

Section 1. "Assessable Tract" shall mean and refer to any Lot or combination of Lots resulting in a single building site from and after the date to which paved street access has been extended. Assessments for tracts including more than one Lot shall be in accordance with Article IX, Section 9.

Section 2. "Association" shall mean and refer to LAKES OF MISSION GROVE HOMEOWNERS ASSOCIATION, INC., a nonprofit corporation incorporated under the laws of the State of Texas, its successors and assigns.

Section 3. "Board of Directors" and "Board" shall mean and refer to the duly elected Board of Directors and the Association.

Section 4. "Charges" shall mean all costs incurred by the Association or by the Declarant on behalf of an Owner hereunder or in connection with securing compliance of such Owner with the terms and provisions of this Declaration.

Section 5. "Common Facilities" shall mean and refer to all existing and subsequently provided improvements upon or within the Common Properties for the purposes of enhancing and/or preserving the natural beauty and aesthetic quality thereof. Common Facilities may consist of improvements for the use and benefit of the Owners and Members on other acreage owned or leased by Declarant (or Declarant and others) or the Association which has not been brought within the scheme of this Declaration. By way of illustration, Common Facilities may include, but not necessarily be limited to the following: structures for recreation, storage or protection of equipment, clubhouses, tennis courts, swimming pools, fountains, waterfalls, statuary, streets, common driveways, landscaping, guardhouses, esplanade walls, brick walls, bulkheads, irrigation and drainage systems, water wells and pumping facilities, and other similar and appurtenant improvements. References here to "the Common Facilities (any Common Facility) in the Subdivision" shall mean and refer to Common Facilities as defined respectively in this Declaration and all Supplemental Declarations.

Section 6. "Common Properties" shall mean and refer to all those areas of land within the Properties as shown on the Subdivision Plat, including the streets shown thereon and Restricted Reserves, but excluding the Lots, together with such other property 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 reservations applicable thereto by virtue hereof and/or by virtue of the Subdivision Plat, and/or by virtue of prior grants or dedications by Declarant or Declarant's predecessors in title. References herein to "the Common Properties in the Subdivision" shall mean and refer to Common Properties as defined respectively in this Declaration and all Supplemental Declarations.

Section 7. "Conveyance" shall mean and refer to the conveyance of a fee simple title to a Lot.

Section 8. "Declarant" shall mean and refer to Mission Grove LP and its successors and assigns and to Wesley Estate Homes LP and its successors and assigns.

Section 9. "Declaration" shall mean and refer collectively to the covenants, conditions, restrictions, reservations, easements, liens and charges imposed by or expressed in this Declaration.

Section 10. "Easements" shall mean and refer to the various utility or other easements of record, those shown on the Subdivision Plat of the Properties and such other easements as are created by or referred to in this Declaration.

Section 11. "Living Unit" shall mean and refer to any improvements on a Lot which are designed and intended for occupancy and use as a residence by one person, by a single family, or by persons maintaining a common household.

Section 12. "Lot" shall mean and refer to each plot of land delineated and enumerated upon the recorded Subdivision Plat of the Property upon which there has been or will be constructed a single-family residence, and to the residence and improvements constructed or to be constructed thereon, but shall not mean or include any Common Properties (as hereinafter defined). If building sites are created pursuant to Article IX, Sections 8 and 9 herein, the term "Lot" shall also thereafter mean and refer to any building site so created, provided however, that the covenants for maintenance assessments and charges (Article III hereof) shall apply and be assessed based upon one assessment for each Lot, regardless of the number of Lots combined to make one building site.

Section 13. "Member" shall mean and refer to every person or entity who holds membership in the Association.

Section 14. "Owner" shall mean and refer to the record owner, whether one or more persons or entities, of a fee simple title to the surface estate in any Lot or tract of land which is part of the Property, including contract sellers, but excluding those having such interest merely as security for the performance of an obligation.

Section 15. "Property" or "Properties" shall mean and refer to the tract of land herein above described as Lakes of Mission Grove, Section One. Furthermore, upon the filing of a Supplemental Declaration as provided for in Article IX, Section 6, of this Declaration, a reference to "Property" or "Properties" shall also mean, refer to and include any additional tracts or parcels of land as may hereafter be annexed within the jurisdiction of the association by any such Supplemental Declaration.

Section 16. "Schematic Plan" shall mean that certain plan which has been submitted or is to be submitted by an Owner to the applicable governmental authority for approval in connection with the issuance of a building permit, or if no building permit is required, a plan of that type and character.

Section 17. "Subdivision Plat" shall mean and refer to the plat of 108.75 acres, Lakes of Mission Grove, Section One, recorded in slide numbers 1944B-1945B of the Plat Records of Fort Bend County, Texas, and to any other recorded subdivision map or plat of any other tracts or parcels of land as may hereafter be annexed within the jurisdiction of the Association by a Supplemental Declaration.

Section 18. "Supplemental Declaration" shall mean and refer to any Supplemental Declaration of Covenants, Conditions and Restrictions annexing additional property within the scheme of this Declaration under the authority provided in this Declaration. References herein (whether specific or general) to provisions set forth in "all (any) Supplemental Declarations" shall be deemed to relate to the respective properties covered by any such Supplemental Declaration.

ARTICLE II

LAKES OF MISSION GROVE HOMEOWNERS ASSOCIATION, INC.

Section 1. Duties and Powers. In addition to the duties and powers enumerated in its Articles of Incorporation and By-Laws, or elsewhere provided for herein, and without limiting the generality hereof, the Association shall also discharge those functions necessary to the general maintenance of the Properties. The Board of Directors of the Association shall be empowered to oversee the activities of the Association to such an extent as they may take whatever reasonable action they, in their sole discretion, deem necessary to provide for the upkeep and aesthetic appearance of the Properties for the common benefit of all the members of the Association.

Section 2. Membership. Every person or entity who is a record Owner of any of the Properties which are subject to assessment by the Association shall be a Member of the Association. The foregoing is not intended to include persons or entities who hold an interest merely as security for the performance of an obligation. No Owner shall have more than one membership. Membership shall be appurtenant to and may not be separated from ownership of the Lot which is subject to assessment by the Association.

Other lands may hereafter be annexed into the jurisdiction of the Association in the manner herein described. Each of the Owners of Lots in each annexed section shall be subject to the jurisdiction of the Association, shall be entitled to the use and benefit of all Common Properties (and all Common Facilities thereon), provided member is in good standing, subject to the jurisdiction of the Association or that may become subject to the jurisdiction of the Association as a result of annexation, and shall be impressed with and subject to annual maintenance assessments and charges and special assessments for capital improvements as may be assessed in accordance with this Declaration. Such additional stages of development may be annexed in accordance with the provisions of Article IX, Section 6, herein below. Upon a merger or consolidation of the Association with another Association, the Associations' properties, rights and obligations may be transferred to another surviving or consolidated Association, or alternatively, the properties, rights, and obligations of the Association as a surviving corporation pursuant to a merger. The surviving or consolidated

Association shall administer and enforce the covenants, conditions and restrictions established by this Declaration, together with the covenants, conditions and restrictions applicable to the properties subject to the jurisdiction of the other Association, as one scheme. No such merger or consolidation, however, shall effect any revocation, change, or addition to the covenants, conditions and restrictions established by this Declaration.

Section 3. Membership in Homeowners Association. All Owners shall be Members of the Association and each shall be entitled to one vote for each Lot. When more than one person holds an interest in any Lot, all such persons shall be members. The vote of such Lot shall be exercised as they among themselves determine, but in no event shall more than one vote be cast with respect to any one Lot.

Section 4. Non-Profit Corporation. LAKES OF MISSION GROVE HOMEOWNERS ASSOCIATION, a non-profit corporation, has been organized, and all duties, obligations, benefits, liens, and rights hereunder in favor of the Association shall vest in said corporation.

Section 5. By-Laws. The Association may make whatever rules or bylaws it may choose to govern the organization of the Association and its membership, provided that same are not in conflict with the terms and provisions hereof.

Section 6. Members' Easements of Enjoyment in Common Properties. The rights and easements of enjoyment in the Common Properties created hereby in favor of the Members shall be subject to the rights and easements now existing or hereafter created in favor of Declarant or others as referred to or provided for in this Declaration, and shall also be subject to the following provisions:

(a) The Association shall have the right to borrow money and, with an approval by a two-thirds (2/3) vote of Members, voting together in person or by proxy, to mortgage the Common Properties and/or Common Facilities.

(b) The Association shall have the right to take such steps as are reasonably necessary to protect the Common Properties and Common Facilities against foreclosure of any such mortgage.

(c) The Association shall have the right to suspend the rights and easements of enjoyment in the Common Properties (other than streets and sidewalks necessary for access to the Lot owned by such Member) of any Member for any period during which any assessment or other amount owed by such Member to the Association remains unpaid.

(d) The Association shall have the right to establish reasonable rules and regulations governing the Members' use and enjoyment of the Common Properties and Common Facilities, and to suspend the enjoyment rights (other than streets and sidewalks necessary for access to the Lot owned by such Member) of any Member.

