

Section 6. "ACC" shall mean the Architectural Control Committee.

Section 7. "Main Roads" shall mean, as shown on the recorded subdivision instrument of the Property.

Section 8. "Bridge" shall mean the bridge as built by the Declarant on the Property in accordance with the specifications for same as established by the laws of the State of Texas and the rules and regulations of Fayette County, Texas.

ARTICLE II MEMBERSHIP IN ASSOCIATION; VOTING RIGHTS

Section 1. Members. Every owner of a Lot will be a member of the Association; membership will be appurtenant to and may not be separated from ownership of a lot.

Section 2. Voting. The Association will have two classes of voting members as follows:

Class A. Class A members will be all owners with the exception of Declarant and will be entitled to one vote for each Lot owned by such Class A member. When more than one person holds an interest in a given Lot, all such persons will be members and the vote for such Lot will be exercised as they may determine among themselves. In no event may more than one vote be cast with respect to any Lot owned by Class A members.

Class B. The Class B member will be Declarant, who will be entitled to exercise ten votes for each Lot owned by the Declarant. The Class B membership will cease and be converted to Class A membership when the total votes outstanding in the Class A membership equal the total votes outstanding in the Class B membership, or on June 15, 2027, whichever first occurs.

ARTICLE III USE RESTRICTIONS AND ARCHITECTURAL CONTROLS

Section 1. Construction of Improvements. Each Lot shall be used only for single-family residence purposes as defined hereafter and shall be in compliance with the following:

- 1.01 The main residence shall be a single-family residential dwelling not to exceed two and one-half (2-1/2) stories in height, with a living area of the main residential structure (exclusive of outbuildings, guest houses, porches, garages and servants quarters) shall not be less than two thousand six hundred (2,600) square feet, with a private garage for not more than five (5) cars, and other structures (including guest houses or servants' quarters). Other structures shall not exceed the main residence in height and may be permanently occupied only by a member of the family occupying the main residence on the Lot, or by domestic servants employed on the premises. The design of other structures shall be consistent with the main residence.
- 1.02 Sheds, barns, and small storage buildings are permitted, and all such sheds, barns and small storage buildings must have side opening main doors and such doors must not face the Main Roads. These improvements must be specifically approved by the ACC.
- 1.03 Manufactured and/or mobile homes and/or modular homes are strictly prohibited.
- 1.04 Detached carports are prohibited unless specifically approved by the ACC.

- 1.05 No garage doors facing the street on any buildings built on the Lot are allowed.
- 1.06 (a) No vertical landscaping shall be built in the County road easement/setback, and (b) any vertical landscaping entrance into a Lot must be approved by the ACC. For clarity, vertical landscaping shall mean fencing, walls, and columns, etc.

Section 2. Architectural Control and Approval of Builders. No buildings or improvements of any character shall be erected or placed or the erection thereof begun, or changes made in the design thereof after original construction, on any Lot until the construction plans and specifications and a site plan showing the location of the structure or improvements have been submitted to and approved, in writing by the ACC, as to compliance with these restrictions, quality of material, harmony of external design with existing and proposed structures and as to location with respect to topography and finish grade elevation and consistent with a design that is compatible with the country setting and style in the Kneip Round Top area. Unconventional, extreme, and nonconforming design is discouraged. The ACC shall be comprised of three members and shall exercise sound discretion when considering contemplated improvements. The initial members of the ACC shall be Terry S. Ward, Darlene Ward, and Isabelle Orrick. If there exists at any time one or more vacancies in the ACC, the remaining member or members of the ACC may designate successor member(s) to fill such vacancy or vacancies. The ACC and the individual members thereof shall not be liable for any act or omission in performing or purporting to perform the functions delegated hereunder. In the event the ACC fails to indicate its approval or disapproval within sixty (60) days after the receipt of the required documents, approval will not be required, and the related covenants set out herein shall be deemed to have been fully satisfied. Declarant hereby retains its right to assign the duties, powers and responsibilities of the ACC to the Association when one hundred percent (100%) of all Lots and any other areas annexed to the Property have been conveyed to Owners, and the term "Architectural Control Committee" or "ACC" herein shall include the Association as such assignee. The approval or lack of disapproval by the ACC shall not be deemed to constitute any warranty or representation by the ACC including, without limitation, any warranty or representation relating to fitness, design or adequacy of the proposed construction or compliance with applicable statutes, codes and regulations. The Association may charge a reasonable fee not to exceed the sum of \$250.00 to retain an architect to review plans engineering and specifications for improvements.

