicated as well as cut and fill details if any appreciable change in the Tract contours is contemplated.
- b. Exterior elevations.

- c. Exterior materials and colors
- d. Structural design.
- e. Landscaping plan, including walkways, fences, and walls (if permitted), elevation changes, watering systems, lighting, vegetation, and ground cover.
- f. Parking area and driveway plan.
- g. Screening, including size, location, and method.
- h. Utility connections and septic system location.
- i. Exterior illumination, if any, including location and method.
- j. Design and materials for construction of interconnect (including any culvert (size and type) or related facility) between driveways and any walkway, and the street or roadway.

Section 4. Definition of "Improvement". Improvement shall mean and refer to anything or device, the placement of which upon any Tract may affect the appearance of such Tract, including, but not be limited to, all buildings, and roofed structures, parking areas, fences, walls, hedges, mass plantings, poles, sidewalks, driveways, ponds, lakes, swimming pools, tennis courts, signs, changes in any exterior color or shape, glazing or reglazing of exterior windows with mirrored or reflective glass, and any new exterior construction or exterior improvement exceeding \$500.00 in cost which may not be included in any of the foregoing. It also includes both original improvements and all later changes and improvements.

Section 5. Basis of Approval. Approval of plans and specification 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 these protective covenants

Section 6. Failure of the Committee to Act. If the Committee fails to approve or to disapprove such plans and specifications or to reject them as being inadequate within thirty (30) days after submittal thereof, it shall be conclusively presumed that the Committee has approved such plans and specification, EXCEPT that the Committee has no right or power, either by action or failure to act, to waive or grant any variances specifically reserved to Declarant in Article V hereof. The thirty (30) day period does not start until all conditions of the application are submitted (i.e., proper number of copies of complete sets of drawings, etc.)

Section 7. Limitation of Liability. Neither the Declarant, the Association,

the Board, the Committee nor any of the members of such committee shall be liable in damages or otherwise to anyone submitting plans and specifications for approval or to any Owner of land affected by this Declaration by reason of mistake of judgment, negligence, or nonfeasance arising out of or in connection with the approval or disapproval or failure to approve or to disapprove any plans and specifications.

Section 8. Variances. The Committee may, by an affirmative vote of a majority of the members of the Committee, allow reasonable variances as to any of the covenants and restriction? governing architectural control contained in this instrument and/or policies or rules promulgated by the Committee, on such terms and conditions as it shall require, as to any one or more Tracts; EXCEPT, that the Committee has no right or power to waive or grant any variances specifically reserved to Declarant in Article V.

Section 9. Authority to Promulgate Rules and Regulations. The Committee shall have the right to promulgate and adopt rules and regulations necessary to implement these covenants, including but not limited to an outline of minimum, acceptable construction standards and specifications. These rules and regulations may include submission requirements concerning the type of information, reports, plans and specifications and the like which need to be submitted with any application, payment of reasonable fees for processing or reviewing the application, it may also include guidelines governing the development of each Tract and building inspection standards and procedures.

Section 10. Inspections of Tracts and Improvements. A member or agent of the Committee may enter on and inspect any Tract and any Improvements thereon during regular business hours and following reasonable notice for the purpose of ascertaining whether such Tract and the Improvements thereon are in compliance with these restrictive covenants. Neither the Association, the Committee, nor the agent of any of them shall be deemed to have committed a trespass by reason of such entry for inspection, provided such inspection is carried out in accordance with the terms of this Section 10.

