FIRST CONSOLIDATED AND RESTATMENT OF DECLARATION OF COVENANTS, CONDITIONS, AND RESTRICTIONS FOR CROWN COLONY

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FOR

CROWN COLONY

THIS IS THE FIRST CONSOLIDATED AND RESTATEMENT DECLARATION OF COVENANTS, CONDITIONS, AND RESTRICTIONS for Crown Colony Improvement Association, Inc., hereinafter "ASSOCIATION", whom is the owner of the real property described in Exhibit "A" which is attached and incorporated by reference. This Declaration imposes upon the Properties (as defined in Article I below) mutually beneficial restrictions under a general plan of improvement for the benefit of the owners of each portion of the Properties, and establishes a flexible and reasonable procedure for the overall development, administration, maintenance, and preservation of the Properties.

Association hereby declares that all of the property described in Exhibit "A" and any additional property subjected to this Declaration by Supplemental Declaration (as defined in Article I below) shall be held, sold, used, and conveyed subject to the following easements, restrictions, covenants, and conditions, which shall run with the real property subjected to this Declaration. This Declaration shall be binding on all parties having any right, title, or interest in the Properties or any part thereof, their heirs, successors, successors-in-title, and assigns, and shall inure to the benefit of each owner thereof.

ARTICLE I
DEFINITIONS

The terms in this Declaration and the exhibits to this Declaration shall generally be given their natural, commonly accepted definitions except as otherwise specified. Capitalized terms shall be defined as set forth below.

1.1. "Architectural Control Committee": A committee appointed by the duly elected Board of Directors to review, modify, deny and/or approve plans for new construction or modifications to existing lots/units, as stated in Article XI of these Declarations.

1.2 "Area of Common Responsibility": The Common Area, together with those areas, if any, for which the Association assumes responsibility pursuant to the terms of this Declaration, any Supplemental Declaration or other applicable covenants, contract, or agreement.

1.3. "Articles of Incorporation" or "Articles": The Articles of Incorporation of Crown Colony Improvement Association, Inc., as filed with the Secretary of State of the State of Texas.

1.4. "Association": Crown Colony Improvement Association, Inc., a Texas non-profit corporation, its successors or assigns.

1.5. "Base Assessment": Assessments levied on all Units subject to assessment under Article X to fund Common Expenses for the general benefit of all Units, as more particularly described in Sections 10.1 and 10.3.

1.6. "Board of Directors" or "Board": The body responsible for administration of the Association, selected as provided in the Bylaws and generally serving the same role as the board of directors under Texas corporate law.

1.7. "Builder": Any Person and/or entity which purchases one (1) or more Units for the purpose of constructing improvements for later sale or lease to consumers or purchases one (1) or more parcels of land within the Properties for further subdivision, development, and/or resale in the ordinary course of such Person's business.

1.8. "Bylaws": The Bylaws of Crown Colony Improvement Association, Inc.

1.9 "Common Area": All real and personal property which the Association owns, leases, or otherwise holds possessory or use rights in for the common use and enjoyment of the Owners.

1.10. "Common Expenses": The actual and estimated expenses incurred or anticipated to be incurred, by the Association for the general benefit of all Owners, including any reasonable reserve, as the Board may find necessary and appropriate pursuant to this Declaration, the Bylaws, and the Articles of Incorporation.

1.11. "Community-Wide Standard": The standard of conduct, maintenance, or other activity generally prevailing throughout the Properties. Such standard may be more specifically determined by the Board of Directors.

1.12 "Country Club": Certain real property and any improvements and facilities thereon located adjacent to, in the vicinity of, or within the Properties, which are privately owned and operated by Persons other than the Association for recreational and related purposes, on a club membership basis or otherwise, made up of the golf course, clubhouse, and other facilities constituting the CROWN COLONY Country Club.

1.13. "Master Plat": The Plat plan for the development of the CROWN COLONY community, as it may be amended from time to time, which plat includes the property described on Exhibit "A".

1.14. "Member": A Person entitled to membership in the Association.

1.15. "Mortgage": A mortgage, a deed of trust, a deed to secure debt, or any other form of security deed.

1.16. "Mortgagee": A beneficiary or holder of a Mortgage.

1.17. “Mortgagor": Any Person who gives a Mortgage.

1.18. "Owner": One or more Persons who hold the record title to any Unit, but excluding in all cases any party holding an interest merely as security for the performance of an obligation. If a Unit is sold under a contract of sale, and the contract specifically so provides, the purchaser (rather than the fee owner) will be considered the Owner.

1.19. "Person": A natural person, a corporation, a partnership, a trustee, or any other legal entity.

1.20. "Properties": The real property described on Exhibit "A" together with such additional property as is subjected to this Declaration in accordance with Article IX.

1.21. "Public Records ": The Public Real Estate Records of Angelina County, Texas.

1.22. "Special Assessment": Assessments levied in accordance with Section 10.2(B).

1.23. "Specific Assessment": Assessments levied in accordance with Section 10.2(D).

1.24. "Supplemental Declaration”: An instrument filed in the public records pursuant to Article IX which subjects additional property to this Declaration, and/or imposes, expressly or by reference, additional restrictions and obligations on the land described in such instrument.

1.25. "Unit": A portion of the Properties, whether improved or unimproved, which may be independently owned and conveyed and which is intended for development, use, and occupancy as a detached residence for a single family. The term shall refer to the land, if any, which is part of the Unit as well as any improvements thereon. The term shall include within its meaning, by way of illustration but not limitation, condominium units, townhouse units, cluster homes, patio or zero lot line homes, and single-family detached houses on separately platted lots, as well as vacant land intended for development as such, but shall not include Common Areas, or property dedicated to the public. Following the date that this document is recorded with the real property records of Angelina County, any owner that acquires multiple lots shall be entitled to one (1) vote per lot acquired, along with one (1) assessment per lot acquired, regardless of any subsequent replatting.

ARTICLE II
PROPERTY RIGHTS

2.1. Common Area. Every Owner shall have a right and nonexclusive easement of use, access, and enjoyment in and to the Common Area, subject to:

(a) This Declaration and any other applicable covenants;

(b) Any restrictions or limitations contained in any deed conveying such property to the Association;

(c) The right of the Board to adopt rules regulating the use and enjoyment of the Common Area, including rules limiting the number of guests who may use the Common Area;

(d) The right of the Board to suspend the right of an Owner to use future recreational facilities within the Common Area (i) for any period during which any charge against such Owner's Unit remains delinquent and (ii) for a period not to exceed thirty (30) days for a single violation or for a longer period in the case of any continuing violation, of the Declaration, any applicable Supplemental Declaration, the Bylaws, or rules of the Association after notice pursuant to the Bylaws. In the event any recreational facilities are included as a Common Area of Responsibility in the future, said rights listed in this article shall extend to those facilities without necessity of amendment;

(e) The right of the Association, acting through the Board, to dedicate or transfer all or any part of the Common Area pursuant to Section 4.7;

(f) The right of the Board to impose reasonable membership requirements and charge reasonable membership admission or other fees for the use of any recreational facility situated upon the Common Area;

(g) The right of the Board to permit use of any recreational facilities, including but not limited to future facilities, situated on the Common Area by persons other than Owners, their families, lessees, and guests upon payment of use fees established by the Board; and

(h) The right of the Association, acting through the Board, to mortgage, pledge, or hypothecate any or all of its real or personal property as security for money borrowed or debts incurred.

Any Owner may extend their right of use and enjoyment to the members of their family, lessees, and social invitees, as applicable, subject to reasonable regulation by the Board. An Owner who leases their Unit shall be deemed to have assigned all such rights to the lessee of such Unit.

ARTICLE III
MEMBERSHIP AND VOTING RIGHTS

3.1. Function of Association. The Association shall be the entity responsible for management, maintenance, operation, and control of the Area of Common

Responsibility. The Association shall be the primary entity responsible for enforcement of this Declaration and such reasonable rules regulating use of the Properties as the Board may adopt. The Association shall be responsible for administering and enforcing the architectural standards and controls set forth in this Declaration and in the Design Guidelines. The Association shall perform its functions in accordance with this Declaration, the Bylaws, the Articles, and the laws of the State of Texas.

3.2. Membership. The owner or owners of each lot, or any interest therein to which this declaration applies shall be a member of the Association. Ownership shall be evidenced by owners of record, or evidence of ownership submitted to and satisfactory to the Association. The membership shall be appurtenant to and may not be separated from such ownership of any lot. Such ownership of a lot shall be the sole qualification for being a member of the Association. There shall be only one (1) membership per lot. If a lot is owned by more than one (1) Person, all co-owners shall share the privileges of such membership, subject to reasonable Board regulation and the restrictions on voting set forth in Section 3.3 and in the Bylaws and all such co-Owners shall be jointly and severally obligated to perform the responsibilities of Owners. The membership rights and privileges of an Owner who is a natural person may be exercised by the Member or the Member's spouse. The membership rights of an Owner which is a corporation, partnership, or other legal entity may be exercised by any officer, director, partner or trustee, or by the individual designated from time to time by the Owner in a written instrument provided to the Secretary of the Association.

3.3. Voting. The Association shall have five (5) classes of membership, as set forth in the following:

(a) Class A Members shall be the owners of lots on which single-family or duplex residences are to be or have been constructed. Class A members shall be entitled to one vote for each lot owned. When more than one person owns a lot, all are members of the Association and the one vote for each lot shall be *cast* as the owners determine among themselves.

(b) Class B Members shall be owners of all or a part of a lot on which a townhouse-patio dwelling is to be or has been constructed. Class B members shall be entitled to one vote for each lot owned. When more than one person owns a lot, all are members of the Association and one vote for such lot or unit shall be cast as the owners determine among themselves.

(c) Class C Members shall be the owners of commercial properties which have become subject to this Declaration of Covenants. Class C members shall be entitled to one vote for each building used for commercial purposes, up to 10,000 square feet under enclosed roof, and one additional vote for each additional 5,000 square feet or any part thereof, in the same structure under enclosed roof. When more than one person owns a building or structure, all owners shall be considered members of the Association and the votes allocable to the building or structures shall be cast as the owners determine among themselves.

(d) Class D Members shall be the owners of a lot or portion thereof which has become subject to this Declaration of Covenants on which an apartment unit or units have actually been constructed and occupied. The Class D member shall be entitled to one whole vote for each twenty apartment units constructed and occupied at the time of such vote and no fractions of votes. When more than one person owns such units, all are members of the Association and one vote for each four units shall be cast as the owners determine among themselves.

In any situation where a Member is entitled personally to exercise the vote for their Unit and there is more than one (1) Owner of a particular Unit, the vote for such Unit shall be exercised as such co-Owners determine among themselves and advise the Secretary of the Association in writing prior to any meeting. Absent such advice, the Unit's vote shall be suspended if more than one (1) Person seeks to exercise it in a contradictory or unclear manner.

ARTICLE IV
RIGHTS AND OBLIGATIONS OF THE ASSOCIATION

4.1. Common Area. The Association, subject to the rights of the Owners set forth in this Declaration, shall manage and control the Common Area and all improvements thereon (including, without limitation, furnishings, equipment, and other personal property of the Association used in connection with the Common Areas), and shall keep it in good, clean, attractive, and sanitary condition, order, and repair, pursuant to this Declaration and the Bylaws and consistent with the Community-Wide Standard.

4.2. Personal Property and Real Property for Common Use. The Association, through action of its Board, may acquire, hold, and dispose of tangible and intangible personal property and real property. The Association or its designees may convey to the Association improved or unimproved real estate located within the properties described in Exhibit "A," personal property and leasehold and other property interests, subject to approval of the Board. Such property shall be accepted by the Association and thereafter shall be maintained by the Association at its expense for the benefit of its Members, subject to (1) any restrictions set forth in the deed, (2) the governing documents of the Association, or (3) other instrument transferring such property to the Association.

4.3. Enforcement. The Association may impose sanctions for violations of this Declaration, the Bylaws, or rules in accordance with procedures set forth in the Bylaws, including reasonable monetary fines and use of any recreational facilities, including any facilities constructed and/or acquired in the future, within the Common Area. In addition, the Association, through the Board, in accordance with the Bylaws, may exercise self-help to cure violations, and may suspend any services it provides to the Unit of any Owner who is more than thirty (30) days delinquent in paying any assessment or other charge due to the Association. All remedies set forth in this Declaration or the Bylaws shall be cumulative of any remedies available at law or in equity. In any action to enforce the provisions of this Declaration or Association rules, if the Association prevails it shall be entitled to recover all costs, including without limitation attorney's fees and court costs, reasonably incurred in such action from the violating Owner.

The Association, by contract or other agreement, may enforce county and city ordinances, if applicable, and permit the appropriate governmental entity to enforce ordinances on the Properties for the benefit of the Association and its Members.

4.4. Implied Rights, Board Authority. The Association may exercise any other right or privilege given to it expressly by this Declaration or the Bylaws, or reasonably implied from or reasonably necessary to effectuate any such right or privilege. Except as otherwise specifically provided in this Declaration, the Bylaws, or by law, all rights and powers of the Association may be exercised by the Board without a vote of the membership.