(e) The Association shall have the right to assess and collect the assessments and charges (as hereafter defined) provided for herein and to charge reasonable admission and other fees for the use of any recreational facilities which are a part of the Common Properties and Common Facilities.

(f) The Association shall have the right to dedicate or convey all or any part of the Common Properties, or interests therein, to any public authority for such purposes and subject to such conditions as may be agreed by the Members. No such dedication or conveyance shall be effective unless an instrument agreeing to such dedication or conveyance, or separate ratifications of such dedication or conveyance, shall be recorded for Common Properties and signed by Members entitled to cast not less than two-thirds (2/3) of the votes. Conveyance of streets to a public authority is not subject to this provision.

(g) The Association, through its Board of Directors, shall have the right to rent or lease any part of the Common Properties and/or Common Facilities. Individuals or entities renting facilities shall have insurance that names the Association as an Additionally Named Insured.

(h) The Board of Directors of the Association (if not exercised by a governmental agency) shall have the right, but not the obligation, to contract on behalf of all Assessable Tracts, for garbage and refuse service, and to charge the Owner of each Assessable Tract for his pro rata share of the cost thereof, such pro rata share to be determined by dividing the number of assessable Tracts being served by the contract for such service into the total annual cost of providing such garbage and refuse service. If the Board of Directors of the Association so elects, the charge to each Owner for such garbage and refuse service may be assessed and collected annually in advance and shall be in addition to the assessments described in Article III hereof.

(i) The enhancement of the Property by the preservation of the natural beauty and aesthetic quality of the Restricted Reserves is intended for the enjoyment of the Members. Members shall be permitted to utilize the Restricted Reserves for boating, canoeing, and fishing. No swimming is permitted. No watercraft with internal combustion engines are permitted. The Board of Directors of the Association shall prescribe permissible propulsion systems and maximum horsepower.

ARTICLE III

COVENANTS FOR MAINTENANCE ASSESSMENTS AND CHARGES

Section 1. Creation of the Lien and Personal Obligation of Assessments and Charges. The Declarant, for each Lot originally platted upon the Subdivision Plat and owned within the Properties, hereby covenants, and each Owner of any Lot by acceptance of a deed therefor, whether or not it shall be so expressed in such deed, is deemed to covenant and agree to pay to the Association as to each such Lot originally platted upon the Subdivision Plat: (1) annual assessments, (2) special assessments for capital improvements, such assessments to be established and collected as

hereinafter provided, and (3) charges as defined in Section 9 of this Article III. Any and all such annual assessments and charges, together with any interest which may accrue thereon in accordance with this Declaration, and any and all costs and attorney's fees which may be incurred by the Association in the collection of such assessments or charges, or in the enforcement of the covenants, conditions and restrictions of this Declaration against any Lot or the Owner thereof, shall be a charge against and shall be secured by a continuing Vendor's Lien upon the Lot against which each such assessment or charge is made or enforcement is sought, and shall be also the personal obligation of the person who was the Owner of such Lot at the time when the assessment or charge fell due or the enforcement of the covenants, conditions and restrictions of this Declaration was commenced. The personal obligation for delinquent assessments and charges shall not pass to the successor in title of any Owner unless expressly assumed by such successor in title, but shall be secured by the continuing lien upon the Lot.

Section 2. Purpose of Assessments. The assessments levied by the Association shall be used exclusively to improve, beautify, maintain, manage and operate the Common Properties and Common Facilities, and to pay taxes and insurance premiums thereon, and to promote the recreation, health, safety, convenience, and welfare of the Members, such benefits to include, by way of illustration but not limitation, contracting with a municipal utility district or districts (or other parties or entities) for the purpose of providing sanitary sewer and water service and facilities to the Properties, providing patrol or watchman service, providing and maintaining lighting, and the appurtenant mechanical and electrical fixtures, plumbing equipment, water wells, and pumping facilities, drainage systems and irrigation systems, fogging for insect control, providing garbage and refuse service, maintaining the streets, paths, and the unpaved portion of any esplanades located within or adjoining the Property, maintaining any esplanades or landscaping contained within or about any cul-de-sacs or streets located within the Property, enforcing the provisions contained in this Declaration, employing, at the request of the Architectural Control Committee, one or more architects, engineers, attorneys, or other consultants, for the purpose of advising such Committee in carrying out its duties and authority as set forth herein or in the opinion of the Board of Directors of the Association, for the maintenance and/or improvement of the Common Properties and Common Facilities or for the benefit of the Members, the foregoing uses and purposes being permissive and not mandatory, and the decisions of the Board of Directors of the Association being final as long as made in good faith and in accordance with the By-Laws of the Association and the laws, ordinances, rules and regulations of any governmental authority or other entity with jurisdiction over the affairs of the Association, the Common Properties, and the Common Facilities.

Section 3. Annual Assessment. Until January 1 of the year immediately following the conveyance of the first Lot to an Owner, the initial annual assessment shall be three hundred dollars (\$300.00) for each Lot originally platted upon the Subdivision Plat, which shall be due and payable as provided hereinafter. The Board of Directors of the Association shall thereafter fix the annual assessment for each Assessable Tract.

Section 4. Special Assessments for Capital Improvements. In addition to the annual assessments authorized by Section 3 herein above, the Board of Directors of the Association may

levy against the assessable Tracts in any calendar 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, purchase, acquisition, repair, or replacement of a capital improvement of the Association, including necessary fixtures and personal property related thereto. Future capital expenditure projects of more than \$50,000 in value must be approved by two thirds (2/3) of the votes cast by the Members, voting in person or by proxy. The special assessment against every Assessable Tract shall be the same as the special assessment against every other Assessable Tract.

Section 5. Uniform Rate of Assessments. The Association, by action of its Board of Directors, beginning January 1, 2001, shall levy annual assessments against the Assessable Tracts to obtain funds reasonably anticipated to be needed for purposes stated in Section 2 herein above including reasonable reserves for contingencies and for capital improvements, replacements, and repairs. Until a majority of the lots have been sold, Declarant shall be responsible for any shortages in the accounts of the Association, but only in the event that the annual assessments chargeable under the provisions of Section 3, Article III of the Declaration, are insufficient to cover the actual costs of maintaining the Properties in accordance with the provisions of Article VII of the Declaration.

Section 6. Commencement of Annual Assessments; Due Dates. Subject to the provisions of Section 5 hereof, the annual assessments provided for herein shall commence on each Assessable Tract on the first day of the calendar month after it becomes an Assessable Tract. The amount of the annual assessment on each Assessable Tract for the balance remaining in the first year of assessment shall be an amount that bears the same relationship to the annual assessment on such Assessable Tract provided for in Section 3 hereof as the remaining number of months in the year bears to twelve, and shall be due and payable on the day a Lot becomes an Assessable Tract. After the first year, the annual assessment on such Assessable Tract for such calendar year shall be due and payable on the first day of January in said year. The due date of any special assessment under Section 4 hereof shall be fixed in the resolution of the Board of Directors of the Association authorizing or approving such assessment.

Section 7. Duties of the Board of Directors. The Board of Directors of the Association shall approve an annual budget of the Association, and based upon such annual budget, determine the amount to be levied as the annual assessment against each Assessable Tract for each calendar year, subject to the criteria and limitations set out in Sections 3 and 5 hereof. No person serving on the Board of Directors shall be entitled to compensation for services performed pursuant to this Article III and no one serving on such Board of Directors shall have individual liability for such service. The Board of Directors may employ one or more architects, engineers, attorneys, or other consultants to assist the Board of Directors in carrying out its duties hereunder; and the Association shall pay such consultants for such services as they render to the Board of Directors.

Section 8. Certification of Assessments and/or Charges. The Association shall upon demand and payment of a reasonable fee if required by the Association at any time furnish to any Owner a certificate in writing signed by an officer of the Association or an agent appointed by the board setting forth whether or not there are any unpaid assessments or charges against said Owner's Lot

which shall be without liability except for an error resulting from gross negligence. Such certificate shall be conclusive evidence of payment of any assessments or charges therein stated to have been paid, as to any third party who in good faith relies thereon to his economic detriment.

Section 9. Establishment of Charges. Should any Owner or occupant of a Lot fail or refuse to comply with the terms and provisions of this Declaration, the Association, its successors or assigns, acting by and through its duly authorized officers, the Board of Directors or its duly authorized agent, without liability to the Owner or occupant in trespass or otherwise, may, after ten (10) days' written notice to the Owner or occupant and failure of the Owner or occupant to comply with the terms of such notice, enter upon the Lot and do or cause to be done such action as shall be necessary to bring the Lot and the improvements thereon into compliance with this Declaration. Likewise, the Association, any Owner or the Declarant, and their respective successors and assigns, shall have the right to enforce by a proceeding at law or in equity all easements, restrictions, conditions, covenants, reservations, liens and charges now or hereafter imposed by the provisions of this Declaration and in connection therewith shall be entitled to recover all reasonable costs and attorneys' fees incurred in pursuance of such enforcement rights. All Charges incurred by the Association or the Declarant, in carrying out any such action to secure compliance with the terms and provisions of this Declaration shall be billed to the Owner of the Lot by the Association by placing such bill in the United States Mail, postage paid. Any Charges which are not paid within thirty (30) days after same is billed shall bear interest from the date each cost composing the Charges was incurred until paid at eighteen percent (18%) per annum, not to exceed the maximum lawful rate per annum allowed by applicable law. In accordance with Section 1 of this Article, all Charges shall be secured by a continuing Vendor's Lien upon the Lot against which such Charges are made and shall also be the personal obligation of the person who is the Owner of such Lot at the time the action in enforcement of the terms of this Declaration was commenced, and also the personal obligation of the Owner of such lot at the time the charges were incurred.