ARTICLE V BUILDING, USE, AND CONSTRUCTION STANDARDS AND RESTRICTIONS

Section 1. Permitted Land Use. Each Tract, together with all improvements thereon, shall be used and occupied for single family residential purposes only; provided, however, that in addition to such single-family residence use, such Tract may be used for the limited agricultural and livestock activities and businesses described in Section 3 of this Article V. No Owner or other occupant shall use or occupy his Tract, or permit the same or any part thereof to be used or occupied, for any purposes other than private single family residential purposes for the Owner or his tenant and their families and/or agricultural employees or domestic servants employed on the premises, or for the limited agricultural and livestock purposes described in Section 3 of this

Article V. As used herein the term “single-family residential purposes” shall be deemed to prohibit specifically, but without limitation, the use of Tracts for multi-family uses, but shall not be deemed to prohibit the occupancy by one (1) family of two (2) separate residential structures on a Tract. No Tract shall be used or occupied for any business, commercial, trade or professional purpose, either apart from or in connection with the use thereof as a private residence, whether for profit or not, except as expressly permitted in Section 3 of this Article V or, with the specific prior written approval of the Committee, for an agriculturally related business purpose.

Section 2. Building Restrictions. Without the prior written approval of the Committee, no building or other structure shall be built, placed, constructed, reconstructed or altered on any Tract other than (a) a maximum of two (2) residential structures, with appurtenances incident to single family use, including, without limitation, with respect to any one such structure, agricultural employee or servants' quarters or an enclosed, attached or detached garage or carport, and (b) structures customary in connection with, or the use of which is incidental to, the use of a Tract for the agricultural or livestock purposes permitted by Section 3 of this Article V, including, without limitation, barns, equipment storage buildings and greenhouses. No residential structure or appurtenance shall be used or occupied until the exterior construction thereof is completed.

No single primary residential dwelling shall be placed on any Tract unless its living area has (exclusive of porches and garages) a minimum of 2850 square feet of floor area. All mobile homes are absolutely forbidden to be located on any Tract.

All residential dwellings shall be equipped with and served by a fresh water well and septic system and drain field, installed, operated and continuously maintained in accordance with applicable governmental requirements. No cesspool shall ever be dug, used, or maintained in the Development, and drainage of septic tanks or sewage into roads, streets, and alleys, ditches, ravines, or upon the open ground is prohibited. Exterior walls of all residential dwellings shall be completed with a suitable grade of siding so as to present a suitable appearance, provided however, that the Committee has the authority in its sole discretion to approve all siding materials, provided further, any naturally colored stone or brick, or naturally finished redwood or cedar siding, or reasonable combination thereof, shall be acceptable siding material. The roof of each residential dwelling shall be constructed and maintained with wood or slate shingles, or with composition shingles or aluminum shingles which are of natural, earth tone color and which have the appearance of being wood or slate.

Section 3. Permitted Agricultural and Livestock Uses. In addition to use for single family residential purposes as provided in Section 1 of this Article, each Tract may be used for the following purposes:

a. Agricultural Use. Subject to the limitations contained in this subsection (a) , each Tract may be used, in addition to other permitted uses, for the purpose of producing from such Tract agricultural products such as vegetables, grains, hay, fruits, fibers, wood, trees, plants, shrubs, flowers and seeds in accordance with generally accepted agricultural practices, provided that such agricultural uses and activities do not constitute a nuisance (as defined and used in Section 13 of this Article V). Such agricultural products may be sold or marketed to the public, provided, however, that, except as hereinafter expressly provided, no such sales or marketing shall be conducted on any Tract or any other portion of the Properties. The preceding sentence shall be deemed to prohibit specifically, but without limitation, the placing of a sign or signs on any portion of an Owner's Tract or on any portion of the Properties advertising or related to the marketing, sales, price or availability of such agricultural products; the construction or maintenance of any structure on a Tract or any portion of the Properties the primary purpose of which is for the public display of any such agricultural products; and the conducting on a Tract or any portion of the Properties of any form of public sale or auction of such agricultural products. However, nothing contained herein shall prohibit a third person or persons from entering upon a Tract for the purposes of viewing or inspecting agricultural products or unharvested or growing crops, purchasing same by private purchase and/or carrying or transporting agricultural products of such tract. In connection with agricultural uses permitted in this subsection, an Owner may, when reasonable and necessary for the particular agricultural use, and when conducted in accordance with generally accepted agricultural practices, use tractors and other farm equipment, farm laborers and chemical fertilizers, pesticides and herbicides; provided, however, that Owner must comply with all applicable rules, laws and regulations as to the type and manner of application of any chemical fertilizer, pesticide or herbicide. Notwithstanding the foregoing, the Committee shall have the right to prohibit such uses and activities on a Tract (including, without limitation, type, and manner of application of chemical fertilizers, pesticides and herbicides) which it deems unreasonable or unnecessary for a particular permitted agricultural use or not conducted in accordance with generally accepted agricultural practices.