4.5. Governmental Interests. The Association, through its Board of Directors, may designate sites within the Properties for fire, police, water, other utility facilities, parks, and other public or quasi-public facilities. The sites may include Common Areas, in which case the Association shall take whatever action is required with respect to such site to permit such use, including conveyance of the site.

4.6. Indemnification. The Association shall indemnify every officer, director, and committee member against all damages and expenses, including attorney's fees, reasonably incurred in connection with any action, suit, or other proceeding (including settlement of any suit or proceeding, if approved by the then Board of Directors) to which he/she may be a party by reason of being or having been an officer, director, or committee member.

The officers, directors, and committee members shall not be liable for any mistake of judgment, negligent or otherwise, except for their own individual willful misfeasance, malfeasance, misconduct, or bad faith. The officers and directors shall have no personal liability with respect to any contract or other commitment made or action taken in good faith on behalf of the Association except to the extent that such officers or directors may also be Members of the Association. The Association shall indemnify and forever hold each such officer, director and committee member harmless from any and all liability to others on account of any such contract, commitment or action. This right to indemnification shall not be exclusive of any other rights to which any present or former officer, director, or committee member may be entitled. The Association shall, as a Common Expense, maintain adequate general liability and officers' and directors' liability insurance to fund this obligation, if such insurance is reasonably available.

4.7. Dedication of Common Areas. The Association may dedicate portions of the Common Areas to Angelina County, Texas, or to any other local, state, or federal governmental entity.

4.8. Monitoring Services. The Association may, but shall not be obligated to, maintain or support or contract for the provision of monitoring services within the Properties. The Association shall not in any way be considered an insurer or guarantor of safety within the

Properties, nor shall it be held liable for any loss or damage by reason of failure to provide adequate monitoring services or of ineffectiveness of any such measures undertaken. No representation or warranty is made that any fire protection system, burglar alarm system, or other monitoring system or measure cannot be compromised or circumvented, nor that any such system or measure undertaken will in all cases prevent loss or provide the detection or protection for which the system is designed or intended. Each Owner acknowledges and understands, and covenants to inform its tenants, that the Association, its Board of Directors and committees, are not insurers of safety and that each Person using the Properties assumes all risks of personal injury, death, and loss or damage to property, including Units and the contents of Units, resulting from acts of third parties.

4.9. Relations with Adjacent Properties. Adjacent to or in the vicinity of the Properties are independent commercial and/or residential areas and the Country Club, each of which may or will share with the Association and its Members the use of Common Areas, real property and facilities, including, but not limited to, roads utilized by the associated golf course. The Association may enter into agreements, contracts or covenants to share costs with all or any of the owners of such adjacent or nearby property which allocate access, maintenance responsibilities, expenses, and other matters between the Association and such property owners.

ARTICLE V
MAINTENANCE

5.1. Association's Responsibility. The Association shall maintain and keep in good repair the Area of Common Responsibility, which shall include, but need not be limited to:

(a) All landscaping and other flora, parks, the fountain, the pond, structures, and improvements, including any private streets, bike pathways/trails, situated upon the Common Area;

(b) Landscaping within public rights-of-way within or abutting the Properties;

(c) Such portions of any additional property, including, without limitation, property subsequently deeded, transferred, assigned, or gifted to the Association, included within the Area of Common Responsibility as may be dictated by this Declaration, any Supplemental Declaration, or any contract or agreement for maintenance thereof entered into by the Association;

(d) All ponds, streams and/or wetlands located within the Properties which serve as part of the drainage and storm water retention system for the Properties, including any retaining walls, bulkheads or dams (earthen or otherwise) retaining water therein, and any fountains, lighting, conduits, and similar equipment installed therein or used in connection therewith; and

The Association may maintain other property which it does not own, including, without limitation, property dedicated to the public, if the Board of Directors determines that such maintenance is necessary or desirable to maintain the Community-Wide Standard.

Except as otherwise specifically provided herein, all costs associated with maintenance, repair and replacement of the Area of Common Responsibility shall be a Common Expense to be allocated among all Units as part of the Base Assessment, without prejudice to the right of the Association to seek reimbursement from the owner(s) of, or other Persons responsible for, certain portions of the Area of Common Responsibility pursuant to this Declaration, other recorded covenants, or agreements with the owner(s) thereof.

5.2. Owner's Responsibility. Each owner of a lot or part thereof with an improvement thereon shall be responsible to keep the same in good repair and perform such maintenance as will not cause the improvements to detract from the appearance or value of the subdivision. If the Board of Directors of the Association considers that an owner is not in compliance with this provision, it may give him notice of such non-compliance. If such owner is not in compliance within thirty (30) days after such notice, the Association may provide exterior maintenance to the extent of paint, repair or replacing of roofs, gutters, downspouts, repair of exterior building surfaces, trees shrubs, grass walks and other exterior improvements. The cost of such exterior maintenance shall be assessed against the lot or living unit upon which such maintenance is done and shall be added to and become a part of the annual assessment applicable to such lot or living wilt and shall be a lien and obligation of the owner and become due and payable in all respects as any other assessment. For the purpose of performing the exterior maintenance required or authorized by this article, the Association, through its duly authorized agents or employees, shall have the right after reasonable notice to the owner to enter upon any lot or exterior of any living unit at reasonable hours on any day except Sunday. Furthermore, no notice to the owner is required when entry is required due to an emergency situation.

5.3. Standard of Performance. Unless otherwise specifically provided herein or in other instruments creating and assigning such maintenance responsibility, responsibility for maintenance shall include responsibility for repair and replacement, as necessary. All maintenance shall be performed in a manner consistent with the Community-Wide Standard and all applicable covenants. The Association and/or Owner shall not be liable for any damage or injury occurring on or arising out of the condition of property which it does not own except to the extent that it has been negligent in the performance of its own maintenance responsibilities.

5.4. Party Walls and Similar Structures.

A. General Rules. Each wall built as a part of the original construction placed on a dividing line between living units in connection with the construction of townhouse-patio dwellings or condominium units shall constitute a party wall and, to the

extent not inconsistent herewith, the general rules of law regarding party walls and liability for property damage due to negligent or willful acts shall apply thereto.

B. Repair. The cost of reasonable repair and maintenance of a party wall shall be shared by the owners who make use of the wall in proportion to such use.

C. Destruction. If a party wall is destroyed or damaged by fire or other casualty, any owner who has used the wall may restore it, and if other owners thereafter make use of the wall, they shall contribute to the cost of restoration in proportion to such use, without prejudice to the right of an owner to call for a larger contribution under rules of law regarding liability for negligent or willful acts or omissions.

D. Weather-Proofing. Notwithstanding any other provision of this section, v owner, who by his negligence or willful act, causes the party wall to be exposed to the elements shall bear the whole cost of furnishing necessary protection against such elements.

ARTICLE VI
INSURANCE AND CASUALTY LOSSES

6.1. Association Insurance.

A. Required Coverages. The Association, acting through its Board or its duly authorized agent, shall obtain and continue in effect the following types of insurance, if reasonably available, or if not reasonably available, the most nearly equivalent coverages as are reasonably available:

(i) Blanket property insurance covering "risks of direct physical loss" on a "special form" basis, or comparable coverage by whatever name denominated, for all insurable improvements on the Common Area, if any, and on other portions of the Area of Common Responsibility to the extent that it has assumed responsibility for maintenance, repair and/or replacement in the event of a casualty. If such coverage is not generally available at reasonable cost, then "broad form" coverage may be substituted. All property insurance policies obtained by the Association shall have policy limits sufficient to cover the full replacement cost of the insured improvements;

(ii) Commercial general liability policy on the Area of Common Responsibility, insuring the Association and its Members for damage or injury caused by the negligence of the Association or any of its Members, employees, agents, or contractors while acting on its behalf. If generally available at reasonable cost, the commercial general liability policy shall have a limit of at least $250,000.00 per occurrence with respect to bodily injury, personal injury, and property damage;

(iii) Workers compensation insurance and employers liability insurance if and to the extent required by law;

(iv) Directors and officer's liability coverage, provided; however, the Association shall not be required to purchase such coverage if the directors and officers are otherwise covered by or through policies procured by the Association or others;

(v) Such additional insurance as the Board, in its best business judgment, determines advisable, which may include, without limitation, flood insurance, boiler and machinery insurance, fidelity insurance and ordinance coverage.

Premiums for all insurance on the Area of Common Responsibility shall be Common Expenses and shall be included in the Base Assessment. The Association shall have no insurance responsibility for any portion of the Country Club.

B. Policy Requirements. The Association shall arrange for an annual review of the sufficiency of insurance coverage by one or more qualified Persons, at least one of whom must be familiar with insurable replacement costs in the Angelina County, Texas area.

All Association policies shall provide for a certificate of insurance to be furnished to each Member insured and to the Association.

The policies may contain a reasonable deductible and the amount thereof shall not be subtracted from the face amount of the policy in determining whether the policy limits satisfy the requirements of Section 6.1. In the event of an insured loss, the deductible shall be treated as a Common Expense in the same manner as the premiums for the applicable insurance coverage. However, if the Board reasonably determines that the loss is the result of the negligence or willful misconduct of one or more Owners, their guests, invitees, or lessees, then the Board may specifically assess the full amount of such deductible against such Owner(s) and their Units.

All insurance coverage obtained by the Board shall:

(i) Be written with a company authorized to do business in the State of Texas which satisfies the requirements of the Federal National Mortgage Association, or such other secondary mortgage market agencies or federal agencies as the Board deems appropriate;

(ii) Be written in the name of the Association as trustee for the benefitted parties. Policies on the Common Areas shall be for the benefit of the Association, and its Members;

(iii) Not be brought into contribution with insurance purchased by individual Owners, occupants, or their Mortgagees;

(iv) Contain an inflation guard endorsement; and

(v) Include an agreed amount endorsement, if the policy contains a co-

insurance clause.

In addition, the Board shall be required to use reasonable efforts to secure insurance policies which list the Owners as additional insureds and provide:

(i) A waiver of subrogation as to any claims against the Association's Board, officers, employees, and its manager, the Owners and their tenants, servants, agents, and guests;

(ii) A waiver of the insurer's rights to repair and reconstruct instead of paying cash;

(iii) An endorsement precluding cancellation, invalidation, suspension, or non-renewal by the insurer on account of any one or more individual Owners, or on account of any curable defect or violation without prior written demand to the Association to cure the defect or violation and allowance of a reasonable time to cure;

(iv) An endorsement excluding Owners' individual policies from consideration under any "other insurance" clause;

(v) An endorsement requiring at least thirty (30) days' prior written notice to the Association and their lenders, if any, of any cancellation, substantial modification, or non-renewal;

(vi) A cross liability provision; and

(vii) A provision vesting in the Board exclusive authority to adjust losses provided; however, no Mortgagee having an interest in such losses may be prohibited from participating in the settlement negotiations, if any, related to the loss.

C. Damage and Destruction. Immediately after damage or destruction to all or any part of the Properties covered by insurance written in the name of the Association, the Board or its duly authorized agent shall file and adjust all insurance claims and obtain reliable and detailed estimates of the cost of repair or reconstruction. “Repair or reconstruction,” as used in this paragraph, means repairing or restoring the property to substantially the condition in which it existed prior to the damage, allowing for changes or improvements necessitated by changes in applicable building codes.

Any damage to or destruction of the Common Area shall be repaired or reconstructed unless a majority of the Board of Directors expressly vote to not repair or reconstruct, with their decision being at a duly noticed meeting within ninety (90) days after the loss not to repair or reconstruct.

If either the insurance proceeds or reliable and detailed estimates of the cost of repair or

reconstruction, or both, are not available to the Association within such 90-day period, then the period shall be extended until such funds or information are available. However, such extension shall not exceed sixty (60) additional days. No Mortgagee shall have the right to participate in the determination of whether the damage or destruction to the Common Area shall be repaired or reconstructed.

If determined in the manner described above that the damage or destruction to the Common Area shall not be repaired or reconstructed and no alternative improvements are authorized, the affected property shall be cleared of all debris and ruins and thereafter shall be maintained by the Association in a neat, attractive, and landscaped condition consistent with the Community-Wide Standard.

Any insurance proceeds remaining after paying the costs of repair or reconstruction, or after such settlement as is necessary and appropriate, including, but not limited to, payment to any Mortgagee of the Common Area, shall be retained by and for the benefit of the Association and placed in a capital improvements account. This is a covenant for the benefit of Mortgagees and may be enforced by the Mortgagee of any affected Unit.

If insurance proceeds are insufficient to cover the costs of repair or reconstruction, the Board of Directors may, without a vote of the Owners, levy Special Assessments to cover the shortfall against those Owners responsible for the premiums for the applicable insurance coverage under Section 6.1(a).

ARTICLE VII
NO PARTITION

Except as permitted in this Declaration, there shall be no judicial partition of the Common Area. No Person shall seek any judicial partition unless the Properties or such portion thereof have been removed from the provisions of this Declaration. This Article shall not prohibit the Board from acquiring and disposing of tangible personal property nor from acquiring and disposing of real property which may or may not be subject to this Declaration.