Section 10. Effect of Non-Payment of Assessments and/Or Charges; Remedies of the Association. As with Charges, any assessment not paid within thirty (30) days after the due date shall bear interest from the due date at eighteen percent (18%) per annum, not to exceed the maximum rate per annum allowed by law. The Association may bring an action at law against the Owner personally obligated to pay any assessment or Charges or foreclose the lien against the Lot, regardless of whether or not the current Owner has personal liability for the payment of same, and all interest, costs and reasonable attorney's fees incurred in any such action shall be added to the amount of such assessments or Charges. Each such Owner, by his acceptance of a deed to a Lot, hereby expressly vests in the Association, or its agents, the right and power to bring all actions against such Owner personally for the collection of such assessments or Charges as a debt and to enforce the aforesaid lien by all methods available for the enforcement of such liens against real property, including foreclosure by judicial action brought in the name of the Association and by non-judicial foreclosure pursuant to Section 51.002, Tex. Prop. Code and such Owner hereby (i) expressly grants to the Association an extrajudicial power of sale in connection with the non-judicial foreclosure of said lien, and (ii) in addition, expressly grants and vests in the Association the right, power and authority to exercise such power of sale through a trustee (or substitute or successor

trustee, as may be the case from time to time) appointed in writing by the Association acting by and through its duly authorized officer. The lien provided for in this section shall be in favor of the Association and shall be for the benefit of all Lot Owners. The Association, acting by and through a duly authorized officer or the Trustee and on behalf of the Lot Owners, shall have the power to bid for the interest foreclosed at any foreclosure sale conducted pursuant to the terms hereof and to acquire and hold, lease, mortgage and convey such interest on behalf of the Lot Owners. No Owner may waive or otherwise escape liability for the assessments or charges provided for herein by non-use of the Common Properties or abandonment of his Lot.

If the trustee appointed and designated by the Association to exercise the power of sale and to conduct a foreclosure sale in accordance with the terms of this Declaration shall die or become disqualified in the execution of the power of sale, or shall fail or refuse to exercise the same when requested by the Association, or if, for any reason, the Association shall prefer to appoint a substitute trustee to act instead of any appointed and designated trustee, the Association shall have full power to appoint, at any time by written instrument, a substitute trustee, and, if necessary, several substitute trustees in succession, who shall succeed to all of the estate, rights, powers and duties of the trustee under the terms of this Declaration, and no notice of such appointment need be given to the Lot Owner or to any other person or filed for record in any public office. Further, each Owner, by acceptance of a Deed to a Lot, hereby stipulates and agrees that the recitals contained in any Trustee's or Substitute Trustee's Deed or other instrument executed in due form by any trustee or substitute trustee, acting under the provisions of this Declaration, shall be prima facie evidence of the facts recited therein, and that it shall not be necessary to prove in any court, other than by such recital, the existence of the facts essential to organize the execution and delivery of such deed or deeds or other instrument in the passing of title thereby, and all prerequisites and requirements of any sale or sales shall be conclusively presumed to have been performed, and all persons subsequently dealing with the interest purported to be conveyed by such deed or deeds or other instrument shall be fully protected in relying upon the truthfulness of such recitals.

Section 11. Subordination of the Lien to Mortgages. The lien securing any assessment or Charges provided for herein shall be subordinate to the lien of any mortgage(s) now or hereafter placed upon the property subject to the assessment or Charges for the purpose of securing indebtedness incurred to purchase or improve such property; provided, however, that such subordination shall apply only to the assessments or Charges which have become due and payable prior to enforcement of such purchase money or improvement lien by a sale or transfer of such property pursuant to a decree of foreclosure, a foreclosure by trustee's sale under a deed of trust, or a conveyance in lieu of foreclosure. Such sale or transfer shall not relieve such property from liability for any assessment or Charges thereafter becoming due, nor from the lien securing any such subsequent assessment or Charges. In addition to the automatic subordination provided for above, the Association, in the discretion of its Board of Directors, may subordinate the lien securing any assessment or Charges provided for herein to any other mortgage, lien or encumbrance, subject to such limitations, if any, as such Board may determine.

Section 12. Exempt Property. The assessments and liens created in this Article III shall

apply only to the Assessable Tracts, and the remainder of the property in the Properties shall not be subject thereto or entitled to the rights granted to Members in Article II.

ARTICLE IV

ARCHITECTURAL CONTROL COMMITTEE

Section 1. Tenure. The Declarant shall initially appoint an Architectural Control Committee, consisting of not less than three (3) members, who need not be members of the Association, and if so designated by Declarant, may be the members of the Board of Directors. The persons serving on the Architectural Control Committee, or their successors, shall serve until such time as all Lots subject to the jurisdiction of the Association shall have Living Units thereon occupied as residences, at which time the Architectural Control Committee shall resign and thereafter its duties shall be fulfilled and its powers exercised by the Board of Directors of the Association. Until such time as all Lots subject to the jurisdiction of the Association shall have Living Units thereon occupied as residences the Declarant may remove and replace Architectural Control Committee members with or without cause. In the event of the death or resignation of any person serving on the Architectural Control Committee, the remaining person(s) serving on the Committee shall designate a successor, or successors, who shall have all of the authority and power of his or their predecessor(s), or in the event the remaining members of the Committee fail to appoint a successor, a successor shall be appointed by the Board of Directors. A majority of the Architectural Control Committee may designate someone serving on the Committee to act for it. No person serving on the Committee shall be entitled to compensation for services performed pursuant to this Article IV and no one serving on such Committee shall have individual liability for such service. The Committee may employ one or more architects, engineers, attorneys, or other consultants to assist the Committee in carrying out its duties hereunder. The Association shall pay such consultants for such services as they render to the Committee.

Section 2. Approval of Plans.

(a) Approval Required/Plans to be Submitted. No buildings or improvements including, without limitation, and only as examples, swimming pools, streets, driveways, sidewalks, drainage facilities, landscaping, fences, walks, fountains and statuary located on the Lots, basketball goals, outdoor lighting and signs, irrigation systems, exterior antenna and satellite dishes, swing sets and playground equipment, shall be commenced, constructed, erected, placed, or maintained in the subdivision, nor shall any exterior addition to or alteration therein be made, unless and until plans, in such form as the Architectural Control Committee may reasonably require, but in any case meeting the requirements of this Article IV have been submitted to and approved in writing by the Architectural Control Committee. At a minimum such submission shall include (i) a site plan showing all uses and the location and dimension of buildings, swimming pools, entries, streets, driveways, parking areas, pedestrian ways, and storage areas, and all necessary details of the proposed improvements, (ii) a schematic plan of landscaping, (iii) a Schematic Plan. Said Schematic Plan shall specify structural, mechanical, electrical, and plumbing details and the nature, kind, shape,

height, exterior color scheme and materials of the proposed improvements or alterations thereto. The Architectural Control Committee shall have the right to require any additional information it may determine is necessary for its approval and may, free of charge, retain one (1) copy of the plan submission. The Architectural Control Committee shall have full and complete authority to approve any construction on any Lot and its judgment shall be final and conclusive. The Architectural Control Committee shall have full power and authority to reject any plan submission and/or specifications that do not comply with the restrictions herein imposed or meet its minimum construction requirements or architectural design requirements or that might not be compatible, in its sole judgment, with the overall character and aesthetics of the Property.

(b) Automatic Approval. In the event the Architectural Control Committee fails to approve or disapprove the site plan and Schematic Plan within thirty (30) working days after they have been submitted to it, approval thereof will not be required and the provisions of this Section 2 will be deemed to have been fully complied with as long as the alterations, constructions or renovations are completed within the guidelines provided by this Declaration or any amendments thereto and in accordance with the plans and specifications submitted for review and approval.

(c) Materials. Without limitation of the powers herein granted, the Architectural Control Committee shall have the right to specify a limited number of acceptable exterior materials and/or finishes and roofing materials that may be used in the construction, alteration or repair of any improvement and no other materials or finishes shall be utilized without the approval of the Architectural Control Committee. The surface materials used in the construction of driveways and front sidewalks shall be subject to approval by the Architectural Control Committee. Any materials utilized in the remodeling of existing improvements shall be compatible with the existing materials and shall be subject to approval of the Architectural Control Committee.