b. Livestock. Subject to the limitations contained in this subsection (b), each Tract may be used, in addition to other permitted uses, for the purpose of raising, training, and breeding the hereinafter named domestic livestock and animals. Unless otherwise approved in writing by the Committee, only the following livestock and animals, and in the following numbers, may be kept, raised, trained or bred upon any Tract (for the purposes of determining the number of animals permitted to be kept on a Tract pursuant to this subsection (b), a Tract shall be deemed to consist of the number of full acres shown for such Tract on the Subdivision Plat (or if prior to recordation of the Subdivision Plat, then as shown in any deed covering such Tract), rounded, if necessary, to the next lowest full acre):

Group A: horses, cattle,
sheep, goats--

no more than one (1) Group A animal
per each acre

Group B: rabbits, ducks,
turkeys, chickens,
pheasants, pigeons, and
other varieties of birds
(other than peacocks, which
are prohibited) --

no more than eight (8) of any one type
of Group B animal per Tract and no
more than an aggregate of twenty (20)
Group B animals on any single Tract
or on any two or more Tracts combined
by an Owner pursuant to Section 24 of
this Article V

Group C: dogs, cats--

no more than an aggregate of one (1)
dog and one (1) cat per each acre and
an aggregate limit of no more than five
(5) dogs and ten (10) cats on any single
Tract or on any two or more Tracts
combined by an Owner pursuant to
Section 24 of this Article V

provided, however, than an Owner may keep, raise and/or breed such other domestic livestock and animals (not expressly prohibited herein) which may from time to time be approved in advance by the Committee in writing, in such numbers and subject to such other restrictions as the Committee may designate at the time of such approval. The offspring of Group A animals permitted hereby to be kept on a Tract may be kept by an Owner on his Tract for up to one (1) year (or such shorter or longer period of time as the Committee may determine for a specific type of animal in its sole discretion) before such offspring will become subject to the limitations contained in this subsection (b). The offspring of Group B and Group C animals permitted hereby to be kept on a Tract may be kept by an Owner on his Tract for up to six (6) months (or such shorter or longer period of time as the Committee may determine for a specific type of animal in its sole discretion) before such offspring will become subject to the limitations contained in this subsection (b). In no event shall any Owner keep, raise, or breed, or allow to be kept, raised or bred on his Tract, any pigs, swine, peacocks, snakes or other reptiles, or any other animal which, in the judgment of the Committee, would be deemed non-domestic or wild (*ferae naturae*).

Permitted livestock and other animals and their offspring may be sold or marketed to the public by public or private auction, on-site sale or such other manner of sale as an Owner may select, and such sales and marketing may be

advertised by an Owner on his Tract (s) as such Owner may desire; provided, however, that the prior written consent of the Committee must be obtained as to the following: the type of sale or marketing and activities to be carried on in connection therewith; the time or times such sale or marketing is to be held or conducted; the type and location of any temporary sales facilities and structures; the location, size and appearance of all signage to be used to advertise such sale or marketing; and the plan for parking of the vehicles of those persons to be in attendance at such sale or marketing. However, the prior written consent of the Committee shall not be required to permit a third person or persons to enter upon a Tract for the purposes of viewing or inspecting any such livestock or other animals or their offspring, purchasing same by private purchase and/or carrying or transporting same off such Tract.