The ACC may, but shall not be required to, from time to time promulgate an outline of minimum acceptable architectural and/or construction guidelines; provided, however, that such outline will serve as a minimum guideline and the ACC will not be bound thereby. The ACC may provide detailed style or construction specifications in the Architectural Guidelines, and the ACC may from time to time amend and update the Architectural Guidelines.

The ACC shall have the power to and may allow reasonable variances and adjustments to the restrictions set forth herein in order to overcome practical difficulties and to prevent unnecessary hardships in the application of the restrictions contained herein; provided, however, that such is done in conformity with the intent and purposes hereof; and provided further, that in every instance such variance or adjustment will not be materially detrimental or injurious to other property, improvements or the Owners thereof. Furthermore, such variances and adjustments as may be granted hereunder may include without limitation the height, size and building setback restrictions as set forth herein.

Further, all builders performing construction on a Lot must be pre-approved in advance by Developer in its sole discretion.

Section 3. Minimum Square Footage within Improvements. The living area of the main residential structure (exclusive of outbuildings, guest houses, porches, garages and servants'

quarters) shall not be less than two thousand six hundred (2,600) square feet. The ACC, at its sole discretion, is hereby permitted to approve deviations in any building area herein prescribed in instances when in its sole judgment, such deviations would result in a beneficial common use consistent with the Subdivision. Such approvals must be granted in writing in recordable form and when given shall become a part of these restrictions to the extent of the particular Lot involved.

Section 4. Exterior Materials. Unless otherwise approved by the ACC, in its sole and exclusive discretion, the exterior materials of the main residential structure and any attached garage, guest houses, and servants' quarters shall be constructed of masonry, stucco, hardiplank, cedar, or other wood siding.

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

- a. fifty feet (50') to the Main Roads; and
- b. twenty-five feet (25') to the side or rear Lot line.

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

Section 7. Minimum Setbacks for Preservation of Existing Native Vegetation. A minimum 15-foot wide native vegetation buffer zone shall be maintained on the sides and back of the Lot undisturbed; and, removal or trimming of trees, brush or any other vegetation within such 15-foot wide native vegetation buffer zone on the Lot is expressly prohibited except necessary for any public utility easements. For reference purposes only, an example of such 15-foot wide native vegetation buffer zone is as set forth on Exhibit B attached hereto

Section 8. Easements. Easements for installation and maintenance of utilities are reserved (or will be reserved) by Declarant, and no structure of any kind shall be erected upon any of said easements.

The Owner shall maintain all the easements located on their Lot if any. Maintaining includes but is not limited to cutting of the drainage ditches, keeping the easement area clean and free of debris and trash. 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.

The Main Roads shall be constructed according to plans and specifications approved by Fayette County, Texas, for maintenance by Fayette County, Texas. However, each Lot Owner shall be solely responsible for the maintenance of any driveways from a Main Road to the Lot from that point where such driveways tie into the Main Road.

Additionally, each Lot owner is responsible and shall cut the grass and maintain the surface of any easement, ditch areas or unimproved right of way from the main road that borders their property.

Section 9. Prohibition of Trade and Offensive Activities. No retail, industrial, multifamily construction, office building, or mixed-use commercial construction, shall be allowed on any Lot. Noxious or offensive activities of any sort including loud noises, or anything done on any Lot that may be or become an annoyance or a nuisance to the neighborhood shall not be permitted.

Section 10. Use of Temporary Structures. No structures of a temporary character including but not limited to mobile home, trailer, tent, shack, RV's, garage, barn or other outbuildings shall be used on any Lot at any time as a residence. Buildings used for accessory or storage purposes shall be limited to not more than two and one-half (2-1/2) stories in height and shall be subject to approval of the ACC. Temporary structures may be used as building offices and for related purposes during the construction period. Such structures shall be inconspicuous and sightly and shall be removed immediately after completion of construction.