(d) Construction Before Approval. Should an Owner or occupant proceed to place any building or improvement upon or proceed with any construction, alteration or exterior change on any improvements located on a Lot without first applying for the written approval of the Architectural Control Committee, such Owner or occupant shall be in violation of this Declaration and will be thereafter required to submit a site plan and schematic plan, together with such other documents as the Architectural Control Committee deems appropriate, even after construction has commenced. At the request of the Architectural Control Committee all construction will cease until approval is obtained. The Architectural Control Committee shall have forty-five (45) days from receipt of the last of any required documentation, submitted after commencement of construction, alteration or exterior changes without prior written approval, to respond by approval, disapproval or modification requirements. The Association shall have the right to obtain restraining orders and/or temporary or permanent injunctions to terminate, remove or halt construction, alteration or exterior change if the Owner does not do so voluntarily if those plans have not been reviewed and approved by the Architectural Control Committee in accordance herewith. In addition to all other rights and remedies provided herein, the Committee is authorized to impose in its sole discretion fines up to one thousand dollars (\$1,000.00) per violation for construction starts prior to obtaining approval and any other noncompliance associated with construction.

(e) **Costs.** All reasonable enforcement costs and attorneys' fees incurred by the Association in connection with the Association's exercise of the right to obtain restraining orders and/or temporary or permanent injunctions under this Section shall be recoverable against the Owner and/or occupant in violation of this Declaration and the provisions hereof and shall constitute "Charges" in accordance with Article III, Section 9 hereof. Where an Owner has neglected to submit a site plan and/or a Schematic Plan for approval, failure of the Architectural Control Committee to exercise the powers granted by this Article IV shall never be deemed a waiver of the right to do so either before or after a building or other improvement in the Subdivision, or any exterior addition to or alteration therein, has been completed.

(f) **Additional Requirements.** Where not otherwise specified herein, the Architectural Control Committee also shall have the right to specify requirements for each building site as follows: minimum setbacks, driveway access to adjacent streets; the location, height and extent of fences, walls or other screening devices, and the orientation of structures with respect to streets, walks, and structures of adjacent property. Upon the recordation of an instrument setting forth the specific requirements of a building site or sites determined by the Architectural Control Committee, those requirements shall only be modified by further action of the Architectural Control Committee and recordation of a modifying instrument.

Section 3. Approved General Contractors. No Construction of a building, structure, fence, wall, or other improvement visible from the exterior of the Lot shall be commenced in the Property until the general contractor (or if the Owner is to serve as his own general contractor, the subcontractors to be employed by the Owner) to perform such construction shall have been approved in writing by the Architectural Control Committee, subject to its sole discretion. In the event the Committee fails to approve or disapprove a general contractor or subcontractor within thirty (30) working days after his name is submitted to it, approval will not be required, and the provisions of the Section 3 will be deemed to have been fully satisfied.

Section 4. No Liability. Neither Declarant, the Association, Board of Directors, or the Architectural Control Committee or the members thereof acting in such capacity shall be liable in damages to anyone submitting plans or specifications to them for approval, or to any Owner or property affected by these restrictions by reason of mistake in judgment, negligence, or nonfeasance arising out of or in connection with the approval or disapproval or failure to approve or disapprove any such plans or specifications. Every person who submits plans or specifications to the Architectural Control Committee for approval agrees, by submission of such plans and specifications, and every Owner agrees that he will not bring any action or suit against Declarant, the Association, Board of Directors, the Architectural Control Committee, or any of the members thereof to recover any such damages.

Section 5. Rules and Regulations, Minimum Construction Standards. The Architectural Control Committee may from time to time, in its sole discretion, adopt, amend and repeal rules and regulations interpreting and implementing the provisions hereof. Likewise, the Architectural Control Committee may from time to time promulgate an outline of minimum acceptable

construction standards or guidelines; provided, however, that such outline/guideline shall serve only as a minimum guideline and the Architectural Control Committee shall not be bound thereby or prohibited from proposing additional (even more stringent) requirements or adopting amendments to such minimum construction standards to relax, reduce or otherwise modify such standards from time to time. The outline/guidelines may include, in addition to construction standards, time limitations on construction, remodeling, or reconstruction following a fire or casualty.

Section 6. Variances. Where circumstances, including, but not limited to topography, location of property lines, location of trees, or other matters require, the Architectural Control Committee, by the vote or written consent of a majority of the members thereof, may allow reasonable variances as to any of the covenants, conditions or restrictions contained in the Declaration under the jurisdiction of such committee pursuant to this Article IV, on such terms and conditions as it shall require; provided, however, that all such variances shall be in keeping with the general plan for the improvement and development of the Property. It is further provided, however, that the Declarant hereby reserves the right of approval or disapproval of all variances which may affect building setback lines, Lot area and structure locations. Any variance given shall be written on a recordable document and recorded in the County Clerk's office. The right of approval or disapproval of variances shall pass to the Architectural Control Committee on January 1, 2005.

Section 7. Remodeling, Renovation and Redecorating of Exterior Walls. No remodeling, renovation (including without limitation, replacement of casualty damage or fire damage) or redecoration of any exterior wall of any Living Unit or other building on a Lot which in any manner changes the visual appearance of such exterior wall (including, but not limited to, changing the color, appearance, texture or reflective character of any exterior surface, the addition or alteration of shutters, awnings, or other window coverings, or the addition of wall applications) shall be allowed until the plans and specifications describing the work to be performed have been approved in writing by the Architectural Control Committee as provided herein. Such remodeling, renovation or redecoration shall, for the purposes hereof, be deemed to constitute an alteration of the buildings subject to the provisions of Section 2 above.

ARTICLE V

EASEMENTS

Section 1. General. The rights and duties of the Owners of Lots within the Property with respect to sanitary sewer, water, electricity, gas, telephone, and cable television lines and drainage facilities shall be governed by the following:

(a) Wherever connections for sanitary sewer and/or water or electricity, gas or telephone and cable television lines or drainage facilities are installed within the Property, which connection lines or facilities or any portion thereof, lie in or upon Lots owned by any party other than the Owner of a Lot served by said connections, lines or facilities, such Owners of Lots served shall have the right, and are hereby granted an easement to the full

extent necessary therefor, to enter upon the Lots within the property in or upon which said connections, lines or facilities, or any portion thereof, lie, to repair, replace and generally maintain said connections as to when the same may be necessary as set forth below.

(b) Wherever connections for sanitary sewer and/or water or electricity, gas, telephone or cable television lines or drainage facilities are installed within the Property, which connections serve more than one Lot, the Owner of each Lot served by said connections shall be entitled to the full use and enjoyment of such portions of said connections which service his Lot.

Section 2. Reservation of Easements. Easements over the Lots and Common Properties for the installation and maintenance of electric, telephone, cable television, water, gas and sanitary sewer lines and drainage facilities (including without limitation, drainage culverts) are hereby reserved by Declarant, together with the right to grant and transfer same. The Association and applicable governmental entities shall be granted such easements as are necessary for improvement and maintenance of lakes, Common Properties, and Common Facilities.

Section 3. Surface Areas of Utility Easements. Easements for installation and maintenance of utilities are reserved as shown and provided for on the Subdivision Plat. With the possible exception of certain Lots located on the perimeter of the subdivision, and required east-west aerial crossings of the subdivision, if any, underground electric, gas and telephone service shall be available to the remainder of the Lots in the subdivision. For so long as such underground service is maintained, the electric service to each Lot shall be uniform and exclusively of the type known as single phase, 120/240 volt, 3 wire, 60 cycle, alternating current. Easements for the underground service may be crossed by driveways, walkways, patios, brick walls and fences, provided the Declarant or Owner makes prior arrangements with the utility companies furnishing electric, gas and telephone service and provides and installs any necessary conduit of approved type and size under such driveways, walkways, patios, brick walls or fences prior to construction thereof. Such easements for the underground service shall be kept clear of all other improvements, and neither the grantor nor any utility company using the easements shall be liable for any damage done by either of them or their assigns, their agents, employees or servants, to shrubbery, trees, flowers or other improvements of the Owner located on the land covered by said easements.

Section 4. Streets. All Lots within the subdivision shall abut and have access to a street. Street rights-of-way are shown on the Subdivision Plat.

Section 5. Emergency and Service Vehicles. An easement is hereby granted to all police, fire protection, ambulance and other emergency vehicle and other service vehicles to enter upon the Common Properties, including but not limited to private streets, corridors or driveways in the performance of their duties and further, an easement is hereby granted to the Association, its officers, agents, employees, and management personnel to enter the Common Properties to render any service.

Section 6. Universal Easement. Each Lot and its Owner within the Properties is hereby

declared to have an easement, and the same is hereby granted to Declarant, over all adjoining Lots and Common Properties for the purpose of accommodating any encroachment due to engineering errors, errors in original construction, settlement or shifting of the building, or any other cause. There shall be easements for the maintenance of said encroachment, settling or shifting; provided, however, that in no event shall an easement for encroachment be created in favor of an Owner or Owners if said encroachment occurred due to the willful misconduct of said Owner or Owners. In the event a structure on any Lot is partially or totally destroyed, and then repaired or rebuilt, the Owner of each Lot agrees that minor encroachments over adjoining lots shall be permitted and there shall be easements for the maintenance of said encroachments so long as they shall exist. Each of the easements hereinabove referred to shall be deemed to be established upon the recordation of this Declaration and shall be appurtenant to the Lot being serviced and shall pass with each conveyance of said Lot.

Section 7. Pedestrian and Street Easement. There is hereby reserved to Declarant, its successors and assigns, an easement for ingress and egress over any pedestrian pathways and streets. This easement shall not imply any right of public use of the Common Properties or Common Facilities owned by the Association.