ARTICLE VIII
CONDEMNATION

If any part of the Common Area shall be taken, or conveyed in lieu of and under threat of condemnation by the Board acting on the written direction of Owners representing at least 51% of the total votes in the Association, by any authority having the power of condemnation or eminent domain, each Owner shall be entitled to written notice. The award made for such taking shall be payable to the Association as trustee for all Owners to be disbursed as follows:

If the taking involves a portion of the Common Area on which improvements have been constructed, the Association shall restore or replace such improvements on the remaining land included in the Common Area to the extent available, unless within sixty (60) days after such

taking the Owners representing at least 51% of the total votes of the Association shall otherwise agree. Any such construction shall be in accordance with plans approved by the Board. The provisions of Section 6.1(c) regarding funds for the repair of damage or destruction shall apply.

If the taking does not involve any improvements on the Common Area, or if a decision is made not to repair or restore, or if net funds remain after any such restoration or replacement is complete, then such award or net funds shall be disbursed to the Association and used for such purposes as the Board shall determine, including utilization for reserve fund, to defray other common expenses, management or professional fees, or payment of governmental dues, penalties, and payments.

ARTICLE IX
ANNEXATION AND WITHDRAWAL OF PROPERTY

9.1. Annexation With Approval of Membership. The Association may annex real property located adjacent to and contiguous with the Properties with the consent of the owner of such property, the affirmative vote of Owners representing at least 51% of the votes of the Association represented at a meeting duly called for such purpose.

Annexation shall be accomplished by filing a Supplemental Declaration describing the property being annexed in the Public Records. Any such Supplemental Declaration shall be signed by the President and the Secretary of the Association, and by the owner of the annexed property. Any such annexation shall be effective upon filing unless otherwise provided therein.

ARTICLE X
ASSESSMENTS

10.1. Purpose. The assessments shall be used exclusively to promote the recreation, health, safety and welfare of the lot and unit owners and, in particular, to improve and maintain common properties and facilities and to provide essential services, including without limitation improving and maintaining recreation facilities, parks, parkways, esplanades, gates, walls and fences; caring for vacant lots; providing needed security; and providing such services as are needed to maintain the subdivision as a first-class residential community; paying of legal and other 'expenses incurred in connection with the collection, enforcement, and administration of assessments; enforcing of all covenants and restrictions for the subdivision.

10.2. Creation of Assessments. There are hereby created assessments for Association expenses as the Board may specifically authorize from time to time. There shall be four (4) types of assessments: (a) Basic Assessments to fund Common Expenses for the general benefit of all Units, (b) Special Assessments, (c) Capital Improvement Assessments and (d) Specific Assessments. Each Owner, by accepting a deed or entering into a recorded contract of sale for any portion of the Properties, is deemed to covenant and agree to pay these assessments.

The types of assessments shall be as follows:

A. Basic Annual Assessment. The total basic annual assessment for each year shall be set by the Board of Directors of the Association, based on the estimated costs of performing such of the services set forth in the provisions above, as the Board of Directors shall in its discretion determine to provide during the coming year to the property of all classes of members. The total estimated cost shall be allocated among the membership classes as provided herein and shall be allocated to the property in each class as provided in (e) below. The amount thus estimated and allocated shall be the basic annual assessment. The estimated total costs shall be allocated among the different classes of membership based on the estimate of the Board of Directors as to the cost of providing the services to the property within each class and a determination by such Board as to the benefit conferred on the property in each class by the services to be rendered. This estimate shall be arrived at after notice to all members and the holding of a public hearing as to the proper allocation. After the allocation is made by the Board of Directors, any aggrieved owner may within 30 days thereafter appeal such allocation to the District Court of Angelina County, Texas, and the standard on appeal shall be whether or not the allocation is arbitrary, unreasonable or capricious. Pending any such appeal, the allocation shall stand and payment shall be based thereon. If it should appear that the basic annual assessment estimated by the Board of Directors is insufficient to cover the cost of the services to be rendered, the Board of Directors may increase such assessment by an amount up to 10% thereof at any time after July 1, of a year, without approval of the members.

B. Special Annual Assessment. A special annual assessment may be made for services in addition to those set forth in the foregoing related to Basic Assessments which are provided solely to property of one particular class of members and not to all property of all classes of members. This assessment shall be made only if and when two-thirds of the members of a class have petitioned the Association to provide a particular service and have agreed to pay the resulting special annual assessment; and the Board of Directors has agreed to provide such service. When these conditions are met, the Board of Directors shall estimate the cost of providing such service for the coming year and allocate the costs among the members of the class as provided herein. In the event that the estimate by the Board of Directors is insufficient to cover the cost of the services to be rendered, the Board of Directors may increase such assessment by an amount up to 10% thereof at any time after July 1 of a year, without approval of the members. The special annual assessment shall be borne only by the members of the petitioning class of members.

C. Capital Assessments. In addition to annual assessments, the Association may levy a capital assessment for capital improvements to the Common Property which are approved by the members of the Association.

D. Specific Assessments. The Board shall have the power to specifically assess expenses of the Association against Units (a) receiving benefits, items, or services not provided to all Units within the Properties that are incurred upon request of the Owner of a Unit for specific items or services relating to the Unit, (b) that are incurred as a consequence of the conduct of less than all Owners, their licensees, invitees, or guests, or (c) that are expressly permitted by the terms of the Declaration. The Association may also levy a Specific Assessment against any Unit to reimburse the Association for costs incurred in bringing the Unit into compliance with the provisions of the Declaration, any applicable Supplemental Declaration, other covenants, the Articles, the Bylaws, and rules, provided the Board gives prior notice to the Unit Owner and an opportunity for a hearing.

10.3. Allocation of Assessment. The basic annual assessment and any special annual assessment will be paid by each owner on the lots or portions thereof owned by him. The basic annual assessment and any special annual assessment shall be divided among the owners of a particular class of members on the following basis:

Class A: All single-family residence lots without completed, occupied improvements as of January 1 of a year shall pay the amount set by the Board of Directors for that fiscal year. When improvements are completed during a *year* the lot or unit will bear a pro rata portion of the annual charge for an improved lot.

Classes B and D: All land in this category without completed, occupied improvements as of January 1 of a year shall pay the amount set by the Board of Directors for that fiscal year. When improvements are completed during a *year* the lot or unit will bear a pro rata portion of the annual charge for an improved lot.

Class C: All land in this category without completed, occupied improvements as of January 1 of a year shall pay the amount set by the Board of Directors for that fiscal year. When improvements are completed during a *year* the lot or unit will bear a pro rata portion of the annual charge for an improved lot.

Assessments shall be paid in such manner as the Board may establish. The Basic annual assessments shall commence on the date of conveyance of any property subject to such assessment. The first annual assessment shall be for the balance of the calendar year and shall become due on the date fixed for commencement. After the first year, the assessment shall be made as of January 1 of a year on a calendar year basis and shall be paid annually as billed by the Board of Directors of the Association. Capital assessments shall be due thirty (30) days after notice thereof is given by the Board of Directors of the Association.

10.4. Change in Assessments. The Board of Directors may change the specified amount and the manner of calculating assessments, without regard to the limitations of subparagraph (c) above, upon the favorable vote of two-thirds of the members of the Association voting at an annual or special meeting if notice of such change has been given in connection with the notice of the meeting.

All assessments, together with interest, at a rate not to exceed the highest rate allowed by applicable law, computed from the date the delinquency first occurs, late charges, costs, and reasonable attorney's costs, and fees, shall be a charge and continuing lien upon each Unit against which the assessment is made until paid. Each such assessment, together with interest at a rate of 10% per annum, late charges, costs, and reasonable attorney's fees, also shall be the personal obligation of the Person who was the Owner of such Unit at the time the assessment arose. Upon a transfer of title to a Unit, other than a transfer by Mortgage to a Mortgagee, the grantee shall be jointly and severally liable for any assessments and other charges due at the time of conveyance. However, no first Mortgagee who obtains title to a Unit pursuant to the power of sale or

foreclosure rights contained in its Mortgage shall be liable for unpaid assessments which accrued prior to such acquisition of title.

The Board shall, upon request, furnish to any contract purchaser of a Unit or any Owner liable for any type of assessment a certificate in writing signed by an authorized agent of the Association, including but not limited to an officer or management agent, setting forth whether such assessment has been paid. Such certificate shall be conclusive evidence of payment. The Association may require the advance payment of a reasonable processing fee for the issuance of such certificate.

The Board, on its own or through a management company and/or agent, shall prepare and record a Payment Plan Policy in compliance with state, county, and municipal statute with same being filed in the real property records office of any county where a portion of the Association exists.

10.5. Computation of Base Assessment. At least thirty (30) days before the beginning of each fiscal year, the Board shall prepare a budget covering the estimated Common Expenses during the coming year, including a capital contribution to establish a reserve fund in accordance with a budget.

The Board shall send a summary of the budget and notice of the amount of the Basic Assessment for the following year to be delivered to each Owner prior to the beginning of the fiscal year for which it is to be effective. Any homeowner may request as copy of budget, so long as the request is made in writing to the Board of Directors. Such budget and assessment shall become effective unless disapproved at a meeting by Owners representing at least 51% of the total votes in the Association. There shall be no obligation to call a meeting for the purpose of considering the budget except on petition of the Owners as provided for special meetings in the Bylaws, which petition must be presented to the Board within ten (10) days after delivery of the notice of assessments.

If the proposed budget is disapproved or the Board fails for any reason to determine the budget for any year, then until such time as a budget is determined, the budget in effect for the immediately preceding year shall continue for the current year.

10.6. Reserve Budget and Capital Contribution. The Board shall annually prepare reserve budgets for general purposes which take into account the number and nature of replaceable assets, the expected life of each asset, and the expected repair or replacement cost. The Board shall set the required capital contribution in an amount sufficient to permit meeting the projected needs of the Association, as shown on the budget with respect to amount and timing by annual Base Assessments over the budget period.

10.7. Lien for Assessments. The Association does hereby establish, reserve, create and subject each Unit to a perfected contractual lien in favor of the Association to secure payment of delinquent assessments, as well as interest, late charges, subject to the

limitations of Texas law, and costs of collection, including attorney's fees and costs. Such lien shall be superior to all other liens, except (a) the liens of all taxes, bonds, assessments, and other levies which by law would be superior, and (b) the lien or charge of any first Mortgage of record, meaning any recorded Mortgage with first priority over other Mortgages, made in good faith and for value. The aforementioned liens shall be self-operative, and shall continue in inchoate form without being reserved or referenced in any deed or other documents and without any other action required. Such liens, when delinquent, may be enforced by suit, judgment, and judicial foreclosure in accordance with Texas law. The Association may assign such lien rights as to any or all Units to a lender as security for any loan made to the Association.

Although no further action is required to create or perfect the lien, the Association may, as further evidence and notice of the lien, execute and record a document setting forth as to any Unit the amount of the delinquent sums due the Association at the time such document is executed and the fact that a lien exists to secure the repayment thereof. However, the failure of the Association to execute and record any such document shall not, to any extent, affect the validity, enforceability, or priority of the lien. The lien may be foreclosed through judicial or, to the extent allowed by law, non-judicial foreclosure proceedings in accordance with Tex. Prop. Code Ann. Section 51.002 (Vernon 1984), as it may be amended or any other applicable law, in like manner of any deed of trust on real property.

Each Owner hereby grants to the Association, whether or not it is so expressed in the deed or other instrument conveying such Unit to the Owner, a power of sale to be exercised in accordance with Tex. Prop. Code Ann. Section 51.002 (Vernon 1984), as it may be amended or any other applicable law.

At any foreclosure proceeding, any Person, including but not limited to the Association, and any Owner shall have the right to bid for the Unit at foreclosure sale and to acquire and hold, lease, mortgage, and convey the same. During the period in which a Unit is owned by the Association following foreclosure: (a) no right to vote shall be exercised on its behalf, (b) no assessment shall be levied on it, and (c) each other Unit shall be charged, in addition to its usual assessment, its equal pro rata share of the assessment that would have been charged such Unit had it not been acquired by the Association as a result of foreclosure. Suit to recover a money judgment for unpaid Common Expenses and attorney's fees shall be maintainable without foreclosing or waiving the lien securing the same.

The sale or transfer of any Unit shall not affect the assessment lien or relieve such Unit from the lien for any subsequent assessments. However, the sale or transfer of any Unit pursuant to foreclosure of the first Mortgage shall extinguish the lien as to any installments of such assessments due prior to such sale or transfer. A Mortgagee or other purchaser of a Unit who obtains title pursuant to foreclosure of the Mortgage shall not be personally liable for assessments on such Unit due prior to such acquisition of title. Such unpaid assessments shall be deemed to be Common Expenses collectible from Owners of all Units subject to assessment, including such acquirer, its successors and assigns.

10.8. Failure to Assess. Failure of the Board to fix assessment amounts or rates or to deliver or mail each Owner an assessment notice shall not be deemed a waiver, modification, or a release of any Owner from the obligation to pay assessments. In such event, each Owner shall continue to pay Base Assessments on the same basis as for the last year for which an assessment was made, if any, until a new assessment is made, at which time the Association may retroactively assess any shortfalls in collections.