Section 11. Storage of Automobiles, Boats, Trailers and other Vehicles. No boat RV's, trailers, boats, travel trailers, automobiles, trucks, tractor-trailers, 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. No inoperable boat trailers, boats, travel trailers, automobiles, trucks, tractor -trailers, campers or vehicles of any kind shall be semi-permanently or permanently stored on any Lot.

Section 12. Mineral Operations. No oil, gas or other mineral drilling, development operations, refining, quarry, or mining operations of any kind shall be conducted or permitted upon or in any Lot. No wells (excluding water wells and septic tanks), tanks, tunnels, mineral excavation, or shafts shall be conducted or 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.

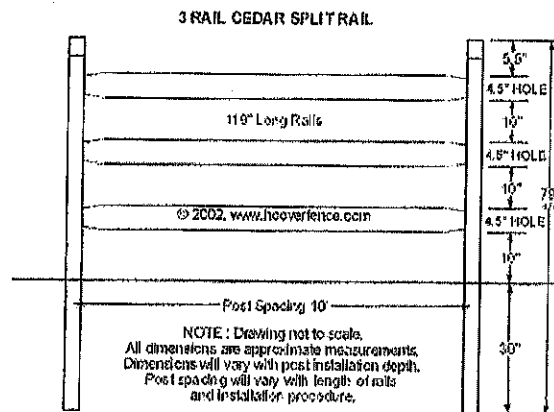
Section 13. Firearms. No pistol, rifle, shotgun or any other firearm or explosives or any other device capable of killing or injuring or causing property damage shall be discharged, and no hunting is allowed on any part of the Property, except as follows:

- a. for the protection of Owners of the Lots and their property or animals from predators or nuisance varmints;
- b. Upon written permission of the Association.

Section 14. Commercial use. Commercial activity, whether for profit or not, open to the public or business invitees is prohibited. Similarly, commercial use that involves, directly or indirectly, the storage, warehousing and/or distribution of goods or services is prohibited.

Section 15. Fences. The Developer has (or will have) installed split-rail fencing in front of each Lot along the main common road (the "Main Road Fence"). Owners are required and must maintain the split-rail fencing that is on the front property line of their Lots, from corner to corner of their side property lines.

The fence is built on the front property line of each Lot travelling down the front of each Lot from side property line to side property line. The Main Road Fence must be constructed of split-rail fencing in accordance with the specifications below. When repairs are made it must be done with the exact dimensions as the existing split-rail fence with the exact same/type of materials and color.



Any other privacy walls, fences, or hedges that obstruct views of the Lots from the Main Roads shall be approved by the ACC prior to commencing construction. Any privacy walls, fences, or hedges erected on a Lot by Declarant, or its assigns, shall pass ownership with title to the Lot, and it shall be Owners of the Lots responsibility to maintain said walls, fences, or hedges thereafter.

Hurricane-type or chain-link fences, and (b) hog or cattle paneling or fencing in the front of any Lot are strictly prohibited and forbidden anywhere in the development, and no variance for same will be granted. No vertical landscaping shall be built in the County Road easement/setback, and any vertical landscaping entrance into a Lot must be approved by the ACC. For clarity, vertical landscaping shall mean fencing, walls, and columns, etc.

Section 16. 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 vehicles, 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 (or on an as needed basis) as long as such service is not provided and required by a municipality. The Association may, at its option, allow each Lot Owner to purchase trash service from one service and charge for such service as part of the assessments described in Article IV hereof. In the event of default on the part of the Owner or occupant of any Lot in observing the above requirements or any of them, such default continuing after ten (10) days' written notice thereof, Declarant, or its assigns, may without liability to Owner or occupant, but without being under any duty to so do, in trespass or otherwise, enter upon said Lot, cut, or cause to be cut, such weeds and grass and remove or cause to be removed, such garbage, trash and rubbish or do any other thing necessary to secure compliance with these restrictions and to place said Lot in a neat, attractive, healthful and sanitary condition, and may charge the Owner or occupant of such Lot for the cost of such work. The Owner or occupant, as the case may be, agrees by the purchase or occupation of the Lot to pay such statement immediately upon receipt thereof. Any unpaid amount shall bear interest at the lesser of the highest rate allowed by law or eighteen percent (18%) per annum.