In the exercise of the rights granted in this subsection, an Owner shall comply with general accepted livestock raising and breeding practices. Specifically, but without limitation, no animal may be brought onto a Tract or any portion of the Development without providing to the Committee evidence to the satisfaction of the Committee that such animal is free from communicable diseases. In this regard, the Committee shall be furnished, without limitation, prior to bringing any animal onto a Tract or any portion of the Development, a current health certificate showing the animal to be free of Equine Infectious Anemia, evidenced by a negative Coggins Test within the previous six (6) months (in the case of horses) or Brucellosis (commonly known as Bangs) (in the case of cattle). Group B animals shall have a current rabies inoculation and wear a collar tag bearing the date and place of inoculation.

No animal shall be allowed or permitted on any portion of the Development except the Tract of its Owner unless same shall be under the control of the Owner or another person by leash, rope, chain, or other restraining device, provided however that no animal shall be allowed on any Tract, except within the Bridle Path Easement (as hereinafter defined) without permission of the Owner. All horses and cows shall be stabled in an animal shelter on the Tract as approved by the Committee. Nothing herein shall exempt the keeping of horses, cows, or household pets from the covenant against nuisances elsewhere herein.

Section 4. Occupancy Only on Completion. Written approval of the Committee shall be required before any single-family dwelling may be occupied prior to the entire completion of the exterior of such dwelling, including all additions or expansions. Entire completion additionally shall include, but not be limited to removal from the construction site of all unused construction materials and cleaning of the construction site so that the general appearance of the Tract meets the standards set by the Committee.

Section 5. Building Setbacks. Unless otherwise approved in advance by the Committee in writing, no Improvement (excluding permitted fences) shall be located nearer than one hundred feet (100') from the front right-of-way line

of the adjacent roadway as reflected by the Subdivision Survey. In addition, no Improvement (except permitted fencing) shall be located on any Tract nearer than fifty feet (50') from a side tract line. For the purpose of this covenant, eaves, steps and open porches shall be considered as a part of an Improvement. Without limiting and foregoing, no portion of any Improvement on any Tract shall encroach upon another Tract. If two or more Tracts, or fractions thereof, are consolidated into a building site in conformity with the provisions of this Section 4, these building setback provisions shall be applied to such resultant building site as if it were one original Tract. It is the owner's responsibility to check that no utilities exist or are planned for any easements that exist between property lines.

Section 6. Tract Consolidation or Subdivision. No Tract or Tracts shall be consolidated or subdivided without the consent of the Committee. Also, no tract may be subdivided in a way that would leave any subdivided tracts being less than 5.0 acres in size.

Section 7. Utility and Drainage Easement; Roadway Lighting. A ten foot (10') wide underground, ground, and aerial easement for the installation and maintenance of utilities and drainage facilities is reserved along all side, rear and front boundaries of each Tract. No utility company, political subdivision or other authorized entity using the easements herein reserved shall be liable for any damage done by them or their assigns, agents, employees, or servants, to shrubbery, trees or flowers, or to other property of the Owner of any Tract situated within any such easement. Such easements may be crossed by walkways, driveways, and the like, but no building shall be constructed or maintained thereon. Permanent overhead secondary line service shall be permitted. If road edge poled street lighting is installed the Association may bill monthly, to each Owner, as a Special Assessment pursuant to the provisions of Section 4 of Article III hereof, the cost of electrical energy to operate such street lighting system, such cost to be calculated on the basis of the rate established under the Houston Lighting and Power Company Rate Schedule RLU, then applicable, or, should such rate schedule be discontinued, on the basis of any substitute rate schedule selected by the Board of the Association. Rate Schedule RLU is subject to change without notice. Such charge shall be in addition to any other charges to such Tract Owner incurred by him for electric service to his Tract.