10.9. Exempt Property. The following property shall be exempt from payment of Basic Assessments and Special Assessments:

A. All Common Area; and

B. Any property dedicated to and accepted by any governmental authority or public utility.

ARTICLE XI
ARCHITECTURAL STANDARDS

11.1. General. No building, garage, storage house, wall, fence, driveway, sidewalk, parking area or other improvements shall be placed, erected, or installed upon any lot, and no exterior additions to or change or alteration, improvements, including staking, clearing, excavation, grading and other site work, exterior alteration of existing improvements, and planting or removal of landscaping materials, shall take place until the plans and specifications showing the nature, kind, shape, height, materials and location shall have been submitted to and approved in writing (considering, among other matters, the harmony of external design and location in relation surrounding structures and topography) by the Architectural Control Committee, which approval will not be unreasonably withheld. Plans, specifications and plats shall be filed with the Committee by delivery to the office of the Association.

All actions of the Architectural Control Committee will be in writing and copies of its actions will be retained in its records maintained at the office of the Association. If the Architectural Control Committee fails to act on a request within thirty (30) days after filing plans and specifications, said plans and specifications shall be deemed approved.

Notwithstanding this, the Board of Directors may exempt certain activities from the application and approval requirements of this Article, provided such activities are undertaken in strict compliance with the requirements of such resolution.

Any Owner may remodel, paint or redecorate the interior of structure(s) of a Unit without approval provided such improvements are not visible from outside such structure(s). Modifications to the interior of screened porches, patios, and similar portions of a Unit visible from outside the structures on the Unit shall be subject to approval. No approval shall be required to repaint the

exterior of a structure in accordance with the originally approved color scheme or to rebuild in accordance with originally approved plans and specifications.

All dwellings constructed on any portion of the Properties shall be designed by and built in accordance with the plans and specifications of a licensed architect or licensed building designer.

This Article shall not apply to improvements to the Common Area by or on behalf of the Association.

11.2. Architectural Review. Responsibility for administration of the Design Guidelines, as defined below, and review of all applications construction and modifications under this Article shall be handled by the Architectural Control Committee. The members of the Architectural Control Committee need not be Members of the Association or representatives of Members, and may, but need not, include architects, engineers or similar professionals, whose compensation, if any, shall be established from time to time by the Association or the Board. The Board of Directors, or the Architectural Control Committee, acting with authority to approve and enforce the Design Guidelines, may establish and charge a reasonable fee for review of applications hereunder and may require such fees to be paid in full prior to review.

11.3. Guidelines and Procedures.

A. The Board of Directors, acting in its capacity or through the Architectural Control Committee, may adopt design development guidelines and application and review procedures (the "Design Guidelines") which shall apply to all construction activities within the Properties. The Board of Directors, and Architectural Control Committee shall be responsible for reviewing plans in accordance with the Design Guidelines. The Board of Directors shall be the deciding authority for resolving any questions the Architectural Control Committee may have as to the interpretation or application of the Design Guidelines.

Each Owner acknowledges that the Design Guidelines may be amended, and that the Board of Directors, or the Architectural Control Committee shall have amendment authority for the Design Guidelines including the right to develop modification guidelines for existing structure exterior improvements. Any amendments to the Design Guidelines shall apply to construction and modifications commenced after the date of such amendment only and shall not apply to require modifications to or removal of structures previously approved once the approved construction or modification has commenced.

The Design Guidelines shall be made available to Owners and Builders who seek to engage in development or construction within the Properties and, all such Persons shall conduct their activities in accordance with such Design Guidelines. The Design Guidelines may contain general provisions applicable to all of the Properties, as well as specific provisions which vary from one portion of the Properties to another depending upon the location, unique characteristics, and intended use.

With regard to modifications, the Board of Directors or Architectural Control Committee may promulgate detailed procedures and standards governing its area of responsibility, consistent with those set forth in the Design Guidelines.

B. Plans and specifications showing the nature, kind, shape, color, size, materials, and location of all proposed modifications and improvements shall be submitted to the Board of Directors or Architectural Control Committee for review and approval, or disapproval. In addition, information concerning irrigation systems, drainage, lighting, and other features of proposed construction shall be submitted as applicable. In reviewing each submission, the Board of Directors or Architectural Control Committee may consider the Design Guidelines, quality of design, harmony of external design with existing structures, and location in relation to surrounding structures, topography, and finish grade elevation, among other things.

In the event that the Board of Directors or ACC fails to approve or to disapprove any application within thirty (30) days after submission of all information and materials reasonably requested, the application shall be deemed approved as submitted. However, no approval, whether expressly granted or deemed granted pursuant to the foregoing, shall be inconsistent with the Design Guidelines unless a variance has been granted in writing by the Board of Directors or Architectural Control Committee pursuant to Section 11.5. Any application for modification of an existing structure must be completed within six (6) months of the approval date.

11.3. No Waiver of Future Approvals. Approval of proposals, plans and specifications, or drawings for any work done or proposed, or in connection with any other matter requiring approval, are site specific unless otherwise noted, and shall not be deemed to constitute a waiver of the right to withhold approval as to any similar proposals, plans and specifications, drawings, or other matters subsequently or additionally submitted for approval.

11.4. Variance. The Board of Directors or the Architectural Control Committee may authorize variances from compliance with any of its guidelines and procedures when circumstances such as topography, natural obstructions, hardship, or aesthetic or environmental considerations require, but only in accordance with duly adopted rules and regulations. Such variances may only be granted, however, when unique circumstances dictate and no variance shall (a) be effective unless in writing, (b) be contrary to this Declaration, or (c) estop the Board or the Architectural Control Committee from denying a variance in other circumstances. For purposes of this Section, the inability to obtain approval of any governmental agency, the issuance of any permit, or the terms of any financing shall not be considered a hardship warranting a variance.

11.5. Limitation of Liability. Neither the Board of Directors, nor the Architectural Control Committee shall be liable to anyone submitting plans for approval in accordance herewith or to any other Person for damages, whether direct, indirect, consequential, or otherwise, arising out of or in connection with: (a) the approval or disapproval or failure

to approve or disapprove any such plans, (b) enforcement or failure to enforce any site maintenance or other requirements hereof, (c) the approval or disapproval of, or failure to approve or disapprove, any architectural, landscaping, development or other plans for improvements to any property adjacent to, or situated on or in the proximity of the Properties, (d) the development or construction of, or the failure to develop or construct, any improvements, including landscaping, on lands adjacent to or in the proximity of the Properties, or (e) defects, whether latent or otherwise, in such plans. Anyone submitting plans for approval agrees not to seek any such damages against the Board of Directors or the Architectural Control Committee. In addition, each Owner shall release and hold harmless the Board of Directors, or the Architectural Control Committee and the members thereof from any and all liability, including attorneys' fees and court costs actually incurred, regardless of whether suit is brought or any appeal is taken therefrom, arising out of any approval given or denied by the Board of Directors or the Architectural Control Committee under this Article.

Review and approval of any application pursuant to this Article is made on the basis of the Design Guidelines and aesthetic considerations and neither the Board of Directors nor the Architectural Control Committee shall bear any responsibility for ensuring the value of a Unit, or the structural integrity, workmanship, quality or soundness of approved construction or modifications, nor for ensuring compliance with building codes, engineering and architectural standards, and other governmental requirements. Each Owner acknowledges that the approval of any application pursuant to this Article does not constitute an assurance or guarantee that the approved improvements are safe or fit for habitation. Neither the Association, the Board of Directors, nor the Architectural Control Committee, including any committee, or member of any of the foregoing shall be held liable for any injury, damages, or loss arising out of the manner or quality of approved construction on or modifications to any Unit.

11.6. Enforcement. Any structure or improvement placed or made in violation of this Article shall be deemed to be nonconforming. Upon written request from the Board or the Association, Owners shall, at their own cost and expense, remove such structure or improvement and restore the land to substantially the same condition as existed prior to the nonconforming work. Should an Owner fail to remove and restore as required, the Board of Directors or its designees, shall have the right to enter the property, remove the violation, and restore the property to substantially the same condition as previously existed. All costs, which may include monetary fines imposed by the Board of Directors or the Architectural Control Committee together with the interest at the maximum rate then allowed by law, may be assessed against the benefitted Unit and collected as a Specific Assessment.

Any contractor, subcontractor, agent, employee, or other invitee of an Owner who fails to comply with the terms and provisions of this Article and the Design Guidelines, in addition to the fees, costs, and fines provided in the preceding paragraph, may be excluded by the Board of Directors from the Properties. In such event, neither the Association, its officers, nor directors shall be held liable to any Person for exercising the rights granted by this paragraph.

In addition to the foregoing, the Association, with shall have the authority and standing to pursue all legal and equitable remedies available to enforce the provisions of this Article and the decisions of the Board of Directors, or the Architectural Control Committee.

ARTICLE XII
USE RESTRICTIONS AND RULES

12.1. Plan of Development: Applicability: Effect. The Properties are subject to the land development, architectural, and design provisions set forth in Article XI, the other provisions of this Declaration governing individual conduct and uses of or actions upon the Properties, and the guidelines, rules and restrictions promulgated pursuant to this Declaration, all of which establish affirmative and negative covenants, easements, and restrictions on the land subject to this Declaration.

All provisions of this Declaration and any Association rules shall apply to all Owners, occupants, tenants, guests and invitees of any Unit. Any lease on any Unit shall provide that the lessee and all occupants of the leased Unit shall be bound by the terms of this Declaration, the Bylaws, and the rules of the Association.

12.2. Authority to Promulgate Use Restrictions and Rules. The Board may promulgate use restrictions applicable to all of the Properties. Subject to the terms of this Article, such use restrictions may be modified in whole or in part, repealed or expanded as follows:

A. Subject to the Board's duty to exercise sound business judgment and reasonableness on behalf of the Association and its Members, the Board may adopt rules which modify, cancel, limit, create exceptions to, or expand the use restrictions promulgated by the Board. The Board shall send notice to all Owners concerning any such proposed action at least ten (10) and no more than sixty (60) business days prior to the Board meeting at which such action is to be considered. Owners shall have a reasonable opportunity to be heard at a Board meeting prior to such action being taken.

Such action shall become effective unless disapproved at a meeting by Owners representing at least 51% of the total Class "A" votes and by the Class "B" Member, if any.

B. Alternatively, the Owners, at a meeting duly called for such purpose as provided in the Bylaws, may adopt rules which modify, cancel, limit, create exceptions to, or expand the use restrictions and rules previously adopted by a vote of Owners representing at least 51% of the total votes present at a meeting duly called for such purpose;

C. At least thirty (30) days prior to the effective date of any action taken under subsections (a) or (b) of this Section, the Board shall send a copy of the rule to each Owner. The Association shall provide, without cost, a copy of the use restrictions and rules then in effect

(hereafter the "Use Restrictions and Rules") to any requesting Member or Mortgagee.

12.3. Owners' Acknowledgment. All Owners and occupants of Units are given notice that use of their Units is limited by the Use Restrictions and Rules as they may be amended, expanded, and otherwise modified hereunder. Each Owner, by acceptance of a deed, acknowledges and agrees that the use and enjoyment and marketability of their Unit can be affected and that the Use Restrictions and Rules may change from time to time.

12.4. Rights of Owners. Except as may be specifically set forth in this Declaration (either initially or by amendment), neither the Board nor the Members may adopt any rule in violation of the following provisions:

A. Equal Treatment. Similarly situated Owners and occupants shall be treated similarly.

B. Religious and Holiday Displays. The rights of Owners to display religious and holiday signs, symbols, and decorations inside or outside of structures on their Units of the kinds normally displayed in residences located in single-family residential neighborhoods shall not be abridged, except that the Association may adopt reasonable time, place, and manner restrictions on displays visible from the outdoors for the purpose of minimizing damage and disturbance to other Owners and occupants.

C. Household Composition. No rule shall interfere with the freedom of occupants of Units to determine the composition of their households, except that the Association shall have the power to require that all occupants be members of a single housekeeping unit and to limit the total number of occupants permitted in each Unit on the basis of the size and facilities of the Unit and its fair use of the Common Area.

D. Activities Within Dwellings. No rule shall interfere with the activities carried on within the confines of dwellings, except that the Association may prohibit activities not normally associated with property restricted to residential use, such as utilizing the dwelling as a business, daycare, hospice center, and/or consignment shop, and it may restrict or prohibit any activities that create monetary costs for the Association or other Owners, that create a danger to the health or safety of occupants of other Units, that generate excessive noise or traffic, that create unsightly conditions visible outside the dwelling, that create an unreasonable source of annoyance, or that is a private and/or public nuisance as such terms are defined by a Texas court.

E. Allocation of Burdens and Benefits. No rule shall alter the allocation of financial burdens among the various Units or rights to use the Common Area to the detriment of any Owner over that Owner's objection expressed in writing to the Association. Nothing in this provision shall prevent the Association from changing the Common Areas available, from adopting generally applicable rules for use of Common Area, or from denying use privileges to those who abuse the Common Area, violate rules or this Declaration, or fail to pay assessments.

This provision does not affect the right to increase the amount of assessments as provided in Article X.

F. Alienation. No rule shall prohibit leasing or transfer of any Unit, or require consent of the Association or Board for leasing or transfer of any Unit, provided the Association or the Board may require a minimum lease term of up to twelve (12) months. The Association may require that Owners use lease forms approved by the Association, but shall not impose any fee on the lease or transfer of any Unit greater than an amount reasonably based on the costs to the Association of its costs to administer that lease or transfer.