Section 17. Trash containers, dumpsters or any object holding or storing trash. Trash containers, dumpsters or any object holding or storing trash must be out of sight of the all public or private roads surrounding or going through the Kneip Round Top area. Storing or placing and trash containers, dumpsters or any object holding or storing trash at or near driveway near the road, or the road frontage of property is strictly prohibited.

Moveable Trash containers may be put at the entrance of a Lot near the road, the night before or the morning of a scheduled trash pickup day by a hired garbage company and hauler. The moveable containers shall be removed from the road area the same day of the trash pickup day.

Section 18. Mail boxes, newspaper holders. The placement of mail boxes, newspaper holders or any other containers or apparatus to receive deliveries or for pickup of items located on Lots is prohibited. Provided, however, the Declarant will install a community mailbox about the Property.

Section 19. Signs, Advertisements and Billboards. Except for entrance, street, directional, traffic control, and safety signs, and such promotional signs as may be maintained by Declarant and builders, or agents or contractors thereof, or the Association, no signs or advertising devices of any character shall be erected, posted, or displayed upon, in or about the property.

No sign, advertisement, billboard or advertising structure of any kind shall be placed, maintained or displayed to the public view of any Lot except one standard realtor or for sale by owner sign for each building site, of not more than two feet by two feet, advertising the property for sale, provided that Declarant, or its assigns, may maintain, as long as it owns property in the Subdivision, in or upon such portions of the Property as Declarant may determine, such facilities as in its sole discretion may be necessary or convenient, including, but without limitation to offices, storage areas, model units and signs. 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 20. Roofing Materials. The roof of all buildings (including any garage or servants' quarters) shall be constructed or covered with composition shingles, tiles, metal or slate acceptable to and approved by the ACC. Any other type of roofing material shall be permitted only at the sole discretion of the ACC upon written request.

Section 21. Maximum Height of Antennae. No electronic antenna or device of any type other than an antenna for receiving normal television signals shall be erected, constructed, placed or permitted to remain on any Lot, residences, or buildings except as approved by the ACC. Television antennae may be attached to the residence provided, however, such 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 or on a sidewall of the main residential structure. Antennae, either freestanding or attached, must have ACC approval as to the placement of the antennae on the Lot. No portion of any Lot shall be sold, leased, conveyed, or in any manner transferred for use as a wireless or cellular communication facility. Placement of microwave towers, cellular communication towers, and ham operator communication towers are strictly prohibited.

Section 22. Re-subdivision. Declarant may subdivide any of the Lots at its discretion. A Lot Owner may not subdivide a Lot. Provided, however, for a period of twenty (20) years from the date of these Restrictions when signed by the Declarant below, the Owner of Lot 6 of the Property shall have the right to subdivide Lot 6 during such twenty (20) year period in such Owner's sole discretion as an exception to this Section 22; however, at the end of such twenty (20) year period the right by the Owner of Lot 6 to subdivide pursuant to this Section 22 shall cease and terminate, and be of no further force and affect.

Section 23. Septic Systems. Prior to occupancy of a home, or any livable building each Lot Owner shall construct, install and maintain a septic tank and soil absorption system in accordance with the specifications for same as established by the laws of the State of Texas and the rules and regulations of Fayette County, Texas. If such septic system complies with such

specifications, but still emits foul or noxious odors or unsafe liquid onto streets, ditches or adjoining Lots, such system shall be modified so as to eliminate such foul or noxious odors or unsafe liquid.

Section 24. Water System. Water wells shall be drilled and maintained in accordance with the laws of the State of Texas and the rules and regulations of Fayette County, Texas.

Section 25. Underground Electric. All electrical services cables and appurtenances from the point of the electric company's metering on a Lot to the point of attachment at such company's installed transformers or secondary electrical junction boxes, fiber optics or cables, and any and all utility wires servicing the Property must be underground.