Section 8. Audio and Video Easement. In the event that audio and video communication services and utilities are made available to any said Lots by means of an underground coaxial cable system, the company furnishing such services and facilities shall have a two foot (2') wide easement along and centered on the underground wire or cable when and as installed by said company from the utility easement nearest to the point of connection on the permanent improvement or structure constructed, or to be constructed upon said Lot, and in a direct line from said nearest utility easement to said point of connection.

Section 9. Underground Electric Distribution System. With the possible exception of an overhead electric distribution system serving certain Lots located on the perimeter of the Subdivision Plat, and lots adjacent to an east-west aerial crossing of the subdivision, if required, an underground electric distribution system will be installed. The Owner of each Living Unit, or the Owner/Developer shall, at his or its own costs, furnish, install, own and maintain (all in accordance with the requirements of the local governing authorities and the National Electrical Code) the underground service cable and appurtenances from the point of electric company's metering at the structure to the point of attachment at such company's installed transformers or energized secondary junction boxes, such point of attachment to be made available by the electric company at a point designated by such company in the utility easement of each Lot. The electric company furnishing service (the "Company") shall make the necessary connections at said point of attachment and at the meter. Developer has, either by designation on the plat of the Subdivision or by separate instrument, granted necessary easements to the electric company providing for the installation, maintenance and operation of its electric distribution system and has also granted to the various homeowners reciprocal easements providing for access to the area occupied by and centered on the service wires of the various homeowners to permit installation, repair and maintenance of each homeowner's owned and installed service wires. In addition, the Owner of each Living Unit shall, at his own cost,

furnish, install, own and maintain a meter loop (in accordance with the then current Standards and Specifications of the Company furnishing service) for the location and installation of the meter of the Company for each Living Unit involved. For so long as underground service is maintained in the Underground Residential Subdivision, the electric service to each Living Unit therein shall be underground, uniform in character and exclusively of the type known as single phase, 120/240 volt, three wire, 60 cycle, alternating current.

ARTICLE VI

UTILITY BILLS, TAXES AND INSURANCE

Section 1. Obligation of the Owners. Owner's utility bills, taxes and insurance shall be governed by the following:

(a) Each Owner shall have his separate electric, gas and water meter and shall directly pay at his own cost and expense for all electricity, gas, water, sanitary sewer service, telephone service, cable television and other utilities used or consumed by him on his Lot.

(b) Each owner shall directly render for taxation his own Lot and improvements thereon, and shall at his own cost and expense directly pay all taxes levied or assessed against or upon his Lot and his improvements and property thereon.

(c) Each Owner shall be responsible at his own cost and expense for his own property insurance on the building and contents of his own residence, and his additions and improvements thereto, including decoration, furnishings, and personal property therein; and also for his personal liability not covered by liability insurance for all Owners which may be obtained by the Association as part of the common expense in connection with the Common Properties and Common Facilities.

Section 2. Obligation of the Association. The Association shall have the following responsibilities regarding utility bills, taxes and insurance:

(a) The Association shall pay as common expense of all Owners, for all water, gas electricity and other utilities used in connection with the enjoyment and operation of the Common Properties or Common Facilities or any parts thereof.

(b) The Association is authorized to and shall seek exemption from ad valorem taxation on the Common Properties or Common Facilities. If such property is not exempt from taxation, the Association shall render for taxation and, as part of common expenses of all Owners, shall pay all taxes levied or assessed against or upon the Common Properties, the Common Facilities and any property appertaining thereto.

(c) The Association shall have authority to obtain and continue in effect as a common

expense of all Owners, a blanket property insurance policy or policies to insure the structures and facilities, if any, located in the Common Properties and the contents thereof and the Association against the risks of loss or damage by fire and other hazards as are covered under standard extended coverage provisions, in such limits as the Association deems proper, and said insurance may include coverage against vandalism and such coverage as the Association may deem desirable. The Association shall also have the authority to obtain comprehensive public liability insurance in such limits as it shall deem desirable, insuring the Association, its Board of Director, agents and employees and each owner (if coverage for Owners is available) from and against liability in connection with the Common Properties and Common Facilities.

(d) All costs, charges and premiums for all utility bills, taxes and any insurance to be paid by the Association as hereinabove provided shall be paid out of the maintenance fund as a common expense of all Owners and shall be a part of the maintenance assessment.

ARTICLE VII

MAINTENANCE AND REPAIRS

Section 1. By the Owners. It shall be the duty, responsibility, and obligation of each Owner at his own cost and expense to care for, maintain and repair the exterior and interior of his Living Unit and any other improvements on his Lot and the fixtures, appliances, equipment and other appurtenances thereto and also including the private driveway appurtenant to his Living Unit, walkways and fences which are appurtenant to his living Unit and otherwise situated on his Lot. The owner of each Lot shall maintain the Lot and adjacent street right-of-way (including any culvert), and the improvements, trees, hedges, and plantings thereon, in a neat and attractive condition. The Association shall have no duty or obligation to any Owner in this regard, but may elect to exercise the following rights: The Association shall have the right, after ten (10) days' notice to the Owner of any Lot, setting forth the action intended to be taken by the Association, provided at the end of such time such action has not already been taken by such Owner, (i) to mow the grass thereon, (ii) to remove any debris therefrom, (iii) to trim or prune any tree, hedge, or planting that, in the opinion of the Association, by reason of its location or height, or the manner in which it has been permitted to grow, is detrimental to the enjoyment of adjoining property or is unattractive in appearance, (iv) to repair or paint any fence thereon that is out of repair or not in harmony, with respect to color, with fencing or adjacent property, and (v) to do any and all things necessary or desirable in the opinion of the Association to place such property in a neat and attractive condition consistent with the intention of this Declaration. The person who is the Owner of such property at the time such work is performed by the Association shall be personally obligated to reimburse the Association for the cost of such work within ten (10) days after it is performed by the Association, and if such amount is not paid within said period of time, such Owner shall be obligated to pay interest thereon of ten percent (10%) per annum, not to exceed the maximum lawful rate per annum allowed by applicable law, and to pay any attorneys' fees and court costs incurred by the Association in collecting said obligation, and all of the same shall be deemed "Charges" under the terms of this Declaration and

shall be secured by the continuing Vendor's Lien on such Owner's Lot.

Section 2. By the Association. The Association, as a common expense of all Owners, shall perpetually care for, maintain and keep in good repair the Common properties and all parts thereof, including but not limited to, lakes, landscaped lawns, streets, curbs, esplanades, parking areas and improvements and facilities owned by the Association, including but not limited to those Common Facilities specifically mentioned in Section 7 of Article I hereinabove, except that it shall be the obligation of each Owner, and not the obligation of the Association, to pay for the cost of repair and maintenance of any private driveway, sidewalk, and fence or fences which are appurtenant to his Living Unit. Some nature appreciation areas will be maintained by the Association in a natural state.

Section 3. Casualty or Fire. In the event of a casualty or fire which damages improvements on Lot, the Owner of the Lot shall proceed diligently to repair such improvements. The Owner shall within ninety (90) days following such casualty or fire (i) commence and proceed to complete repairs or (ii) provide written notice to the Architectural Control Committee of the date on which such repairs shall commence and be completed and receive the approval of the Architectural Control Committee of that schedule or (iii) demolish the damaged improvements on the lot to insure the safety of other residents of the Subdivision.

ARTICLE VIII

RESTRICTIONS OF USE

Section 1. Single Family Residence; No Commercial Use. No building shall be erected, altered or permitted to remain on any single Lot, other than one single-family residential dwelling with approved servants' quarters and/or guesthouse of at least seven hundred (700) square feet of living area, and a private enclosed garage for not less than two (2) cars. All buildings, structures, and other improvements erected, altered, or placed in the Property shall be of new construction, and no structure of a temporary character, trailer, mobile home, tent shack, barn or outbuilding (except for a permanent structure functioning as a guest house approved by the Architectural Control Committee), shall be used in the Subdivision at any time as a residence. No part of the Property shall ever be used or caused to be used or allowed or authorized in any way, directly or indirectly, for any business, commercial, manufacturing, mercantile, storing, vending, or other non-residential purposes.

Section 2. Architectural Control Committee Authority. These restrictions other than those expressly providing they are subject to modification or variance by the Architectural Control Committee, which approval must be in writing, shall not be subject to modification or variance. The Architectural Control Committee is also hereby authorized to determine what actions, use or construction by an Owner constitutes a violation of this Declaration.

Section 3. Exterior Finish. The exterior finish or construction of any Living Unit shall be

at least ninety per cent (90%) brick, stone, concrete siding, or other approved masonry. In computing such percentage, roof areas and windows shall be excluded, but attached garages, if any, porches, and other structures constituting part of the Living Unit proper shall be included. In addition, the first floor of each Living Unit shall be constructed at least ninety per cent (90%) of brick, stone, concrete siding, or other approved masonry construction unless otherwise approved by the Architectural Control Committee. The Architectural Control Committee shall have the right to require additional brick, stone, or other approved masonry application in use in the construction of a Living Unit if, in the exercise of its approval of plans and specifications, it should determine that same will better maintain the aesthetic quality and general plan and scheme of the Properties and the Common Facilities.