Section 8. Bridle Path Easement. There is hereby created an easement for equestrian and pedestrian use ("Bridle Path Easement") as shown on attached Exhibit "D" for the non-exclusive use and enjoyment of all Owners, their families, guests, and invitees. No Owner or other person whomsoever shall be permitted to fence or obstruct any portion of any Bridle Path Easement without the prior approval of the Committee, and no building or other structure whatsoever shall be constructed or maintained on any part of any Bridle Path Easement. The Bridle Path Easement shall be maintained in as natural a state as possible consistent with use as an equestrian and pedestrian easement, and

no cutting of any tree, clearing of any underbrush, or landscaping shall be done thereon except as may from time to time be designated by the Committee.

Section 9. Natural Vegetation Protected, Landscaping Setback Easement. In order to provide and perpetuate a natural setting, an easement is hereby reserved for the purpose of maintaining natural vegetation on, over and across the following areas: twenty feet (20') along and adjacent to the front boundary of each Tract and ten feet (10') along the sides and twenty feet (20') along the rear of each Tract. With respect to determining the areas affected by this natural vegetation easement, such easement shall include any Bridle Path Easement or other Common Property dedicated to natural vegetation. Within the natural vegetation easement, no Owner or other party whomsoever shall cut any tree in excess of eight inches (8") in diameter measured twelve inches (12") above the ground except with respect to those areas crossed by walkways, driveways and fencing as approved by the Committee; or as may be required for the placement of utilities.

Section 10. Recreation Vehicles. Nothing herein shall be construed or held to exclude the keeping or storing of unoccupied recreational vehicles (including house, camping, and hunting trailers, motor homes, tents, and other portable camping structures) within a fully enclosed structure or screening approved by the Committee. No such recreational vehicle shall be allowed to be used for overnight occupancy or occupied for any other length of time as a temporary residence or otherwise.

Section 11. Prohibited Buildings. Buildings which do not comply with the land use and building type restrictions contained herein are prohibited.

Section 12. Signs. No signs, advertisement, billboard, or advertising structure of any kind may be erected or maintained on any Tract without the consent in writing of the Committee, except one (1) sign not more than nine (9) square feet advertising an Owner's Tract for sale or rent. Declarant or any members of such Committee shall have the right to remove any such sign, advertisement or billboard or structure which is placed on any Tract in violation of these restrictions, and in doing so, shall not be liable, and are hereby expressly relieved from, any liability for trespass or other tort in connection therewith, or arising from such removal. Notwithstanding anything contained herein to the contrary, Declarant reserves the right to construct and maintain such signs, and advertising devices on the Development as is customary in connection with the general sale of property in the Subdivision.

Section 13. Noxious Activities Prohibited. No noxious or offensive trade or activity shall be permitted upon any Tract, or any other part of the Development, nor shall anything be done thereon which is or may become an annoyance of a nuisance to the neighborhood, is illegal, dangerous, or immoral, or which, in the sole judgment of the Committee, shall have the effect of degrading the residential environment of the Development.

Section 14. Junked Motor Vehicles Prohibited. No Tract shall be used as a depository for abandoned or junked motor vehicles. An abandoned or junked motor vehicle is one without a current, valid state vehicle inspection sticker and license plate. No junk of any kind or character, or dilapidated structure or building of any kind or character, shall be kept on any Tract. No accessories, parts or objects used with cars, boats, buses, trucks, trailers, house trailers or the like, shall be kept on any Tract other than in a garage or other structure approved by the Committee.

Section 15. Hunting. No hunting shall be allowed in, on or from any part of a tract that is less than twenty (20) acres. No handgun, rifle, shotgun, or other firearm shall be discharged in, on or from any tract that is less than twenty (20) acres. On tracts of twenty (20) acres or more, hunting shall be allowed, and the discharge of handguns, rifles, shotguns, and other firearms shall be allowed, subject to reasonable rules and regulations providing for the safety and well-being of all persons within the Development, as shall be promulgated by the Architectural Control Committee and approved by a majority vote of Class A Members.