Section 26. Wind Power Projects and Solar Devices. Notwithstanding any provision of law to the contrary, a Lot Owner may not license, permit or otherwise approve or authorize the siting, construction or operation of or issue a lease or grant an easement or other real property interest for a windmill or wind turbine or tower for a wind power project on a Lot. A "wind power project" means a project that uses a windmill or wind turbine to convert wind energy to electrical energy.

a. In addition, no solar device can be installed on a Lot by an Owner if such solar device:

- Poses a threat to public safety or health;
- Violates any law or governmental regulation;
- Voids any material warranty with respect to a Lot or such device;
- Is a ground mounted system in the Owner's fenced yard, or patio, and rises above the surrounding Lot fence line; and
- No solar panels, or solar devices, are allowed on a Lot if they can be seen by, or are visible to, surrounding Owners; all such solar panels or solar devices must be out of the vision and sight of other Owners.

Section 27. Builders; Construction Activities. All builders, or agents or contractors thereof, performing any construction, reconstruction, remodeling, repair or replacement activities on a Lot must (a) have a construction dumpster on the Lot at all times during such activities for the containment and removal of all trash and debris, (b) keep the construction sites clean and free of all debris, trash, materials, and other materials during any such construction activities, and (c) shall be required to install black erosion fencing during any such construction activities on a Lot and any such fencing must be approved by the ACC prior to the beginning of any such construction activities.

Section 28. Prohibition of Livestock and Certain Animals. Any keeping or raising of animals is expressly prohibited except in compliance with the following provisions. "Permitted Animals" are as follows: (i) common domesticated household pets, such as dogs and cats; provided, however, in no event may more than five (5) total domesticated household pets, no more than three (3) of which may be housed outside, be kept on any Lot; (ii) laying chicken hens, not to exceed eight (8) may be kept in a coop which is not visible from the Main Roads and is in all other respects constructed in compliance with these restrictions and placed at least fifty feet (50') from any other Lot; (iii) ferrets, weasels, turtles, rabbits, hamsters, gerbils, parrots, and parakeets are allowed so long as the same are properly caged kept indoors and do not exceed more than four (4), whether of a single species or of multiple species. At all times Owners with domesticated household pets must be able to demonstrate proof of rabies vaccinations from a licensed veterinarian. No pets shall be permitted to roam freely. No domesticated household pets shall be kept for breeding or commercial purposes. "Forbidden Animals" are any animal that is not a Permitted Animal and shall include, livestock, including without limitation, horses, cattle, sheep, goats, swine, llamas, alpaca, roosters and other poultry (exclusive of laying chicken hens), emus, and exotic pets, including without limitation, reptiles, wolves, swine, monkeys, arachnids and large cats or other species of a wild or non-domesticated nature. No Owner may keep Forbidden Animals in the Property.

Commercial activity, whether for profit or not for profit, open to the public or business invitees is strictly prohibited. Similarly, commercial use that involves, directly or indirectly, the storage, warehousing and/or distribution of goods or services is prohibited.

Section 29. Maintenance of the Bridge. Owners acknowledges that all labor, supervision, materials, equipment, tools, transportation, permits, services, and all other things necessary for the maintenance of the Bridge covering shall be the responsibility of the Association and not Fayette County, Texas.

Section 30. Wildlife Habitat Management Area.