Section 4. Carports/Porte Cocheres. No carports shall be permitted in the Subdivision; provided, however, that this provision shall not be construed to prohibit the incorporation of a porte cochere in the plans submitted to the Architectural Control Committee for its approval, provided that the porte cochere shall be an integral part of the architectural design of the proposed improvements and shall be constructed in a fashion and of materials which the Architectural Control Committee shall determine to be compatible with the overall character and aesthetics of the Property.

Section 5. Servant's Quarters. Any servant's quarters (which shall include at least a full bathroom) which may be constructed on any Lot shall not be used for rental purposes, and may be used only by servants who are employed in the Living Unit erected upon the same Lot where such quarters are located, or by members or guests of the family occupying the Living Unit on said Lot.

Section 6. Reasonable Enjoyment. No nuisance shall ever be erected, placed, or suffered to remain upon any Lot in the Property and no Owner of or resident on any Lot in the Property shall use the same so as to endanger the health or disturb the reasonable enjoyment of any other owner or resident. The Association is hereby authorized, but not obligated, to determine what constitutes a violation of this restriction.

Section 7. Livestock and Animals. No animals, livestock or poultry of any kind shall be raised, bred or kept on any Lot in the Subdivision except dogs, cats or other common household pets and one (1) horse per acre (on a minimum of two (2) acres) may be kept on said Lots provided that they are not kept, bred or maintained for commercial purposes and do not become a nuisance or threat to other Owners. Provided, however, animals being raised for 4-H or FFA school sponsored programs will be permitted up to two (2) projects per family and must be removed within a reasonable time after the end of program permitted under. No pigs or hogs will be permitted under any circumstances or programs. Animals raised for school sponsored programs must be kept in pens not visible from the street.

Section 8. Trash and Rubbish Removal. No trash, rubbish, garbage, manure, or debris of any kind shall be kept or allowed to remain on any Lot. The Owner of each Lot shall (and shall subscribe to any service utilized for the Subdivision) remove such prohibited matter from his Lot at regular intervals at his expense, and prior to such removal all such prohibited matter shall be placed

in sanitary refuse containers with tight fitting lids in an area adequately screened by planting or fencing so as not to be seen from neighboring Lots. Reasonable amounts of construction materials and equipment may be stored upon a Lot for reasonable periods of time during the construction of improvements thereon. No burnings of trash, rubbish, or debris of any kind shall be permitted at any time.

Section 9. Oil and Mining Operations. No oil or natural gas drilling, oil or natural gas development, or oil refining, quarrying, or mining operations of any kind, no oil, natural gas wells, tanks, tunnels, mineral excavations or shafts, and no derricks or other structures for use in boring oil, natural gas, or minerals shall be erected, maintained or permitted in the Properties by any owner purchasing property from Declarant.

Section 10. Septic Tanks No privy or cesspool shall be placed on any Lot. Septic systems shall make use of TNRCC-approved aerobic septic technology, unless and until central sanitary sewer service is available, at which time the central system shall be used.

Section 11. Storage of Boats, Trailers and other Vehicles and Equipment. No boat, trailer, recreational vehicle, camping unit, bus, truck or self-propelled or towable equipment or machinery of any sort shall be permitted to park on any Lot except in an enclosed structure, except that (i) during the construction of improvements on a Lot, necessary construction vehicles may be parked thereon for and during the time of necessity therefor, (ii) by a short term visitor upon receipt of a permit from the Association, and (iii) this restriction shall not apply to automobiles in good repair and attractive condition, provided that any such automobiles are parked on an improved driveway which has been approved by the Architectural Control Committee. Semi-trailers trucks may not be parked on any Lot or in the subdivision. The Association may implement restrictions on access to the Property for non-conforming vehicles, including without limitation, denial of access and shall implement a permitting process for temporary visitors.

Section 12. Visual Screening on Lots. The drying of clothes in public view is prohibited. All yard equipment, woodpiles or storage piles shall be kept screened by a service yard or other similar facility as herein otherwise provided (subject to Architectural Control Committee Approval), as to conceal them from view of neighboring Lots.

Section 13. Construction Work. Except in an emergency or when other unusual circumstances exist, as determined by the Board of Directors of the Association, new outside construction work or new noisy interior construction work shall be permitted only after 6:00 A.M and before 9:00 P.M. on weekdays, and only after 8:00 A.M. and before 8:00 P.M. on Saturdays and Sundays. All other construction shall be permitted only from 8:A.M to 6:P.M Monday through Friday.

Section 14. Television And Radio Antennas/Outdoor Speakers. Without the prior written authorization of the Architectural Control Committee, no television or radio antenna or satellite dish or outdoor audio speaker of any sort shall be placed, allowed, or maintained outside a Living Unit or on the exterior of any building or other improvement located on a Lot. Provided that the prior

written authorization specified above (which authorization shall include such details as the Architectural Control Committee shall deem appropriate, including without limitation, a restriction as to height and location) shall have been received, the installation of any such approved television or radio antenna or satellite dish shall be conducted in strict accordance with the terms of the written authorization by the Architectural Control Committee and this Declaration, shall be located and placed on a Lot so as to be out of the normal sight lines from adjoining streets and rights-of-way and/or adjoining Lots and shall be screened from view by a separate fenced enclosure satisfying the specifications provided for fences in this Declaration, such fenced enclosure to be installed within ten (10) days of substantial completion of the antenna or satellite dish installation. Provided that prior written authorization specified above shall have been received, no outdoor speaker shall be operated at a volume level which can be heard from an adjoining Lot at any time before 9:00 a.m. or after 10:00 p.m. and at no time shall any such speaker be operated at excessively loud levels.

Section 15. Electrical, Telephone and other Utility Lines. All electrical, telephone and other utility lines and facilities which (i) are located on a Lot, (ii) are not within or part of any building, and (iii) are not owned by a governmental entity, a public utility company, or the Association, shall be installed in underground conduits or other underground facilities. Lighting fixtures may be installed above ground if approved in writing by the Architectural Control Committee.

Section 16. House Numbers and Mail Boxes. House numbers shall be posted for each completed house. House numbers, mail boxes and similar items used on the Property must be harmonious with the overall character and aesthetics of the community and the decision of the Architectural Control Committee that any such matter is not harmonious shall be final.

Section 17. Visual Obstructions at Intersections of Streets. No fence, wall, tree, hedge, planting or object shall be maintained on the Property in such manner as to obstruct sight lines for vehicular traffic between two (2) feet and six (6) feet above the roadways within the triangular area formed by the intersecting right-of-way lines and a line connecting them at points twenty-five (25) feet from the intersection of the right-of-way line or extensions thereof.

Section 18. Signs, Advertisements, Billboards. No signs, advertisement, billboard or advertising structure of any kind may be erected or maintained on any Lot without the consent in writing of the Architectural Control Committee, except (i) one (1) sign not more than forty-eight inches (48") square, advertising an Owner's Residence for sale or rent, may be placed on such improved Lot and (ii) one (1) sign not more than forty-eight inches (48") square advertising the builders of the Owner's residence may be placed on such Lot during the construction period of such residence from the forming of the foundation until completion not to exceed a twelve (12) month period, Declarant or any member of such Committee shall have the right to remove any such sign, advertisement or billboard or structure which is placed on any Lot 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. After Declarant has sold all lots, an owner may erect one (1) sign not more than forty-eight inches (48") square, advertising an

Owner's lot for sale.

Section 19. Driveways. The Owner of each lot shall construct and maintain at his expense a driveway of not less than ten feet (10') in width from his garage to an abutting street, including the portion in the street easement, and he shall repair at his expense any damage to the street and/or drainage culvert occasioned by connecting his driveway thereto, which culvert and driveway shall be constructed of approved bricks, pavers, or concrete and conform to the material, design and standard of construction imposed by the Architectural Control Committee.

Section 20. Maximum/Minimum Dimension. No building or Living Unit in the Property shall exceed three (3) stories in height or forty (40) feet to the top ridge line of the roof, whichever is lesser. Finished, no-air conditioned attics and/or basements shall not be considered for the purposes of this Section 20 to be separate stories. No Living Unit shall contain less than 2,800 square feet of living area and no Living Unit of more than one story shall contain less than 2,000 square feet of living area in the first (ground) floor level; no waterfront Living Unit shall contain less than 3,000 square feet of living area and no waterfront Living Unit of more than one story shall contain less than 3,500 square feet of living area. Living Units on Lot 11, Block 1; Lots 1 and 7, Block 2; Lots 1 and 17, Block 5; Lots 2 and 3, Block 6; Lots 1, 10, and 11, Block 3; Lots 1 and 5, Block 4 shall contain no less than 4,000 square feet of living area. Living Units on Lot 10, Block 2; Lot 1, Block 6; Lot 2, Block 5; Lots 12, 13, and 15, Block 3 shall contain no less than 5,000 square feet of living area, (except as otherwise provided by section 9 of Article IX herein), unless the Architectural Control Committee agrees to the contrary. All computations of living area shall be exclusive of attics, basements, open or screened porches, open terraces, stoops, patios, driveways and garages or detached servants quarters. Measurements shall be to the face of the outside walls of the living area.