Section 16. General Appearance. The general appearance of each Tract shall be maintained in a manner beneficial to the environment of the development and in conformity with the reasonable standards set by the Committee.

Section 17. Certain Operations Prohibited. Except on those certain drill sites as designated in Surface Use Agreement, recorded in Volume 1146, Page 497, Deed Records, and Drill Site Agreement, recorded under Clerk's File No. 8313543, Real Property Records, and Surface Use Waiver and Drill Site Agreement, recorded in Volume 638, Page 420, Deed Records, Montgomery County, Texas, no oil well drilling, oil development operations, oil refining, quarrying or mining operations of any kind shall be permitted, nor shall oil wells, tanks, tunnels, mineral excavations or shafts be permitted, and no derrick or other structure designed for use in boring for oil, natural gas or other minerals shall be erected, maintained or permitted on any part of the Development. Nothing contained herein shall prohibit or restrict the right of an Owner to drill for water on a Tract pursuant to Section 23 of this Article.

Section 18. Rubbish and Trash Prohibited. No portion of the Development shall be used or maintained as a dumping ground for rubbish or trash and no garbage or other waste shall be kept except in sanitary containers, screened from public view. All incinerators or other equipment for the storage and disposal of such materials shall be kept in a clean and sanitary condition, not visible from a street or road, and in compliance with all applicable governmental laws and regulations. Further, the Committee shall have the right from time to time to establish such other rules and regulations relating to storage, handling, removal and disposition of trash, garbage, junk, debris and other wastes as it, in its sole discretion, shall determine, including without

limitation, obligating Owners to dispose of such materials through private garbage disposal service.

Section 19. Fences, Etc. No fence or wall shall be placed or permitted to remain on any Tract except as may conform to the rules and regulations with respect to fences and walls from time to time adopted and approved by the Committee, which rules, and regulations shall be generally applicable to all Tracts within the Development. Declarant reserves the right to construct fencing of the type selected by Declarant along the front boundary of each Tract. Any such fencing may not be altered by Owner (except to install an entry gate) or removed by Owner. Each Owner shall, at his sole cost and expense, maintain and keep in a good state of repair any fencing constructed by Declarant over the Tract. Notwithstanding the foregoing, prior to the installation or construction, or any substantial modification or addition, to any fence or wall, the plans and specifications therefore shall be submitted to the Committee for approval in accordance with Section 3 of Article IV hereof.

Section 20. Excavations. No excavation shall be made except in conjunction with construction of an improvement or approved by the Committee. When such improvement is completed, all exposed openings shall be back filled and graded within 72 hours.

Section 21. Completion of Construction. Once commenced, construction shall be diligently pursued to the end that it may not be left in a partly finished condition any longer than reasonably necessary, and in no event longer than nine (9) months.

Section 22. Water Wells. There is presently no water system available to the Development. However, the only permissible source of water for such Tract shall be a water well drilled in accordance with the terms of this Section 22. Each Owner may therefore, subject to the terms hereof, on his own Tract, drill for and provide his own water supply, or join with other Owners to drill a common water well. If several Owners shall drill a common well, such Owners may, with the prior written consent of the Committee and any utility company or other entity having the right to use easements on the Development, use the easements herein reserved to install service water lines from such common well. All water wells must comply with all requirements of governmental authorities having jurisdiction. Further, no water well may be drilled without the prior written consent of the Committee as to the type of water well and location and manner of drilling of same.

Section 23. Use of Common Properties. There shall be no obstruction of any part of the Common Properties, which are intended to remain unobstructed for the reasonable use and enjoyment thereof. No Owner shall appropriate any part of the Common Properties to his exclusive use, nor shall any Owner do anything which would violate the easements, rights, and privileges of any Owner in regard to any portion of the Common Properties which is intended for the Common Use and benefit of all owners.