12.3. Restrictions on Lots. All lots in the subdivision shall be used for residential purposes or as zoned by the City of Lufkin.

12.4: Building Types. No building shall be erected, altered, placed or permitted to remain on any lot other than as follows, with the living area, exclusive of open or screened porches (covered or uncovered), garages, storage rooms, stoops, open terraces and/or servant's quarters being the following:

(a) One detached single-family dwelling and one-story garage for not more than three motor vehicles on each of the following Lots:

Sections	Lot	Square Footage
II	Block 2, Lots 1 through 32	
II	Block 3, Lots 1 through 10	Of each main single-family dwelling shall not be less than 1,200 square feet and the combined area for the first and second floors shall not be less than 1,800 square feet.
III	All Lots in Blocks 1, 2, 3, 4, 6, and 7	Of each main single-family dwelling shall not be less than 1,400 square feet and, if more than one story, the ground floor shall be not less than 1,000 square feet and the combined area for the first and second floors shall not be less than 1,800 square feet.
III	Block 5: All Lots	Not less than 1,800 square feet and, if more than one story, the ground floor area shall be not less than 1,400 square feet and the combined area for the first and second floors shall not be less than 2,000 square feet.
IV	Block 1, Lots 1 through 8	Shall be not less than 1,600 square feet and, if more than one story, the ground

		floor area shall be not less than 1,200 square feet and the combined area for the first and second floors shall not be less than 2,000 square feet.
IV	Block 2, Lots 1 through 21	Shall be not less than 1,600 square feet and, if more than one story, the ground floor area shall be not less than 1,200 square feet and the combined area for the first and second floors shall not be less than 2,000 square feet.
IV	Block 3, Lots 2 through 8 and Lots 10 through 27	Shall be not less than 1,600 square feet and, if more than one story, the ground floor area shall be not less than 1,200 square feet and the combined area for the first and second floors shall not be less than 2,000 square feet.
IV	Block 4, Lots 1 through 14	Shall be not less than 1,600 square feet and, if more than one story, the ground floor area shall be not less than 1,200 square feet and the combined area for the first and second floors shall not be less than 2,000 square feet.
V-A	Block1, Lots 1 through 5	A minimum of 2,800 square feet of heated and cooled area.
V-A	Block 1, Lot 6	A minimum of 2,400 square feet of heated and cooled area.
V-A	Block 1, Lot 7	A minimum of 2,200 square feet of heated and cooled area.
V-A	Block 1, Lot 8	A minimum of 2,000 square feet of heated and cooled area.
V-A	Block 1, Lots 9 and 10	A minimum of 2,800 square feet of heated and cooled area.
V-A	Block 2, Lots 1 through 6	Shall be not less than 1,400 square feet and, if more than one story, the ground floor area shall be not less than 1,000 square feet and the combined area for the first and second floors shall not be less than 1,800 square feet.
V-A	Block 2, Lots 7 through 39	Shall be not less than 1,600 square feet and, if more than one story, the ground floor area shall be not less than 1,200 square feet and the combined area for the first and second floors shall not be less than 2,000 square feet.

V-A	Block 3, Lots 2 through 12	Shall be not less than 1,200 square feet and, if more than one story, the ground floor area shall be not less than 800 square feet and the combined area for the first and second floors shall not be less than 1,400 square feet.
V-A	Block 4, Lots 1 through 17	Shall be not less than 1,200 square feet and, if more than one story, the ground floor area shall be not less than 800 square feet and the combined area for the first and second floors shall not be less than 1,400 square feet.
V-A	Block 4, Lots 19 through 22	Shall be not less than 1,600 square feet and, if more than one story, the ground floor area shall be not less than 1,200 square feet and the combined area for the first and second floors shall not be less than 2,000 square feet.
V-A	Block 4, Lots 23 through 24	Shall be not less than 1,400 square feet and, if more than one story, the ground floor area shall be not less than 1,000 square feet and the combined area for the first and second floors shall not be less than 1,800 square feet.
V-A	Block 5, Lots 1 through 10	Shall be not less than 1,400 square feet and, if more than one story, the ground floor area shall be not less than 1,000 square feet and the combined area for the first and second floors shall not be less than 1,800 square feet.
V-A	Block 6, Lots 1 through 29	Shall be not less than 1,400 square feet and, if more than one story, the ground floor area shall be not less than 1,000 square feet and the combined area for the first and second floors shall not be less than 1,800 square feet.
V-A	Block 7, Lots 1 through 4	Shall be not less than 1,400 square feet and, if more than one story, the ground floor area shall be not less than 1,000 square feet and the combined area for the first and second floors shall not be less than 1,800 square feet.
V-A-1	Block 1, Lots 1 through 7	Shall be not less than 1,800 square feet and, if more than one story, the ground

		floor area shall be not less than 1,200 square feet and the combined area for the first and second floors shall not be less than 2,000 square feet.
VB-1	Lots 1 through 11	Shall be not less than 2,200 square feet and, if more than one story, the ground floor area shall be not less than 1,500 square feet and the combined area for the first and second floors shall not be less than 2,200 square feet.
VB-1	Lots 12 through 17	Shall be not less than 2,000 square feet and, if more than one story, the ground floor area shall be not less than 1,500 square feet and the combined area for the first and second floors shall not be less than 2,000 square feet.
VB-II	Lots 1 through 5	Shall be not less than 2,200 square feet and, if more than one story, the ground floor area shall be not less than 1,500 square feet and the combined area for the first and second floors shall not be less than 2,200 square feet.
VB-II	Lots 6 through 17	Shall be not less than 2,000 square feet and, if more than one story, the ground floor area shall be not less than 1,500 square feet and the combined area for the first and second floors shall not be less than 2,000 square feet.
VB-III	Lots 1 through 12	Shall be not less than 2,200 square feet and, if more than one story, the ground floor area shall be not less than 1,500 square feet and the combined area for the first and second floors shall not be less than 2,200 square feet.
VB-III	Lots 13 through 29	Shall be not less than 2,000 square feet and, if more than one story, the ground floor area shall be not less than 1,500 square feet and the combined area for the first and second floors shall not be less than 2,000 square feet.
VI-A	Block 1, Lots 1 through 9	Shall be not less than 1,800 square feet and, if more than one story, the ground floor area shall be not less than 1,200 square feet and the combined area for

		the first and second floors shall not be less than 2,000 square feet.
VI-A	Block 2, Lots 1 through 21	Shall be not less than 1,800 square feet and, if more than one story, the ground floor area shall be not less than 1,200 square feet and the combined area for the first and second floors shall not be less than 2,000 square feet.
VI-A	Block 3, Lots 1 through 30	Shall be not less than 1,600 square feet and, if more than one story, the ground floor area shall be not less than 1,000 square feet and the combined area for the first and second floors shall not be less than 1,800 square feet.
VI-A	Block 4, Lots 1 through 11	Shall be not less than 2,000 square feet and, if more than one story, the ground floor area shall be not less than 1,400 square feet and the combined area for the first and second floors shall not be less than 2,200 square feet.
VI-A	Block 5, Lots 1 through 13	Shall be not less than 2,000 square feet and, if more than one story, the ground floor area shall be not less than 1,400 square feet and the combined area for the first and second floors shall not be less than 2,200 square feet.
VI-A	Block 6, Lots 1 though 7	Shall be not less than 1,600 square feet and, if more than one story, the ground floor area shall be not less than 1,000 square feet and the combined area for the first and second floors shall not be less than 1,800 square feet.
VI-B-2	Block 1, Lots 1 through 16	One detached single-family one (1) story garden home or patio home dwelling and garage not less than 1,500 square feet.
VI-B-2	Block 2, Lots 1 through 16	One detached single-family patio home dwelling and garage not to exceed two stories. Shall be not less than 1,600 square feet and if more than one story, the ground floor shall be not less than 1,200 square feet.
VII-A	Block 1, Lots 1 through 13	Shall be not less than 1,200 square feet and, if more than one story, the ground

		floor area shall be not less than 800 square feet and the combined area for the first and second floors shall not be less than 1,200 square feet.
VII-A-1	Block 1, Lots 1 through 4	Shall be not less than 1,800 square feet and, if more than one story, the ground floor area shall be not less than 1,000 square feet and the combined area for the first and second floors shall not be less than 2,200 square feet.
VII-B	Block 1, Lots 1 though 5	Shall be not less than 2,400 square feet and, if more than one story, the ground floor area shall be not less than 2,000 square feet and the combined area for the first and second floors shall not be less than 2,800 square feet.
VIII-A	Lots 1 through 4	Shall be not less than 3,500 square feet and, if more than one story, the ground floor area shall be not less than 2,500 square feet and the combined area for the first and second floors shall not be less than 4,000 square feet.
VIII-C	Block 1, Lots 1 through 3	Of each main single-family dwelling shall not be less than 3,500 square feet and, if more than one story, the ground floor shall be not less than 2,000 square feet and the combined area for the first and second floors shall not be less than 4,000 square feet.
XII	Block 1 - Lots 1 through 6	Shall not be less than 2,800 square feet and, if more than one story, the ground floor shall not be less than 2,000 square feet and the combined area for the first and second floors shall not be less than 2,800 square feet total.
XII	Block 2 - Lots 1 through 6	Shall not be less than 2,500 square feet and, if more than one story, the ground floor shall not be less than 1,500 square feet and the combined area for the first and second floors shall not be less than 2,500 square feet total.
XII	Block 2 - Lots 7 thru 12	Shall not be less than 2,500 square feet and, if more than one story, the ground floor shall not be less than 1,500 square

		feet and the combined area for the first and second floors shall not be less than 2,500 square feet total.
XII	Block 3 - Lots 1 thru 8	Shall not be less than 3,000 square feet and, if more than one story, the ground floor shall not be less than 1,500 square feet and the combined area for the first and second floors shall not be less than 3,000 square feet total.

(b) Townhouse-patio home or condominium dwellings for single-family occupancy in each unit, not to exceed two stories, unless otherwise listed below, in height on each of the following Lots:

Sections	Lot	Square Footage
I	Lot 4	May be used for multiple family construction or single family townhouses, except that the density shall not exceed eight living units per acre and the lot may be subdivided for sale of the units, rather than rental. No building shall exceed two standard stories for living purposes.
II	Block 3, Lot A	Shall not be less than 1,200 square feet.
III	Block 8, Lots 1, 2, and 3	Shall be not less than 1,200 square feet.
IV	Block 2, Lot 22	Not to exceed three stories in height and shall not be less than 1,200 square feet.
IV	Block 3, Lots 1 and 9	Not to exceed three stories in height and shall not be less than 1,200 square feet.
V-A	Block 1	Not to exceed three stories in height and shall not be less than 1,000 square feet.
V-A	Block 3, Lot 1	Not to exceed three stories in height and shall not be less than 1,000 square feet.
V-A	Block 3, Lots 2 through 12	Not to exceed three stories in height
V-A	Block 4, Lots 1 through 18	Not to exceed three stories in height and shall not be less than 1,000 square feet.
VI-A	Block 7, Lot 1	Not to exceed two and one-half stories

		in height and shall not be less than 800 square feet.
VI-B-1	All Blocks and Lots	Not to exceed two and one-half stories in height and shall not be less than 800 square feet.
VII-A	Block 1, Lot 14	Not to exceed three stories in height and shall not be less than 1,000 square feet.
VII-A	Block 2	Not to exceed three stories in height and shall not be less than 1,000 square feet.

(c) Duplex dwellings for single-family occupancy of one or both units and one-story garage for not more than two motor vehicles per unit, which may utilize a common driveway across the rear of the adjacent lots, on each of the following lots:

Sections	Lot	Square Footage
II	Block 1, Lots 1 through 9	Shall be not less than 1,000 square feet.
III	Block 9, all Lots	Shall be not less than 1,000 square feet.

(d) Recreational facilities for use of owners of lots and others as described in the Declaration of Covenants for Crown Colony Improvement Association, on each of the following lots:

Sections	Lot	Square Footage
III	Block 8, Lot 4	

(e) Multiple family dwellings and appropriate accessory buildings of a non-commercial nature and others as described in the Declaration of Covenants for Crown Colony Improvement Association, on each of the following lots:

Sections	Lot	Square Footage
I	Lots 1 and 2	Restricted to multiple family dwellings and appropriate accessory buildings of a non-commercial nature. Maximum density for apartment projects developed on Lots 1 and 2 shall not exceed twelve living units per acre of lot area.

		Off street parking shall be provided at a minimum rate of 1 ½ spaces per dwelling unit. No building shall exceed two standard stories for living purposes.
I	Lot 3	Shall be used for multiple family construction of for "local business" purposes as described in Article 10 of the City of Lufkin zoning ordinance as adopted in June, 1963. Apartment or townhouse structures shall not exceed two standard stories. However, business structures may be constructed to a height of two and one-half stories.
I	Lot 4	May be used for multiple family construction or single family townhouses, except that the density shall not exceed eight living units per acre and the lot may be subdivided for sale of the units, rather than rental. No building shall exceed two standard stories for living purposes.

All garages and carports shall be large enough to accommodate under roof two full-sized automobiles and be attached to the house by a common wall unless permission is granted by the Architectural Committee to deviate from this requirement. No building shall remain uncompleted for more than one year after construction has been commenced.