Section 21. Building Requirements. As to each lot in the Property the following building requirements shall apply unless the Architectural Control Committee agrees to the contrary in writing and such agreement is evidenced by a written instrument filed of record, to-wit:

(a) No building (i) shall be placed or built on any Lot nearer to the front Lot line or nearer to a side street line than the building lines shown on the Subdivision Plat, or (ii) shall encroach on any easement shown on the Subdivision Plat.

(b) Each residence located on a corner lot shall face either (or both) street, provided the location shall be approved by the Architectural Control Committee.

(c) Any fence installed by an Owner shall be constructed of such design, of such material and in such location as is approved by the Architectural Control Committee.

(d) No fence shall be constructed, installed or maintained on any Lot, except as may be utilized with the approval of the Architectural Control Committee.

(e) All foundations shall be constructed in accordance with a foundation plan prepared and sealed by a registered professional engineer, after obtaining soils analysis of the lot on which the foundation is to be constructed.

Section 22. Location of Improvements. Unless the Architectural Control Committee agrees to the contrary in writing, (i) no building on any Lot in the Property shall be located nearer than ten feet (10') to an interior side line of the Lot, and (ii) no part of a main residential structure or guest house, inclusive of garages, shall be located nearer than ten feet (10') from the rear line of the Lot, or shall be located nearer than twenty-five feet (25') of a Restricted Reserve. Brick wing walls, provided that they are attached to the residence and parallel to the front Lot line, can be extended to the said Lot line.

Section 23. Outbuildings/Exterior Equipment. No treehouse, exterior play equipment such as slides, swings, etc. (excluding temporary usage after which the equipment is removed), above-ground pools, or exterior athletic equipment such as basketball goals, shall be permitted on any Lot in the property without prior written approval of the Architectural Control Committee. No metal storage outbuildings shall ever be erected, placed or maintained upon any Lot in the Property. Any other type of permitted outbuilding must be in keeping with the overall character and aesthetics of the Living Unit located on the Lot and must be approved by the Architectural Control Committee.

Section 24. Removal of Dirt and Trees. The digging of dirt or the removal of any dirt from any Lot is expressly prohibited except as necessary in conjunction with the landscaping of or construction on such Lot. No trees shall be cut except to provide room for construction of improvements or to remove dead or unsightly trees.

Section 25. Lot Drainage. All drainage of water from any Lot and the improvements thereon shall drain or flow as set forth below:

(a) Any such water shall drain or flow from the Lot line into adjacent streets, drainage ditches, or detention areas, and shall not be allowed to drain or flow upon adjoining Lots unless an easement for such purpose is granted. The Owner shall provide drains or swales to effect such drainage upon construction of the Living Unit on the Lot.

(b) All slopes or terraces on any Lot shall be maintained so as to prevent any erosion thereof upon adjacent streets or adjoining property.

(c) No structure, planting or other material shall be placed or permitted to remain or other activities undertaken within the Property or any portion thereof by any Owner which might damage or interfere with established slope ratios or interfere with established drainage functions or facilities established for the Properties.

Section 26. Roof Projections. No projections of any type shall be placed or permitted to remain above the roof of any residential building with the exception of one or more chimneys and

one or more vent stacks without the written permission of the Architectural Control Committee.

Section 27. Window Coolers. No window or wall type air conditioners or water coolers shall be permitted to be used, erected, placed or maintained on or in any building on any part of the Property.

Section 28. Landscape Maintenance. All landscaping of every kind and character including shrubs, trees, grass, and other plantings, shall be neatly trimmed, properly cultivated and maintained continuously by the Owner thereof in a neat and orderly condition and in a manner to enhance its appearance, provided that certain areas as designated in the plans submitted to and approved by the Architectural Control Committee may be maintained in its natural state. The owner of each Lot shall, within thirty (30) days following occupancy of the residence, plant solid grass sod in the front and side yards of his Lot immediately adjacent to the residence. The grass shall be of a type and within standards prescribed by the Architectural Control Committee. The Owner of each Lot, within six (6) months following occupancy of the residence, shall complete the balance of the landscaping plan of the Lot.

Section 29. Use of Lots by Declarant During Construction and Sales Period. Notwithstanding the foregoing provisions of this Article VIII, Declarant and its permittees shall have the exclusive right to erect, place and maintain on their respective Lots in the Property such facilities (including but not limited to, offices, storage areas, model units, flags, and signs) as in Declarant's sole discretion may be necessary or convenient to improve and/or sell Lots and Living Units in the Property.

Section 30. Use of Common Properties and Facilities by Declarant During Construction and Sales Period. Likewise, notwithstanding the foregoing provisions of this Article VIII, Declarant, and its permittees, shall have the exclusive right to erect, install, place and maintain within or about the common Properties such Facilities (including, but not limited to, offices, promotional and marketing facilities) as in Declarant's sole discretion may be necessary or convenient to the marketing and sale of Lots and Living Units in the Property.

Section 31. Firearms and Fireworks. The use or discharge of firearms in the subdivision is prohibited. All hunting by any method is prohibited in the subdivision. Fireworks are prohibited in the subdivision.

Section 32. Temporary Window Coverings. Each Owner shall, within six (6) months following occupancy of the residence, cease the use of any temporary window coverings and in no event shall any such temporary coverings be utilized on front windows of the residence.

Section 33. Propane Storage. In the event gas service is not available in the Subdivision and an Owner utilizes propane gas, such propane tank shall be placed below ground in a location (i) not visible from the street or adjoining residences and (ii) approved by the Architectural Control Committee.

Section 34. Garbage Disposals. All residences shall have a garbage disposal unit and such units shall be kept in good working order at all times.

ARTICLE IX

GENERAL PROVISIONS

Section 1. Enforcement. The terms and provisions of this Declaration shall run with and bind the land in the Property, and shall inure to the benefit of and be enforceable by Declarant, the Association, or the Owner of any Lot, and by their respective legal representatives, heirs, successors and assigns. This Declaration may be enforced in any proceeding at law or in equity against any person or entity violating or threatening to violate any term or provision hereof, to enjoin or restrain violation or to recover damages, and against the Property to enforce any lien created by this Declaration, and failure of Declarant, the Association or its Board of Directors or Architectural Control Committee, or any Owner to enforce any term or provision of this Declaration shall never be deemed a waiver of the right to do so thereafter.

Section 2. Incorporation. The terms and provisions of this Declaration shall be construed as being adopted in each and every contract, deed, or conveyance hereafter executed by Declarant conveying all or any part of the land in the Property, whether or not referred to therein, and all estates conveyed therein and warranties of the title contained therein shall be subject to the terms and provisions of this Declaration.

Section 3. Amendments. This Declaration may be amended in whole or in part by an instrument executed by the President of the Association when approved by Members entitled to cast not less than two thirds (2/3) of the votes if the amendment occurs within twenty (20) years after the date of this Declaration, or (ii) the Members entitled to cast not less than seventy-five percent (75%) of the votes if the amendment occurs more than twenty (20) years after the date of this Declaration. Following any such amendment, every reference herein to this Declaration shall be held and construed to be a reference to this Declaration as so amended.

Section 4. 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 any instrument in writing duly signed, acknowledged, and filed for record for the purpose of clarifying any of the restrictions contained herein, imposing additional restrictions on Lots consistent with the purposes hereof (provided such additional restrictions shall not adversely effect any improvements constructed or under construction at the time of the amendment), 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 this Declaration, and shall not impair or affect the vested property or other rights of any Owner or his mortgagee.

Section 5. Books and Records. The books and records of the Association shall, during

reasonable business hours, be subject to reasonable inspection by any Member. The Board of Directors may, by resolution, establish rules and regulations governing the frequency of inspection and other matters to the end that inspection of the books and records by any Member or Members will not become burdensome to nor constitute harassment of the Association. This Declaration and the Articles of Incorporation and the By-Laws of the Association shall be available for inspection by any Member at the principal office of the Association, where copies may be purchased at reasonable cost.

Section 6. Annexation. Additional residential property and "Common Properties" may be annexed to the Properties from time to time by the Declarant, its successors, or assigns, without the consent of other Owners, or their mortgagees, within ten (10) years of the date of recording of this instrument.

(a) The annexation or addition may be accomplished by the execution and filing for record by the owner of the property being added or annexed of an instrument which may be called "SUPPLEMENTAL DECLARATION" which shall at least set out and provide in substance: the name of the owner of the property being added or annexed who shall be called the "Declarant"; the perimeter description of the property being added or annexed; the description of the residential areas and of the Common Properties of the property being added or annexed and the rights and easements of the Owners in and to the Common Properties; that the property is being added or annexed in accordance with the provisions of this Declaration, and that the property being annexed shall be developed, held, used, sold and conveyed in accordance with and subject to the provisions of this Declaration; that all of the provisions of this Declaration shall apply to the property being added or annexed with the same force and effect as if said property were originally included therein as part of the original development; that the property being added or annexed is submitted to the jurisdiction of the Association with the same force and effect as if said property were originally included in this Declaration as part of the original development; and, such "Supplemental Declaration" may contain such other provisions which are not inconsistent with the provisions of this Declaration or the general scheme or plan of development of Lakes of Mission Grove, as a residential development. Nothing in this Declaration shall be construed to represent or imply that Declarant, its successors or assigns, are under any obligation to add or annex additional property to this residential development.