- 30.01 It is the Declarant's intent that the Property be operated as a Wildlife Habitat Management Area. The Property shall be operated as a Wildlife Habitat Management Area so as to qualify for the I-d-I (open space) wildlife agricultural use exemption. All Owners shall have the right to determine, in their sole discretion, whether to have any of their Lots become a part of the Wildlife Habitat Management Area or not; and, all Lots that become subject to the Wildlife Habitat Management Area shall be improved, used, and maintained as an integral part of the Wildlife Habitat Management Area in compliance with the Wildlife Habitat Management Plan and survey developed by the Declarant.
- 30.02. Declarant shall designate and appoint an initial Wildlife Habitat Management Committee ("Committee") consisting of three (3) or more persons who shall be representatives of the Declarant or are Owners. This Committee shall serve to maintain the Property as a Wildlife Habitat Management Area. Any vacancy on the Committee shall be filled by Declarant. The Committee may act on the affirmative vote of the majority of the Committee members. Declarant may make, but shall not be obligated to make, an irrevocable; assignment of its power to designate and appoint persons to serve on the Committee to the ACC or the Committee.
- 30.03. Each Owner and Lot, that an Owner has designated in their sole discretion as a part of the Wildlife Habitat Management Area, shall be subject to the rules and regulations of the Committee to assist the Owners in the governing and operation of the Property as a Wildlife Habitat Management Area. Each Owner of such Lot acknowledges that in order to qualify for the Wildlife Habitat Management I-d-I (open space) wildlife agricultural use exemption, it is the responsibility of each such Owner to timely submit to the Fayette County appraisal district an annual application for such Wildlife Habitat Management Property as well as a Wildlife Habitat Management plan for their Lot to be part of the Wildlife Habitat Management Area.
- 30.04. DECLARANT DOES NOT REPRESENT OR GUARANTEE TO ANY OWNER THAT THE WILDLIFE HABITAT MANAGEMENT PLAN WILL QUALIFY FOR THE I-D-1 (OPEN SPACE) WILDLIFE AGRICULTURAL USE EXEMPTION AND/OR WILL BE GRANTED OR CONTNUED BY FAYETTE COUNTY. EACH OWNER OF A LOT, BY ACCEPTING A DEED TO SUCH LOT, HEREBY RELEASES DECLARANT, ITS AGENTS AND EMPLOYEES INCLUDNG BUT NOT LIMITED TO TERRY S. WARD FROM ALL DAMAGES, CLAIMS, EXPENSES AND LOSSES ARISING OUT OF OR RELATED TO THE DENIAL OR LOSS AT ANYTME OF THE WILDLIFE MANAGEMENT I-D-I (OPEN SPACE) WILDLIFE AGRICULTURAL USE

EXEMPTION AND ANY OTHER VALUATION OF EACH LOT OWNED BY AN OWNER.

ARTICLE IV
COVENANT FOR MAINTENANCE ASSESSMENTS

Section 1. Creation of the Lien and Personal Obligation of Assessments. 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; provided, however, the maximum annual assessment shall initially be \$500 for each Lot as described below in Section 3, (2) special assessments for capital improvements, for repayment of funds borrowed and used in payment of capital improvements, (3) other assessments lots maintain assessments of Article III, Sections 15 and 16 for mowing Lots, removing trash, or other purposes. Such assessments shall be established and collected as hereinafter provided. The annual, and special assessments, together with interest, costs, and reasonable attorneys' fees, shall be a charge on the Lot and shall be a continuing lien upon the Lot against which each such assessment is made. Each such assessment, together with interest, costs and reasonable attorneys' fees, shall also be the personal obligation of the person who was the Owner of the Lot at the time when the assessment fell due. Appropriate recitations in the deed conveying each Lot will evidence the retention of a vendor's lien by Declarant for the purpose of securing payment of said charge assigned to the Association without recourse on Declarant in any manner for the payment of said charge and indebtedness. Declarant and general partner shall be exempt from all assessments. Notwithstanding anything herein to the contrary, no assessments shall be payable by Declarant for each Lot owned by Declarant. Any loan or advance by Declarant to the Association for payment of any liability, cost or expense incurred by the Association shall be repaid by the Association to Declarant.

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 of the Lots within the Property and for the improvements and maintenance of the Common Area, if any.

Section 3. First Assessment Payment and Maximum Annual Assessment. Assessments will initiate upon the conveyance of the first Lot to an Owner. The maximum annual assessment (not including assessments for trash, service and other special assessments) shall be the sum of \$500.00 of each Lot. From and after January 1, of the second year immediately following the conveyance of the first Lot in the Subdivision, to an Owner, the maximum annual assessment may be increased ten percent (10%) of the maximum assessment for the previous year by the Board of Directors. 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 on the Property, including fixtures and personal property related thereto.