12.5. Resubdivision. No lot shall be further subdivided, and no portion less than all of such lot or any easement or other interest therein shall be conveyed by any owner without the prior written authorization of the Board. In the event that two or more lots are combined (i.e. re-subdivided) in such a way that the number of lots are reduced, and the Assessments, both annual and special Assessments, against these lots are also reduced, the resultant lot or lots may not again be re-subdivided unless and until the current owner pays the total of all Assessments that would have been paid had the original combination of lots never occurred. Such prohibition against subdividing is not

applicable to the following:

Sections	Lot	Additional Restrictions
II	Block 3, Lot A	
III	Block 8, Lots 1, 2, and 3	
IV	Block 2, Lot 22	
IV	Block 3, Lots 1 and 9	
V-A	All of Block 1	
V-A	Block 3, Lot 1	
V-A	Block 4, Lot 18	
VI-A	Block 7, Lot 1	Any party who subdivides such lot, or any part thereof, shall be entitled to impress such land so subdivided and improvements thereon with such additional restrictions or covenants as they deem appropriate, but additional restrictions or covenants must be compatible with the restrictions contained herein. Provided, however, the terms of such additional restrictions or covenants shall be for such period of time as contained in such additional restrictions or covenants and/or provided by law.
VI-B-1	All Blocks and Lots	The lots in this subdivision may be resubdivided and any party who subdivides such lot, or any part thereof, shall be entitled to impress such land so subdivided and improvements thereon with such additional restrictions or covenants as they deem appropriate, but additional restrictions or covenants must be compatible with the restrictions contained herein. Provided, however, the terms of such additional restrictions or covenants shall be for such period of time as contained in such additional restrictions or covenants and/or provided by law.
VII-A	Block 1, Lot 14	
VII-A	All of Block 2	
VIII-A	None	No lot in the subdivision may be further aubdivided, except by developer. Any party who subdivides such lot, or any part thereof, shall be entitled to impress such land so subdivided and improvements thereon with such additional restrictions or covenants as they deem appropriate, but additional restrictions or covenants must be compatible with the restrictions contained herein. Provided, however, the terms of such additional restrictions or covenants shall be for such period of time as contained in such additional

		restrictions or covenants and/or provided by law.
VIII-C	None	No lot in the subdivision may be further subdivided; however, the Developer may do so as long as the lot or lots then remaining are larger than originally platted.

12.6. Business. No commercial, business or professional purposes, including but not limited to daycares, respite, nursing homes, or any gainful occupation, trade, or other non-residential use shall be conducted on any lot zoned as residential.

12.7. Signs. No exterior signs or advertisements of any kind may be placed, allowed or maintained on any lot or easement without prior approval and authorization of the Board, except that residential name plates, real estate "For Sale" signs, and signs designating the contractor of the dwelling unit upon such lot may be placed and maintained in conformity with such common specifications.

No signage under this section shall be attached in any way to plant material, a traffic control device, a light, a trailer, a vehicle, or any other existing structure or object. Furthermore, such signage is prohibited if it:

- includes the painting of architectural surfaces;
- threatens the public health or safety;
- is larger than four feet by six feet;
- violates a law;
- contains language, graphics, or any display that would be offensive to the ordinary person; or
- is accompanied by music or other sounds or by streamers or is otherwise distracting to motorists.

A. Political Signs. With regard to political signs, each Property owner may display one or more signs advertising a political candidate or ballot item for an election on or after the 90th day before the date of the election to which the sign relates; or before the 10th day after that election date. Any sign must be ground-mounted. Owners may have one (1) sign per candidate and one (1) sign for a ballot item. No signage under this section is allowed if it contains roofing material, siding, paving materials, flora, one or more balloons or lights, or any other similar building, landscaping, or nonstandard decorative component.

12.8. Oil and Mining Operation. No oil or gas exploration, drilling, development or refining operations, and no quarrying or mining operation of any kind, including oil wells, surface tanks, tunnels or mineral excavations or shafts shall be permitted or pursued by any Owner upon or under any lot, and no derrick or other structure designed for use in boring for oil or natural gas shall be erected, maintained or permitted on any lot.

12.9. Livestock and Poultry. No animals, including pigs, poultry, fowl, wild animals, horses, cattle, sheep, goats, reptiles, or any other type of animal not considered to be a domestic household pet within the ordinary meaning and interpretation of such words may be kept, maintained or cared for within the Community Area. No animal shall be allowed to make an unreasonable amount of noise, to become a nuisance or threat, or to cause any damage to a Lot not owned by the animal's owner, or to cause significant inconvenience or danger to the occupant of another Lot. No domestic pets will be allowed within the Community Area other than on the Lot on which its owner resides or is a visitor unless confined to a leash. No animal may be stabled, maintained, kept, cared for or boarded for hire or remuneration in the Community Area and no kennels or breeding operation will be allowed. The number of household pets generally considered to be outdoor pets, such as dogs, cats, et cetera, shall not exceed three (3) in numbers except for newborn offspring of such household pets, which are under nine (9) months of age. All dogs and cats must be vaccinated for rabies, and revaccinated as required by law or as necessary to maintain current and adequate protection from rabies. All dogs and cats shall be tagged for identification. All applicable federal, state and local laws shall apply.

The Board may adopt Rules and Regulations concerning animals, which are more restrictive than the provisions of this Deed Restriction, including rules that prohibit the ownership of certain pets, except that such rule shall not apply to animals residing in the Community Area at the time such rule is adopted.

12.10. Garbage and Refuse. No lot shall be used or maintained as a dumping ground for refuse. All trash, garbage and other waste shall be kept in sanitary containers. All containers for the storage or disposal of refuse shall be constructed and maintained and the contents thereof disposed of as required by the Association.

12.11. Clotheslines. No clotheslines shall be constructed, placed or erected on any lot in such a way as to be visible from outside that lot.

12.12. Utility Services. All units will be connected to the water and sewer systems of the City of Lufkin and no other water or sewage system may be used on any lot. No gas, electric, power, telephone, water, water collection. sewer, cable television or other utility or surface lines of any nature or kind, shall be placed, allowed or maintained upon or above the ground on any lot, except to the extent, if any, underground placement thereof may be prohibited by law or would prevent the subject line from being functional or dangerous. The foregoing shall not prohibit surface pedestals and other ground switch cabinets and transformers where required.

12.13. Parking. No motor home, recreational, mobile home or trailer vehicles, trucks larger than pick-up size (one-ton capacity) or inoperative motor vehicles shall be or remain parked or in any way situated on any lot, street or other portion of the subdivision for a period over 36 hours, unless specifically authorized by the Architectural

Committee.

12.14. Nuisance. No lot shall be maintained or utilized in such manner as to present an unsightly appearance (including but not limited to clothes drying within public view) or constitute a nuisance or unreasonable annoyance or to endanger the health of other owners or residents of the property; and no obnoxious or otherwise offensive condition or activity shall be allowed to exist or be conducted thereon.

12.15. Driveways. The streets in Crown Colony Subdivision are constructed with concrete curb and gutter and asphalt paving. Driveways may be constructed of the same materials (concrete curb and asphalt paving) or all concrete. The driveway turnout shall be of concrete and shall be constructed in such manner as to provide an attractive transitional radius from the curb and gutter into the driveway entrance and shall prevent escape of drainage water from the street onto any lots.

12.16. Mailboxes. If curbside mailboxes are required for mail delivery by the U. S. Postal Service, attractive individual designs for mailbox holders shall be required by the Architectural Control Committee. Within the scope of postal service requirements, the mailbox holders shall be designed and constructed of pleasing natural materials which harmonize architecturally with the residences, and the standard rural mailbox installation on a single post is not permitted. Designs must be submitted to Architectural Control Committee for approval. The Architectural Control Committee may, at its option, require mailbox groupings at selected locations in the subdivision, rather than individual boxes. If groupings are required, Developer will provide the enclosure for such groupings.

12.17. Additions: The Association may bring within the scheme of this Declaration additional properties through the execution and filing of a supplementary Declaration of Restrictions, which shall extend the scheme of the covenants and restrictions of this Declaration to such property, The supplementary Declaration may contain such modifications as are necessary to reflect the different character of the added properties.

12.18. Solar Devices. Solar energy devices may not be installed on any dwelling, or in the yard of a dwelling, unless the solar device meets an exception as listed in Texas Property Code 202.010. Regardless, such installation is prohibited until the proposed installation is approved in writing by the Association or the ACC, and upon showing by the owner that the installation will not constitute a substantial interference with the use and enjoyment of land by causing discomfort and/or annoyance to persons of ordinary sensibility.

12.19. Religious Displays. No Unit Owner shall display or affix a religious item on the entry to the dwelling that (1) threatens the public health or safety; (2) violates any federal, state, county, municipal, or other governing law; (3) contains language, graphics, or any display that is patently offensive to a passerby; (4) is in a location other than the

entry door or door frame or extends past the outer edge of the door frame of the owner's or resident's dwelling; or (5) individually or in combination with each other religious items displayed or affixed on the entry door or door frame has a total size of greater than 25 square inches.

12.20. Flags. An owner may display a United States flag, Texas flag, or a United States military branch flag so long as the flag is maintained in good condition. Any deteriorated flag or structurally unsafe flagpole must be repaired, replaced or removed. Any flag that is displayed must be flown from a flagpole affixed to the dwelling or a supporting flagpole not to exceed 20 feet in height. In the event such flagpole and flag becomes a nuisance or is obscene due to its condition or noise, the owner shall either repair, replace, or removed such flagpole and flag.

12.21. Water Conservation Devices. An owner may install rain barrels, rainwater harvesting devices, efficient irrigation systems, or use of landscaping designs such as gravel, rock or cacti so long as the size, type, shielding and materials are approved by the Association or ACC upon written request by the owner.

12.22. Renting and Leasing**.** Owners shall have the right to lease or rent their Lots, provided that any lease or rental agreement between an Owner and a tenant shall be in writing and shall provide that it is in al1 respects subject to the provisions of these Deed Restrictions, the Bylaws, and the Rules and Regulations and that any failure by the tenant to comply with such provisions shall be a default under the rental agreement or lease. However, the fai1ure of any lease or rental agreement to so provide shall not excuse any person from complying with the provisions of these Deed Restrictions, the Bylaws, and the Rules and Regulations.

A. In the event an Owner shall rent or lease his unit such Owner shall immediately give to the Association in writing:

1. the name of the tenant and the Lot rented or leased;
2. the current address of such Owner;
3. a copy of a memorandum signed by the owner and tenant identifying the parties involved and term of the lease; and
4. the certification of the Owner that the tenant has been given a copy of these Deed Restrictions, any applicable amendments, the Bylaws and the Rules and Regulations and that such tenant has been advised of any obligations he may have thereunder as a tenant.

B. In no event shall any lease or rental agreement release or relieve an Owner from the obligation to pay regular and special assessments to the Association, regard1ess of whether the obligation to pay assessments has been assumed by the tenant in such lease or rental agreement.

12.23. Setbacks**.** As to any lot, except with respect to masonry walls, retaining walls, fences, driveways, mailboxes, planters, hedges or other screening material, no permanent improvement, or any part thereof, including roof overhang, shall be nearer than the distance indicated in the accompanying chart as to any (1) side street line, (2) adjacent lot line (3) front street line, (4) rear lot line. In the event setback lines established on the plat are more restrictive than the foregoing, such setback lines established on the plat shall control. In the event that an owner desires to purchase two (2) lots for the purpose of building a structure that would violate any side set-back line or be built upon both lots, such ownership shall be limited to only one dwelling per such two (2) lot combination.

Section	Side Street	Adjacent Lot	Rear Lot	Front Street	Miscellaneous
I	40 feet		40 feet	40 feet	30 feet in width is to be retained as a natural barrier between lots and U.S. Highway 59 Shade and flowering trees shall remain in the green belt and not be removed, except for the provision of a driveway strip or strips for access to the lots as shall be approved by the Architectural Control Committee. No building shall be placed nearer than 15 feet to an interior lot line not fronting on an existing or proposed street. Roof overhangs, steps, and balconies shall not be considered as part of the building and shall not be limited to the setback reservation, provided, however, that this shall not be construed to permit and portion of a building on a lot to encroach upon another lot or utility easement or green belt.
II			20 feet		No building located on any lot shall be nearer the street than

					the setback lines on the recorded plat. 5 feet on all interior sides or on any easement shown on the plat excluding property described in section 12.4(b) but shall be subject to and comply with the subdivision requirements of the city of Lufkin and approved by the Architectural Committee.
III	5 feet		10 feet		No building located on any lot shall be nearer the street than the setback lines on the recorded plat. Properties described in section 12.4(b) are excluded from these setbacks but shall be subject to and comply with the subdivision requirements of the city of Lufkin and approved by the Architectural Committee.
IV			10 feet		No building located on any lot shall be nearer the street than the setback lines on the recorded plat. 5 feet on all interior sides or on any easement shown on the plat excluding property described in section 12.4(b) but shall be subject to and comply with the subdivision requirements of the city of Lufkin and approved by the Architectural Committee.
V-A			10 feet		No building located on any lot shall be nearer the street than the setback lines on the

					recorded plat. 5 feet on all interior sides or on any easement shown on the plat except where zero lot line construction is permitted and excluding property described in section 12.4(b) but shall be subject to and comply with the subdivision requirements of the city of Lufkin and approved by the Architectural Committee.
V-A Block 1, Lots 1-8	10 feet		10 feet	35 feet	The common side line between Lot 1 and the gold course will be 40 feet not 10 feet.
V-A Block 1 Lots 9 and 10		30 feet to the nearest structure on each lot.			Lots 9 and 10 will have their own access and utility easement of 30 feet and any improvements on these easements will be jointly maintained by the then owners of Lots 9 and 10.
V-A-1			10 feet		No building located on any lot shall be nearer the street than the setback lines on the recorded plat; 5 feet from any interior side lot line
VB-1			20 feet		No building located on any lot shall be nearer the street than the setback lines on the recorded plat (30 feet); 10 feet from any interior side lot line. The Architectural Committee shall have the authority to deviate and grant exceptions to these requirements but in no event below the minimum city standards.