(d) At such time as the "Supplemental Declaration" is filed for record as herein above provided, the annexation shall be deemed accomplished and the annexed area shall be a part of the Properties and subject to each and all of the provisions of this Declaration and to the jurisdiction of the Association in the same manner and with the same force and effect as if such annexed property had been originally included in this Declaration as part of the initial development.

(e) After additions or annexations are made to the development, all assessments collected by the Association from the Owners in the annexed areas shall be commingled with

the assessments collected from all other Owners so that there shall be a common maintenance fund for the Properties.

(f) Lot owners may not change lot drainage nor dig any pond without written approval from the Architectural Control Committee.

Section 7. Rights of Mortgagees, Trustees or Lienholders. No violations of any of these restrictions, covenants or conditions, shall affect or impair the rights of any Mortgagee, Trustee or Lienholder under any mortgage or deed of trust, or the rights of any assignee of any Mortgagee, Trustee or Lienholder under any such mortgage or deed of trust.

Section 8. No Right to Subdivide or Resubdivide. Declarant shall not have the right to subdivide or resubdivide into Lots, by recorded plat or in any other lawful manner, all or any part of the property in the Property, except in connection with the formation of the Subdivision. Lot owners may not subdivide or resubdivide purchased lots.

Section 9. Building Sites. With the written approval of the Architectural Control Committee, the Owner(s) of a group of Lots, each of which is adjacent to one or more of the other Lots in the group, and subject to the approval of any governmental entity having jurisdiction, may designate any combination of Lots or portions of Lots, to be a building site or building sites, provided that a building site shall always include at least one full Lot. The front rear and side lines of the platted Lots affected by any such action, as such lines are designated on the Subdivision Plat, shall be adjusted to conform to the front, rear and side lines of the new building sites for building and other purposes. Improvements, limited to the improvements permitted in Article VIII, Section 1 herein above, may be constructed on any such building site in accordance with the new front, rear and side lines thereof. Each such building site, upon being designated as such by the Owner(s) thereof, with the written approval of the Architectural Control Committee, shall thereafter be a Lot for all purposes of this Declaration, except that all future assessments payable by the Owner of a building site comprised of several Lots or portions thereof combined in accordance with this Section 9 will be based upon one assessment for each full Lot plus a pro rata portion of each partial Lot, even if there is only one building site. A Living Unit constructed on a building site comprised of two Lots shall cross the center line of the building site.

Section 10. No Obligation as to Adjacent Property. Property is a part of a larger tract or block of land owned by Declarant or affiliates of Declarant. While Declarant may subdivide other portions of its property, or may subject the same to a declaration such as this Declaration, Declarant shall have no obligation to do so, and if Declarant elects to do so, any subdivision plat or declaration executed by Declarant with respect to any of its other property may be the same as or as similar or dissimilar to any subdivision plat covering the Property, or any part thereof, or to this Declaration.

Section 11. Duration. This Declaration shall remain in full force and effect for a term of thirty (30) years from the date this Declaration is recorded in the Office of the County Clerk of Fort Bend County, Texas, after which time this Declaration shall be extended automatically for successive

periods of ten (10) years each unless and until an instrument signed by the Members entitled to cast no less than three-fourths (3/4) of the votes has been filed for record in the Office of the County Clerk of Fort Bend County, Texas, agreeing to terminate this Declaration. Such an instrument so filed for record shall become effective on the date stated therein or one (1) year after it is so filed for record, whichever is the later date.

Section 12. Severability. Invalidation of any term or provision of this Declaration by judgement or otherwise shall not affect any other term or provision of this Declaration, and this Declaration shall remain in full force and effect except as to any terms and provisions which are invalidated.

Section 13. Gender and Grammar. The singular wherever used herein shall be construed to mean or include the plural when applicable, and the necessary grammatical changes required to make the provisions hereof apply either to corporations (or other entities) or individuals, male or female, shall in all cases be assumed as though in each case fully expressed.

Section 14. Titles. The titles of this Declaration and of Articles and Sections contained herein are for convenience only and shall not be used to construe, interpret, or limit the meaning of any terms or provisions contained in this Declaration.

Section 15. Successors in Title. The terms and provisions of this Declaration shall apply to, be binding upon, and inure to the benefit of Declarant and the Association, and their respective successors and assigns.

ARTICLE X.

INDEMNIFICATION AND WAIVER

Each Owner and Member covenants and agrees to indemnify and hold harmless the Association, Declarant, the Board of Directors and the Architectural Control Committee from and against any and all claims, demands, lawsuits, actions, debts, damages, costs, charges and expenses, including court costs and attorney's fees, liabilities and losses of any nature whatsoever incurred, suffered or sustained by the Association, Declarant, the Board of Directors or the Architectural Control Committee arising out of or in any way caused by, connected with or resulting from actions or activities pursued or conducted in violation of this Declaration by such Owner, such Member, the occupants of such Owner's Lot, or such Owner's or Member's agents, guests or invitees. Each Owner and Member hereby waive any and all claims against any member of the Board of Directors or the Architectural Control Committee in their individual capacity, acknowledging that any claims which may be asserted in connection with any matters the subject of this Declaration shall be limited to the Association, The Declarant, the Board of Directors in such capacity and the Architectural Control Committee in such capacity.

Mission Grove LP

By: *David W. Showalter*

Name: David W. Showalter
Title: Member of General Partner, Mission Grove Development Services LC

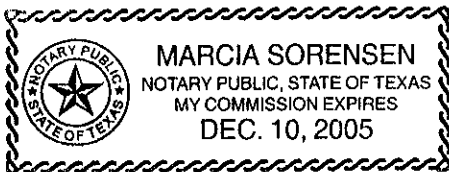
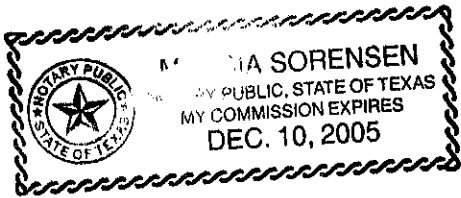
STATE OF TEXAS

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COUNTY OF HARRIS

This instrument was acknowledged before me on the 26th day of September, 2003, by DAVID W. SHOWALTER, as a member of General Partner, Mission Grove Development Services LC, on behalf of said limited company, for the purposes and in the capacity therein expressed.

Marcia Sorensen
NOTARY PUBLIC IN AND FOR
THE STATE OF TEXAS



AS PER ORIGINAL

Wesley Estate Homes LP

By: *David W. Showalter*

Name: David W. Showalter

Title: Member of General Partner,

Mission Grove Builders LC

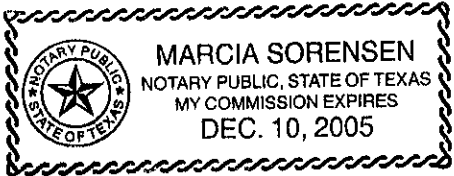
STATE OF TEXAS §

COUNTY OF HARRIS §

This instrument was acknowledged before me on the 26th day of September, 2003, by DAVID W. SHOWALTER, as a member of General Partner, Mission Grove Builders LC, on behalf of said limited company, for the purposes and in the capacity therein expressed.

Marcia Sorensen

NOTARY PUBLIC IN AND FOR
THE STATE OF TEXAS



CONSENT AND SUBORDINATION

The undersigned, beneficiary under a Deed of Trust dated April 24, 1998 recorded under Clerk's File No. 9831483 of the Official Public Records of Real Property of Fort Bend County, Texas, and under a Deed of Trust dated September 6, 2000, recorded under Clerk's File No. 2000080926 of the Official Public Records of Real Property of Fort Bend County, Texas (collectively referred to as the "Deeds of Trust"), does hereby consent to the foregoing Amended and Restated Declaration of Covenants, Conditions and Restrictions for Lakes of Mission Grove, Section One ("Amended Declaration") and agrees that the Deeds of Trust are, and shall at all times continue to be, subject, inferior and subordinate in all respects to the Amended Declaration.

Dated: October 20, 2003.

BANK OF TEXAS, N.A.
Successor by merger to the former
Citizens National Bank of Texas

By: *Ralph Williams*
Ralph Williams, Chairman - Houston

STATE OF TEXAS

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COUNTY OF HARRIS

This instrument was acknowledged before me on the 20TH day of October, 2003 by Ralph Williams the Chairman - Houston of Bank of Texas, N.A. a national banking association, on behalf of said national banking association.

Jill A. Clausen
Notary Public, in and for the State of Texas



Ret
Law Offices of David W Showalter LLP
5231 Bellair Blvd
Bellair TX 77401-3901

FILED AND RECORDED

OFFICIAL PUBLIC RECORDS

Dr. Dianne Wilson

2003 Nov 04 11:08 AM

2003155444

JH \$69.00

Dianne Wilson, Ph.D. COUNTY CLERK

FT BEND COUNTY TEXAS