ARTICLE VI MAINTENANCE

Section 1. Duty of Maintenance. Owners and occupants (including lessees) of any part of the Development shall jointly and severally have the duty and responsibility, at their sole cost and expense, to keep that part of the Development so owned or occupied by them, including buildings, improvements, and grounds in connection therewith, in a well-maintained, safe, clean and attractive condition at all times. Such maintenance includes, but is not limited to, the following:

- a. Prompt removal of all litter, trash, refuse, and wastes.
- b. Lawn mowing (outside of the natural vegetation easement).
- c. Tree and shrub pruning (outside of the natural vegetation easement).
- d. Watering.
- e. Keeping exterior lighting and mechanical facilities in working order.
- f. Keeping lawn and garden areas alive, free of weeds, and attractive.
- g. Keeping parking areas, walkways and driveways in good repair.
- h. Complying with all government health and policy requirements.
- i. Repainting of improvements.
- j. Repair of exterior damage to improvements.
- k. Repair and maintenance of any fencing along the front of the Tract.

Section 2. Enforcement. If in the opinion of the Association any such Owner or occupant has failed in any of the foregoing duties or responsibilities, then the Association may give such person written notice of such failure and such person must within ten (10) days after receiving such notice, perform the care and maintenance required. Should any such person fail to fulfill this duty and responsibility within such period, then the Association through its authorized agent or agents shall have the right and power to enter onto the premises and perform such care and maintenance without any liability for damages for wrongful entry, trespass or otherwise to any person. The Owners and occupants (including lessees) of any part of the Development on which such work is performed shall jointly and severally be liable for the cost of such work and shall promptly reimburse the Association for such cost. If such Owner or

occupant shall fail to reimburse the Association within thirty (30) days after receipt of a statement for such work from the Association, then said indebtedness shall be a debt of all of said persons jointly and severally and shall constitute a lien against the Tract or Tracts on which said work was performed. Such lien shall have the same attributes as the lien for annual assessments and special assessments set forth in Article III, Section 9 above, which provisions are incorporated herein by reference, and the Association shall have identical powers and rights in all respects, including but not limited to, the right of non-judicial foreclosure.

ARTICLE VII COMMON PROPERTIES

Section 1. Easements of Enjoyment. Subject to the provisions of Section 3 hereof, every member of the Association shall have a right and easement of enjoyment in and to the Common Properties, and such right and easement shall be appurtenant to and shall pass with the title to each Tract in the Subdivision.

Section 2. Title to Common Properties. Declarant may retain legal ownership of the Common Properties until such time as, in its sole opinion, the Association is able to operate and maintain same. Until title to such Common Properties has been conveyed to the Association by Declarant, Declarant shall be entitled to exercise all rights and privileges relating to such Common Properties granted to the Association in the Declaration and all Supplemental Declarations.

Section 3. Extent of Easements. The rights and easements of enjoyment created hereby shall be subject to the following:

- a. The right of the Association to prescribe rules and regulations for the use, enjoyment and maintenance of the Common Properties, or any part thereof.
- b. The right of the Association to sell and convey the Common Properties, or any part thereof, provided such sale or conveyance is approved by a majority of the total eligible votes of the membership of the Association as defined in Article II hereof, voting in person or by proxy, at a meeting duly called for such purpose, written notice of which shall be given to all Members at least thirty (30) days in advance and shall set forth the purpose of the meeting.
- c. The right of the Association to borrow money for the purpose of improving the Common Properties, or any part thereof, and to mortgage the Common Properties, or any part thereof.
- d. The right of the Association to take such steps as are reasonably necessary to protect the Common Properties, or any part thereof, against foreclosure.