VB-II					No building located on any lot shall be nearer the street than the setback lines on the recorded plat (30 feet); 10 feet from any interior side lot line except Lots 6 thru 17, which may be 5 feet or on any easement shown on the plat. All buildings must comply with the subdivision requirements of the city of Lufkin and approved by the Architectural Committee.
VB-III					No building located on any lot shall be nearer the street than the setback lines on the recorded plat (30 feet); 5 feet from any interior side lot line on any easement shown on the plat. All buildings must comply with the subdivision requirements of the city of Lufkin and approved by the Architectural Committee.
VI-A			10 feet		No building located on any lot shall be nearer the street than the setback lines on the recorded plat. 5 feet on all interior sides or on any easement shown on the plat excluding property described in section 12.4(b) but shall be subject to and comply with the subdivision requirements of the city of Lufkin and approved by the Architectural Committee.
VI-B-1			10 feet		No building located on any lot shall be nearer the street than the setback lines on the recorded plat.

					5 feet on all interior sides or on any easement shown on the plat and shall be subject to and comply with the subdivision requirements of the city of Lufkin and approved by the Architectural Committee.
VI-B-2					No building located on any lot shall be nearer the street than the setback lines on the recorded plat and comply with the subdivision requirements of the city of Lufkin and approved by the Architectural Committee.
VII-A			10 feet		No building located on any lot shall be nearer the street than the setback lines on the recorded plat. 10 feet from any easement on the recorded plat excluding property described in section 12.4(b) but shall be subject to and comply with the subdivision requirements of the city of Lufkin and approved by the Architectural Committee.
VII-A-1			20 feet		No building located on any lot shall be nearer the street than the setback lines on the recorded plat. 5 feet on all interior sides or on any easement shown on the plat. All property described in section 12.4(a) but shall be

					subject to and comply with the subdivision requirements of the city of Lufkin and approved by the Architectural Committee.
VII-B			20 feet		No building located on any lot shall be nearer the street than the setback lines on the recorded plat. 5 feet on all interior sides or on any easement shown on the plat. All property described in section 12.4(a) but shall be subject to and comply with the subdivision requirements of the city of Lufkin and approved by the Architectural Committee.
VIII-A			15 feet		No building located on any lot shall be nearer the street than the setback lines on the recorded plat; 20 feet from any interior side lot line except Lots 1 and 2, which may be 10 feet or on any easement shown on the plat. All buildings must comply with the subdivision requirements of the city of Lufkin and approved by the Architectural Committee.
VIII-C			20 feet		No building located on any lot shall be nearer the street than the setback lines on the recorded plat (50 feet); 20 feet from any interior side lot line or on any easement shown on

					the plat. All buildings must comply with the subdivision requirements of the city of Lufkin and approved by the Architectural Committee.
XII			20 feet		No building located on any lot shall be nearer the street than the setback lines on the recorded plat. Under no conditions shall any building be located on any easement shown on the plat. 20 feet on all interior sides.

Certain lots are subject to a special fifty (50) foot setback from existing pipelines through the subdivision, as shown on the recorded plat. Such setbacks shall apply to all buildings for human habitation, but shall not apply to detached garages, storage buildings, or other uninhabited structure, provided that such structures are not placed within or upon the utility or pipeline easement. The purchaser of such lot shall assume any and all liability for possible damages resulting from the operation of such pipeline, and shall hold Developer harmless therefrom.

Eaves, steps, terraces, patios, swimming pools, walls and fences shall not be considered as part of a building for purposed of this subparagraph, provided, however, no part of a structure may encroach on another lot or obstruct any easement, except that fences may be constructed on easements at the owner's risk. No obstruction to visibility at street intersections shall be permitted.

12.24 Fences, Walls, Sidewalks. Fences and walls shall be considered buildings and may only be erected or maintained within the minimum building setback requirements from any lot line adjacent to a street per section 12.23. Except for the Recreational Facilities, no chain length fence shall be permitted in any location. In the event a golf course is constructed adjacent to any lot, no fence higher than forty-eight (48) inches shall be erected adjacent to such golf course. All fences and walls must have the written approval of the Architectural Committee whenever constructed, erected, or permitted to remain.

12.25 Building Materials. The exterior walls of all residential buildings shall be constructed with not less than 51% masonry veneer. In computing this percentage (1) all gables, window, and door openings shall be excluded from the total area of the exterior walls, and (2) Masonry used on one wall of an attached garage may be included in the computation as masonry used. The Architectural Committee may waive this requirement

by written decision filed in its records.

All roof materials on all houses shall be compatible in color and texture in the eyes of the Architectural Committee and the Crown Colony Improvement Association for that block. The materials shall be tile, concrete tile, slate, wood shakes, wood shingles, copper, or metal standing seam. Asphalt roofs with a minimum weight of 340 pounds/100 s.f. may be approved at the discretion of the Architectural Committee.

12.26 Antennae. Television antennae will not be permitted where and when television cable is available to a lot. Other antennae such as those used for citizen band or shot wave radio must be hidden from view from the street and/or golf course.

12.27 Temporary Structures. Except as permitted in section 12.3 above, no structure, mobile home, trailer, basement, tent, shack, garage, barn or other out-building shall be used on any lot as a residence, either temporarily or permanently. No building may be moved onto any lot.

12.28 Additional Restrictions. Below is a chart with additional restrictions per section of the Association:

Sections	Applicable Lot	Additional Restrictions
II	Block1, Lot 1	This lot is considered an interior lot, with no access to Temple Boulevard.
III	Block 1, Lots 5, 6, 7 Block 2, Lots 5, 6, 7	These lots in Crown Colony have an existing County Road along the rear line. Rear entry access, including construction of driveways to the County Road from any of these lots is prohibited.
V-A	Block 1, All Lots	No board fences are allowed on any lot in this section, however, wrought iron not exceeding 4 feet in height are allowed on lots 1 through 5 and 10. On lots 6, 7, 8, and 9, wrought iron or live shrub fences are allowed, but are subject to architectural approval and must be included with house plans.
VIII-A	Lots 1 and 2	Developer, for the benefit of the future owners of Lots 1 and 2, reserves a perpetual fifteen (15) foot access easement on each side of the common side lot line between Lots 1 and 2, extending along the common side lot line fifty (50) feet from the common front corner, for purposes of installing and maintaining a common driveway for ingress and egress. The easement is for the benefit of the owners of Lots 1 and 2. The owners of Lots 1 and 2 shall share equally the cost of installing and maintaining the driveway.

XII	All Lots with Single-Family Dwellings	All garages and carports in Crown Colony Section XII shall be constructed such that the entrance to said garage or carport does not open directly toward the street abutting such lot unless a deviation from this requirement is granted by the Architectural Committee.

ARTICLE XIII
EASEMENTS

13.1. Easements of Encroachment. There shall be reciprocal appurtenant easements of encroachment, and for maintenance and use of any permitted encroachment, between each Lot and any adjacent Common Area and between adjacent Lots due to the unintentional placement or settling or shifting of the improvements constructed, reconstructed, or altered thereon, in accordance with the terms of these restrictions, to a distance of not more than three (3) feet, as measured from any point on the common boundary along a line perpendicular to such boundary. However, in no event shall an easement for encroachment exist if such encroachment occurred due to willful and knowing conduct on the part of, or with the knowledge and consent of, an Owner, occupant, or the Association.

A. Owner's Easements of Enjoyment. Every owner shall have a non-exclusive right and easement of enjoyment in and to the Common Property which shall be appurtenant to and shall pass with the title to every lot, subject to the following provisions:

i. The right of the Association to charge reasonable admission and other fees for the use of any recreational facilities situated upon the Common Property;

ii. The right of the Association to suspend the right to use the recreational facilities by an owner for any period during which any assessment against his lot or unit remains unpaid; and for a period not to exceed 60 days for any infraction of its published rules and regulations;

iii. The right of the Association to dedicate or transfer all or any part of the Common Property to any public agency, authority or utility for the purposes and subject to the conditions as may be agreed to by the members.

13.2. Easements for Utilities, Etc. There are hereby reserved unto the Association, and the designees of each, which may include, without limitation, Angelina County, Texas and any utility, access, and maintenance easements upon, across, over, and under all of the Properties to the extent reasonably necessary for the purpose of installing, replacing, repairing, and maintaining cable television systems, master television antenna systems, security and similar monitoring systems, roads, walkways, bicycle pathways,

trails, lakes, ponds, wetlands, drainage systems, street lights, signage, and all utilities, including, but not limited to, water, sewers, meter boxes, telephone, gas, and electricity, and for the purpose of installing any of the foregoing on property which it owns or within easements designated for such purposes on recorded agreed plats of the Properties. This easement shall not entitle the holders to construct or install any of the foregoing systems, facilities, or utilities over, under or through any existing dwelling on a Lot, and any damage to a Lot resulting from the exercise of this easement shall promptly be repaired by, and at the expense of, the Person exercising the easement. The exercise of this easement shall not unreasonably interfere with the use of any Unit and, except in an emergency, entry onto any Unit shall be made only after reasonable notice to the Owner or occupant.

13.3. Right of Entry. The Association shall have the right, but not the obligation, to enter upon any Unit for emergency and safety reasons, to perform maintenance pursuant to Article V hereof, and to inspect for the purpose of ensuring compliance with this Declaration, any Supplemental Declaration, Bylaws, and rules, which right may be exercised by any member of the Board, the Association, officers, agents, employees, and managers, and all policemen, firemen, ambulance personnel, and similar emergency personnel in the performance of their duties. Except in an emergency situation, entry shall only be during reasonable hours and after notice to the Owner. This right of entry shall include the right of the Association to enter upon any Unit to cure any condition which may increase the possibility of a fire or other hazard in the event an Owner fails or refuses to cure the condition within a reasonable time after requested by the Board, but shall not authorize entry into any single family detached dwelling without permission of the Owner, except by emergency personnel acting in their official capacities.

13.4. Owner's Easements of Enjoyment. Every owner shall have a non-exclusive right and easement of enjoyment in and to the Common Property which shall be appurtenant to and shall pass with the title to every lot, subject to the following provisions:

A. The right of the Association to charge reasonable admission and other fees for the use of any recreational facilities situated upon the Common Property;

B. The right of the Association to suspend the right to use the recreational facilities by an owner for any period during which any assessment against his lot or unit remains unpaid; and for a period not to exceed 60 days for any infraction of its published rules and regulations;

C. The right of the Association to dedicate or transfer all or any part of the Common Property to any public agency, authority or utility for the purposes and subject to the conditions as may be agreed to by the members.

13.5. Delegation of Use. Any owner may delegate, in accordance with the bylaws,

his right of enjoyment to the Common Property and facilities to the members of his family, tenants, or contract purchasers who reside on the property.

ARTICLE XIV
MORTGAGEE PROVISIONS

14.1. Notices of Action. An institutional holder, insurer, or guarantor of a first Mortgage who provides written request to the Association, such request to state the name and address of such holder, insurer, or guarantor and the street address of the Unit to which its Mortgage relates, thereby becoming an "Eligible Holder", will be entitled to timely written notice of:

A. Any condemnation loss or any casualty loss which affects a material portion of the Properties or which affects any Unit on which there is a first Mortgage held, insured, or guaranteed by such Eligible Holder;

B. Any delinquency in the payment of assessments or charges owed by a Unit subject to the Mortgage of such Eligible Holder, where such delinquency has continued for a period of sixty (60) days, or any other violation of the Declaration or Bylaws relating to such Unit or the Owner or Occupant which is not cured within sixty (60) days; or

C. Any lapse, cancellation, or material modification of any insurance policy maintained by the Association.

14.2. No Priority. No provision of this Declaration or the Bylaws gives or shall be construed as giving any Owner or other party priority over any rights of the first Mortgagee of any Unit in the case of distribution to such Owner of insurance proceeds or condemnation awards for losses to or a taking of the Common Area.

14.3. Notice to Association. Upon request, each Owner shall be obligated to furnish to the Association the name and address of the holder of any Mortgage encumbering such Owner's Unit.

14.4. Failure of Mortgagee. Any Mortgagee who receives a written request from the Board to respond to or consent to any action shall be deemed to have approved such action if the Association does not receive a written response from the Mortgagee within thirty (30) days of the date of the Association's request, provided such request is delivered to the Mortgagee by certified or registered mail, return receipt requested.