In addition to the assessments authorized above, the Association may levy in any assessment year the following special assessments:

- (a) **Bridge Covering Maintenance Reserve.** For the calendar year 2024, the Association levied an annual special assessment for each Lot of \$50 for a Bridge Covering Maintenance Reserve. For any assessment year after 2024, the Association may levy an annual assessment for each Lot for the Bridge Covering Maintenance Reserve which has the effect of bringing the aggregate amount in

such special reserve account to a total of \$5,000 or any such higher amount as may be approved by the Owners pursuant to Section 5 below.

- (b) **Reserve Accounts.** Each special assessment shall be placed in a separate, segregated account and may be used by the Association only for the purpose for which each such assessment was made. Except as provided for this Section 4, the Bridge Covering Maintenance Reserve may be used solely for the maintenance or replacement/reconstruction of the Bridge covering as the Association determines from time to time in its sole discretion.

Section 5. Rate of Assessment. All Lots in the Subdivision shall commence to bear their applicable maintenance fund assessment simultaneously and Lots in the Subdivision that are owned by Declarant are exempt from assessment. Lots that are occupied by residents shall be subject to the annual assessment determined by the Board of Directors in accordance with the provisions hereof. 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 change, 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 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 6. Date of Commencement of Assessments: Due Dates. The annual assessments provided for herein shall commence as to all Lots in the 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 Board of Directors shall establish the payment dates. The Association shall, upon demand, and for a reasonable charge, furnish a certificate signed by an officer of the Association setting forth whether the assessments on a specified Lot have been paid and the amount of any delinquencies. The Association shall not be required to obtain a request for such certificate signed by the Owner but may deliver such certificate to any party who in the Association's judgment has a legitimate reason for requesting same.

Section 7. 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 percent (18%) per annum. The Association may bring action at law against the Owner personally obligated to pay the assessment or foreclose the lien against the Lot involved. No Owner may waive or otherwise escape liability for the assessments provided for herein by nonuse of the Common Area, if any, or abandonment of his Lot.

Section 8. Subordination of the Lien to Mortgages. The lien of all the assessments provided for herein shall be subordinate to the lien of any first mortgage, subordinate mortgage for home or other improvements, or home equity mortgage, existing at any time upon the particular Lot involved. Sale or transfer of any Lot shall not affect the assessment lien. However, the sale or transfer of any Lot pursuant to mortgage foreclosure (whether by exercise of power of sale or otherwise) or any proceeding in lieu thereof, shall extinguish the lien of such assessments as to payments 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 V
GENERAL PROVISIONS

Section 1. Enforcement. All restrictions, conditions, covenants, reservations, liens and charges now or hereafter imposed by the provisions of this Declaration shall run with the land. The Declarant, 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 Declarant, 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. Amendment. The covenants and restrictions of this Declaration shall run with and bind the land, for a term of fifty (50) years from the date this Declaration is recorded, after which time they shall be automatically extended for successive periods of twenty (20) years. This Declaration may be amended by an instrument signed by those Owners of the Lots owning not less than ninety percent (90%) of the Lots. Subject to this Section 2, Declarant may amend this Declaration without approval or consent of Owners of the Lots by an instrument signed by it any time during a period ending on the later of three (3) years from the date of recordation of this instrument. 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 Fayette County, Texas.

Section 3. Annexation. Declarant may annex additional residential property and/or Common Area to the Property without approval or consent of Owners of the Lots.

Section 4. 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 5. 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.

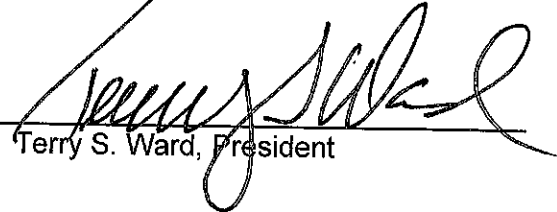
Section 6. Execution by the Association. The Association, by joining in the execution hereof agrees to be bound by all the terms and provisions of this Declaration.

Section 7. Retention of Rights By Declarant. Declarant retains the right to enforce deed restrictions by Declarant or Declarant's agent being an additional member to the Board of Directors for a period of ten (10) years after all Lots are sold. Declarant will advise Board of Directors of the Association of any failure to comply with the deed Restrictions and bylaws. Declarant may enforce deed Restrictions and bylaws of the Townsend Reserve Declaration of Covenants, Conditions, and Restrictions. Declarant or Declarant's Agent must remain actively engaged in Board functions, defined as attending ninety percent (90%) of all meetings in person.