- e. The right of the Association to grant or dedicate easements in, on, under or above such Common Properties or any part thereof, to any public or governmental agency or authority or to any utility company for any service to the Subdivision or any part thereof.
- f. The right of the Association to suspend the easements of enjoyment of any Member of the Association during which time any assessment levied under Article III hereof remains unpaid, and for any period not to exceed thirty (30) days for any infraction of its published rules and regulations; and the aforesaid rights of the Association shall not be exclusive, but shall be cumulative of and in addition to all other rights and remedies which the Association may have in the Declaration and Supplemental Declarations or in its bylaws or at law or in equity on account of any such default or infraction.
- g. The rights and easements existing herein created, or hereinafter created in favor of others, as provided for in the Declaration and any Supplemental Declarations.
- h. The restrictions as to use of the Common Properties provided for in Article V.

ARTICLE VIII MISCELLANEOUS PROVISIONS

Section 1. Duration. This Declaration and the covenants, restrictions, charges and liens set out herein shall run with and bind the Development, and shall inure to the benefit of and be enforceable by the Association, and every Owner of any part of the Development, including Declarant, and their respective legal representatives, heirs, successors and assigns, for a term beginning on the date this Declaration is recorded, and continuing through and including the twenty-fifth (25th) anniversary of such recordation. During the initial term hereof, this Declaration may be changed or terminated only by an instrument signed by the then owners of not less than a majority of all Tracts and properly recorded in the appropriate records of Montgomery County, Texas. Upon the expiration of such initial term, said covenants and restrictions (if not previously terminated and as changed, if changed), and the enforcement rights relative thereto, shall be automatically extended for successive periods of ten (10) years. During such ten (10) year extension periods, the covenants and restrictions of this Declaration may be changed or terminated only by an instrument signed by the then owners of a majority of all the Tracts in the Development and properly recorded in the appropriate records of Montgomery County, Texas.

Section 2. Enforcement. The Association shall have the right (but not the duty) to enforce any of the covenants and restrictions set out in any Declaration hereafter filed by Declarant or any subsequent Owner. Enforcement of the covenants and restrictions shall be by any proceeding at law or in equity against

any person or persons violating or attempting to violate any covenant or restriction, either to restrain violation or to recover damages, and against the land to enforce any lien created by these covenants; and failure by the Association or any Owner to enforce any such covenant or restriction shall in no event be deemed a waiver of the right to do so thereafter.

Section 3. Amendments by Declarant. The Declarant shall have and reserves the right at any time and from time to time, without the joinder or consent of any other party, to amend this Declaration by an instrument in writing duly signed, acknowledged, and filed for record for the purpose of correcting any typographical or grammatical error, ambiguity or inconsistency appearing herein, provided that any such amendment shall be consistent with and in furtherance of the general plan and scheme of development as evidenced by the Declaration and all Supplemental Declarations and shall not impair or affect the vested property or other rights of any Owner or his mortgagee.

Section 4. Interpretation. If this Declaration, or any word, clause, sentence, paragraph, or other part thereof shall be susceptible of more than one or conflicting interpretations, then the interpretation which is most early, in accordance with the general purposes and objectives of the Declaration and all Supplemental Declarations shall govern.

Section 5. Omissions. If any punctuation, word, clause, sentence, or provision necessary to give meaning, validity, or effect to any other word, sentence, or provision appearing in this Declaration shall be omitted here from, then it is hereby declared that such omission was unintentional and that the omitted punctuation, word, clause, sentence, or provision shall be supplied by inference.

Section 6. Notices. Any notice required to be sent to any Member or Owner under the provisions of this Declaration shall be deemed to have been properly sent when mailed, postpaid, to the last known address of the person who appears as Member or Owner on the records of the Association at the time of such mailing.

Section 7. Gender and Grammar. The singular, wherever used herein, shall be construed to mean the plural, when applicable, and the necessary grammatical changes required to make the provisions hereof apply either to corporations or individuals, males, or females, shall in all cases be assumed as though in each case fully expressed.

EXECUTED this 15th day of November 1991.