ARTICLE XV
DISPUTE RESOLUTION AND LIMITATION ON LITIGATION

15.1. Agreement to Avoid Costs of Litigation and to Limit Right to Litigate

Disputes. The Association, all Persons subject to this Declaration, and any Person not otherwise subject to this Declaration who agrees to submit to this Article, collectively, “Bound Parties", agree to encourage the amicable resolution of disputes involving the Properties, and to avoid the emotional and financial costs of litigation if at all possible. Accordingly, each Bound Party covenants and agrees that all claims, grievances, or disputes between such Bound Party and any other Bound Party involving, arising out of or relating to (a) the use, sale, purchase, construction, improvement, maintenance, operation or marketing of the Properties, (b) the interpretation, application or enforcement of this Declaration, the Bylaws, the Association rules, or the Articles, (c) the administration, operation, management, use or maintenance of the Association and its assets, or (d) the alleged negligent design, maintenance, development, improvement, construction or operation by Association of any portion of the Properties (collectively, "Claims"), except for those Exempt Claims described in Section 15.2, shall be resolved using the procedures set forth in Section 15.3 in lieu of filing suit in any court or initiating proceedings before any administrative tribunal seeking redress or resolution of such Claim.

15.2. Exempt Claims. The following Claims ("Exempt Claims”) shall be exempt from the provisions of Section 15.3:

A. Any suit by the Association against any Bound Party to enforce the provisions of Article X (Assessments);

B. Any suit by the Association to obtain a temporary restraining order, or equivalent emergency equitable relief, and such other ancillary relief as the court may deem necessary in order to maintain the status quo and preserve the Association's ability to enforce the provisions of Article XI (Architectural Standards) and Article XII (Use Restrictions);

C. Any suit between Owners that does not include Association as a party thereto, if such suit asserts a Claim which would constitute a cause of action under the laws of the State of Texas or the United States but does not or would not include or involve any claim, right, privilege, membership, or defense based on or arising from the Declaration, Bylaws, Articles or rules of the Association;

D. Any suit in which all indispensable parties are not Bound Parties;

E. Any suit which all the parties thereto agree to consider as an Exempt Claim;

F. A construction defects claim which involves damages in excess of $50,000.00 per Unit; and

G. The submission to a court of any settlement as a settlement affecting a class if such a class settlement is reasonably necessary to resolve a dispute which would otherwise not be an Exempt Claim.

Any Bound Party having an Exempt Claim may submit it to the alternative dispute resolution procedures set forth in Section 15.3, but there shall be no obligation to do so. The submission of an Exempt Claim involving the Association to the alternative dispute resolution procedures of Section 15.3 shall require the approval of the Association.

15.3. Mandatory Procedures For All Other Claims. All Claims other than Exempt Claims shall be resolved using the following procedures:

A. Notice. Any Bound Party having a Claim ("Claimant") against any other Bound Party ("Respondent"), other than an Exempt Claim, shall notify each Respondent in writing of the Claim (the "Notice"), stating plainly and concisely:

1. The nature of the Claim, including date, time, location, persons involved, and Respondent's role in-the Claim;

2. The basis of the Claim (i.e., the laws, regulations, contract, provisions of this Declaration, the Bylaws, the Articles or rules or other authority out of which the Claim arises);

3. What Claimant wants Respondent to do or not do to resolve the Claim; and

4. That Claimant will meet in person with Respondent at a mutually agreeable time and place to discuss in good faith ways to resolve the Claim.

B. Negotiation.

1. Each Claimant and Respondent (the "Parties") shall make every reasonable effort to meet in person and confer for the purpose of resolving the Claim by good faith negotiation.

2. Upon receipt of a written request from any Party, accompanied by a copy of the Notice, the Board may appoint a representative to assist the Parties in resolving the dispute by negotiation, if in its discretion it believes its efforts will be beneficial to the Parties and to the welfare of the community.

C. Mediation.

1. If the Parties do not resolve the Claim through negotiation within thirty (30) days of the date of the Notice, or within such other period as may be agreed upon by the Parties ("Termination of Negotiations"), Claimant shall have thirty (30) additional days within which to submit the Claim to mediation under the auspices of an independent dispute resolution center, or such other independent agency providing similar services upon which the Parties may mutually agree.

2. If Claimant does not submit the Claim to mediation within thirty (30) days after Termination of Negotiations, Claimant shall be deemed to have waived the claim,

and Respondent shall be released and discharged from any and all liability to Claimant on account of such Claim; provided, nothing herein shall release or discharge Respondent from any liability to Persons not a Party to the foregoing proceedings.

3. If the Parties do not settle the Claim within thirty (30) days after submission of the matter to the mediation process or within such time as determined reasonable or appropriate by the mediator, the mediator shall issue a notice of termination of the mediation proceedings ("Termination of Mediation"). The Termination of Mediation notice shall set forth when and where the Parties met, that the Parties are at an impasse, and the date that mediation was terminated.

4. Each Party shall, within fifteen (15) days of the Termination of Mediation, make a written offer of settlement in an effort to resolve the Claim. The Claimant shall make a final written settlement demand ("Settlement Demand") to the Respondent. The Respondent shall make a final written settlement offer ("Settlement Offer") to the Claimant. If the Claimant fails to make a Settlement Demand, Claimant's original Notice shall constitute the Settlement Demand. If the Respondent fails to make a Settlement Offer, Respondent shall be deemed to have made a "zero" or "take nothing" Settlement Offer.

15.4. Allocation of Costs of Resolving Claims.

A. Each Party shall bear its own costs incurred prior to and during the proceedings described in Section 15.3(A), (B) and (C), including the fees of its attorney or other representative. Each Party shall share equally all charges rendered by the mediator(s) pursuant to Section 15.3(C).

B. Each Party shall bear its own costs, including the fees of its attorney or other representative, incurred after the Termination of Mediation under Section 15.3(C) and shall share equally in the costs of conducting the arbitration proceeding (collectively, "Post Mediation Costs") except as otherwise provided in subsection 15.4(C).

C. Claimant shall prepay to the arbitration panel the sum of $1,000.00 to be applied toward payment of any Post-Mediation Costs of the Parties, and, in addition, shall advance all arbitration costs until an Award is made. If a Respondent brings a Claim (i.e., a counterclaim) against a Claimant, the arbitration panel may, upon request, order such Respondent to advance a portion of the arbitration costs. If an Award is equal to or more favorable to a Claimant than such Claimant's Settlement Demand, the arbitration panel may, in its discretion, add all or a portion of such Claimant's Post-Mediation Costs to the Award, and allocate such Costs to the Respondents in such proportions as the arbitration panel deems appropriate. If an Award against a Respondent is equal to or less favorable to Claimant than such Respondent's Settlement Offer to that Claimant, the arbitration panel may, in its discretion, also award to such Respondent its Post-Mediation Costs, and allocate such Post-Mediation Costs to the Claimants in such proportions as the arbitration panel deems appropriate.

15.5. Enforcement of Resolution. After resolution of any Claim through negotiation, mediation or arbitration, in accordance with Section 15.3, if any Party fails to abide by the terms of any agreement or Award, then any other Party may file suit or initiate administrative proceedings to enforce such agreement or Award without the need to again comply with the procedures set forth in Section 15.3. In such event, the Party taking action to enforce the agreement or Award shall be entitled to recover from the non-complying Party, or if more than one non-complying Party, from all such Parties pro rata, all costs incurred in enforcing such agreement or Award, including, without limitation, attorneys' fees and court costs.

ARTICLE XVI
GENERAL PROVISIONS

16.1. Duration.

A. Unless terminated as provided in Section 16.1(B), this Declaration shall have perpetual duration. If Texas law hereafter limits the period during which covenants may run with the land, then to the extent consistent with such law, this Declaration shall automatically be extended at the expiration of such period for successive periods of twenty (20) years each, unless terminated as provided herein. Notwithstanding the above, if any of the covenants, conditions, restrictions, or other provisions of this Declaration shall be unlawful, void, or voidable for violation of the rule against perpetuities, then such provisions shall continue only until twenty-one (21) years after the death of the last survivor of the now living descendants of Elizabeth II, Queen of England.

B. Unless otherwise provided by Texas law, in which case such law shall control, this Declaration may not be terminated within twenty (20) years of the date of recording without the consent of all Unit Owners and unanimous approval of the Board of Directors. Thereafter, it may be terminated only by an instrument signed by Owners of at least 51% of the total Units within the Properties and by the Board of Directors, which instrument is recorded in the Public Records. Nothing in this Section shall be construed to permit termination of any easement created in this Declaration without the consent of the holder of such easement.

16.2. Amendment.

A. Owners. Except as otherwise specifically provided above and elsewhere in this Declaration, this Declaration may be amended only by the affirmative vote or written consent, or any combination thereof, of Owners representing 51% of the votes in attendance at a properly noticed meeting called for the purpose of amendment.

Notwithstanding the above, the percentage of votes necessary to amend a specific clause shall not be less than the prescribed percentage of affirmative votes required for action to be taken under that clause.

B. Effective Date and Validity. To be effective, any amendment must be recorded in the Public Records.

If an Owner consents to any amendment to this Declaration or the Bylaws, it will be conclusively presumed that such Owner has the authority so to consent, and no contrary provision in any Mortgage or contract between the Owner and a third party will affect the validity of such amendment.

16.3. Severability. Invalidation of any provision of this Declaration, in whole or in part, or any application of a provision of this Declaration by judgment or court order shall in no way affect other provisions or applications.

16.4. Litigation. No judicial, arbitration or administrative proceeding shall be commenced or prosecuted by the Association unless approved by a majority of the Board of Directors. This Section shall not be amended unless such amendment is approved by the percentage of votes, and pursuant to the same procedures, necessary to institute proceedings as provided above.

16.5. Use of the Words "CROWN COLONY". No Person shall use the words "CROWN COLONY" or any derivative in any printed or promotional material without the Association's prior written consent. However, Owners or Builders may use the terms "CROWN COLONY" in printed or promotional matter where such term is used solely to specify that particular property is located within CROWN COLONY. The Association also shall be entitled to use the words "CROWN COLONY" in its name. Any use of the registered name "CROWN COLONY" shall be in a manner in which the proprietary rights to such name are protected.

16.6. Compliance. Every Owner and occupant of any Unit shall comply with this Declaration, the Bylaws, and the rules of the Association. Failure to comply shall be grounds for an action to recover sums due, for damages or injunctive relief, or for any other remedy available at law or in equity, by the Association or, in a proper case, by any aggrieved Unit Owner(s).

16.7. Notice of Sale or Transfer of Title. Any Owner desiring to sell or otherwise transfer title to their Unit shall give the Board at least seven (7) days' prior written notice of the name and address of the purchaser or transferee, the date of such transfer of title, and such other information as the Board may reasonably require. The transferor shall continue to be jointly and severally responsible with the transferee for all obligations of the Owner of the Unit, including assessment obligations, until the date upon which such notice is received by the Board, notwithstanding the transfer of title.

16.8. Prohibition against Discrimination. Discrimination by race, color, religion, age, sex or national origin in the administration, interpretation, application, and enforcement of this the Bylaws, the Association rules or the Articles shall be prohibited.

other remedy available at law or in equity, by the Association or, in a proper case, by any aggrieved Unit Owner(s).

16.7. Notice of Sale or Transfer of Title. Any Owner desiring to sell or otherwise transfer title to their Unit shall give the Board at least seven (7) days' prior written notice of the name and address of the purchaser or transferee, the date of such transfer of title, and such other information as the Board may reasonably require. The transferor shall continue to be jointly and severally responsible with the transferee for all obligations of the Owner of the Unit, including assessment obligations, until the date upon which such notice is received by the Board, notwithstanding the transfer of title.

16.8. Prohibition against Discrimination. Discrimination by race, color, religion, age, sex or national origin in the administration, interpretation, application, and enforcement of this the Bylaws, the Association rules or the Articles shall be prohibited.

IN WITNESS WHEREOF, the undersigned President has executed this Declaration this 6th day of June 2017.

06/06/2017
Date

President of Crown Colony Improvement Association, Inc.

STATE OF TEXAS §
§
COUNTY OF ANGELINA §

BEFORE ME, the undersigned authority, on the 6th day of June, 2017, personally appeared, Robert Telford, to me known to be the President of Crown Colony Improvement Association, Inc., and he/she acknowledged before me the he/she executed the same for the purposes therein expressed.

Tammy L. Sims
Notary Public, State of Texas
Expires:06-21-2018

Tammy L Sims
Notary Public, State of Texas
My Commission Expires: 06-21-2018

6-13-17 _____ _____

Date Secretary of Crown Colony Improvement Association, Inc.

STATE OF TEXAS §
§
COUNTY OF ANGELINA §

BEFORE ME, the undersigned authority, on the 6 day of June, 2017, personally appeared, Ann Byrd, to me known to be the Secretary of Crown Colony Improvement Association, Inc., and he/she acknowledged before me the he/she executed the same for the purposes therein expressed.

_____
Notary Public, State of Texas
My Commission Expires:_____

Julie Southern
Notary Public,
State of Texas
Expires: 11-14-2017