SIGNED the 19 day of August 2024.

DECLARANT:

TOWNSEND RESERVE LANDOWNERS
ASSOCIATION, INC.

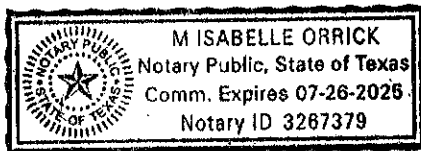
BY: 
Terry S. Ward, President

THE STATE OF TEXAS

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§
§

COUNTY OF HARRIS

This instrument was acknowledged before me on August 19th, 2024, by Terry S. Ward, President of TOWNSEND RESERVE LANDOWNERS ASSOCIATION, INC., a Texas non-profit corporation, on behalf of said corporation and in the capacity therein stated.




Notary Public, State of Texas

CONSENT AND SUBORDINATION

CITIZENS STATE BANK ("Lienholder") joins herein solely for the purpose of subordinating the liens held by it of record upon the Property 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.

CITIZEN STATE BANK

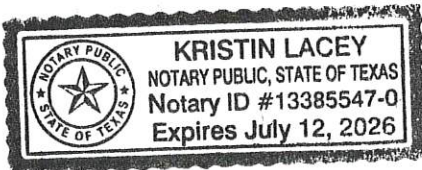
By: [Signature]
Name: Cory Fletcher
Title: Vice President

STATE OF TEXAS

COUNTY OF Washington

§
§
§

This instrument was acknowledged before me on the 19 day of August 2024, by Cory Fletcher, VP, of CITIZENS STATE BANK on behalf of said of said entity and in the capacity therein stated.



[Signature]
Notary Public in and for the State of Texas

EXHIBIT A

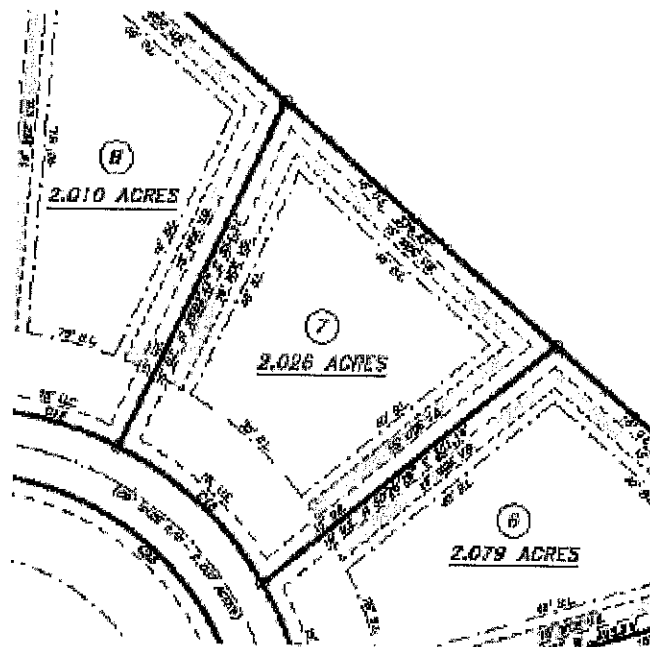
Property Lots

The land commonly known as 100.34 acres, more or less, in the W Jack League, Abstract 057, Fayette County, Texas, Fayette CAD ID No. 39301, together with improvements to such land.

EXHIBIT B

Example of 15-Foot Wide Native Vegetation Buffer Zone

**TOWNSEND RESERVE SUBDIVISION
VEGETATION BUFFER**



NOTE:

15 FEET WIDE VEGETATION BUFFER (15' WIDE VEG. BUFFER SHOWN (SHADED) ALONG ROAD, CREEK, AND/OR ON TRAILING OF LOT. BUFFER IS NOT COVERED VEGETATION WITHIN BUFFER AREAS IS PROHIBITED EXCEPT WHEN NECESSARY DUE TO CROPPING ARE REQUIRED.