



OWNERS ASSOCIATION DOCUMENTS

**SECOND AMENDMENT TO THE
AMENDED AND RESTATED
DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS
REPUBLIC GRAND RANCH**

Pursuant to the Amended Declaration of Covenants, Conditions and Restrictions for Republic Grand Ranch, Section 9.3 and as recorded at Instrument Number 2021073266 in the Official Records of Montgomery County, in Montgomery County, Texas, the undersigned hereby amends the Declaration as follows:

The following shall be added to Section 2.8 Drill Site Reserves and Multipurpose Easements:
Section 5, Block 2, Unrestricted Reserve B

And;

The following shall replace Section 2.10 in its entirety, as follows:

2.10 Reserves and Green Belts & Detention Reserve

The areas designated as "Green Belts and/or Detention Reserves" on the Plat are Common Area to be used by Owners, their invitees and guests for a park, nature area, walking or outdoor activities and stormwater detention, as set forth on the Plat or as may be permitted or regulated by Developer or, upon the Transition Date, the Association. These are as follows:

Section 1, Green Belt & Drainage Reserves B & C
Section 1, Unrestricted Reserve E
Section 2, Unrestricted Reserve B
Section 4, Greenbelt Reserve B
Section 4, Detention Pond/Greenbelt Reserves C & E
Section 4, Detention Pond Reserve F
Section 5, Detention Pond/Greenbelt Reserves A & C

Some Areas designated as "Reserves" may be designated for future development by the Developer. These are as follows:

Section 2, Unrestricted Reserves A & C
Section 3, Unrestricted Reserve A

And;

The following shall be added to Section 2.12 No Clear Zones or Vegetation Buffers:

Section 5:

All Lots bordering the exterior boundaries of the Subdivision, which adjoin private property, further identified as Section 5, Block 1, Lots 1-24, 27-50, shall maintain a twenty five foot (25') no cut buffer along the rear or side property lines as applicable.

The lots bordering the Green Belt and Detention Reserve areas will have a twenty five foot (25') no cut buffer on the rear of the lot line, except that they may cut one 10 foot (10') path from their property for access to the Green Belt and Detention Reserve area. Those lots are further identified as Section 5, Block 1, Lot 1; Block 2 Lots 1-2, 9-10; Block 6, Lots 1-4, 6; and Block 9, Lots 1-3.

And;

The following shall be added to Exhibit "A" as follows;

REPUBLIC GRAND RANCH, SECTION 5, A SUBDIVISION CONTAINING 481.98 ACRES OF LAND OUT OF THE RESIDUE OF THE 4818.84 ACRE REPUBLIC GRAND RANCH, LLC TRACT, CLERK'S FILE NO. 2019113827, MONTGOMERY COUNTY OFFICIAL PUBLIC RECORDS, JOSE MARIA DE LA GARZA SURVEY, A-15, MONTGOMERY COUNTY, TEXAS; AS RECORDED IN CABINET Z, SHEET 7788, DOCUMENT NO. 2021136073 OF RECORD OF MAPS OF MONTGOMERY COUNTY.

All other terms and conditions of the Declaration shall remain the same.

EXECUTED this 30 day of September, 2021

DECLARANT:

REPUBLIC GRAND RANCH, LLC, a Texas limited liability company

By: Delro Brinkhaefer

Its: Authorized Agent

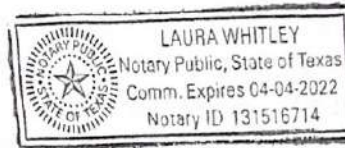
(NOTARY ON FOLLOWING PAGE)

STATE OF TEXAS _____)
) ss.
County of Montgomery)

This instrument was acknowledged before me this 30 day of September 2021 by
Debra Burkhalter as Authorized Agent of Republic Grand Ranch, LLC, A Texas
limited liability company

Notary Laura Whitley

My Commission expires:



When Recorded Return To:
Republic Grand Ranch Property Owners Association
1015 A West Street SH 150
New Waverly, TX 77358

E-FILED FOR RECORD
09/30/2021 12:01PM

Mark Turnbull

COUNTY CLERK
MONTGOMERY COUNTY, TEXAS

STATE OF TEXAS,
COUNTY OF MONTGOMERY

I hereby certify that this instrument was e-filed in the file number
sequence on the date and time stamped herein
by me and was duly e-RECORDED in the Official Public
Records of Montgomery County, Texas.

09/30/2021



Mark Turnbull

County Clerk
Montgomery County, Texas

DOC #2021128974

**FIRST AMENDMENT TO THE
AMENDED AND RESTATED
DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS
REPUBLIC GRAND RANCH**

Pursuant to the Amended Declaration of Covenants, Conditions and Restrictions for Republic Grand Ranch, Section 9.3 and as recorded at Instrument Number 2021073266 in the Official Records of Montgomery County, in Montgomery County, Texas, the undersigned hereby amends the Declaration as follows:

The following shall replace Section 1.9 in its entirety, as follows:

1.9 "Composite Building Site" shall mean the consolidation of two or more contiguous lots. To be recognized by the Association, a copy of the county approved Account Combination Request form and the Affidavit Acknowledging Need to Join Properties form must be submitted to the Committee prior to any approval of new home construction and/or request for the reduction of the maintenance fee, in accordance with Section 3.2.

And;

The following shall be added to Section 2.8 Drill Site Reserves and Multipurpose Easements:

Section 4, Block 2, Reserve A; and
Section 4, Block 4, Reserve D

And;

The following shall replace Section 2.10 in its entirety, as follows:

2.10 Reserves and Green Belts & Detention Reserve

The areas designated as "Green Belts and/or Detention Reserves" on the Plat are Common Area to be used by Owners, their invitees and guests for a park, nature area, walking or outdoor activities and stormwater detention, as set forth on the Plat or as may be permitted or regulated by Developer or, upon the Transition Date, the Association. These are as follows:

Section 1, Green Belt & Drainage Reserves B & C
Section 1, Unrestricted Reserve E
Section 2, Unrestricted Reserve B
Section 4, Greenbelt Reserve B
Section 4, Detention Pond/Greenbelt Reserves C & E
Section 4, Detention Pond Reserve F

Some Areas designated as "Reserves" may be designated for future development by the Developer. These are as follows:

Section 2, Unrestricted Reserves A & C

Section 3, Unrestricted Reserve A

And;

The following shall be added to Section 2.12 No Clear Zones or Vegetation Buffers:

Section 4:

All Lots bordering the exterior boundaries of the Subdivision, which adjoin private property, further identified as Section 4, Block 1, Lots 23-28, shall maintain a twenty five foot (25') no cut buffer along the rear or side property lines as applicable.

The lots bordering the Green Belt and Detention Reserve areas will have a twenty five foot (25') no cut buffer on the rear of the lot line, except that they may cut one 10 foot (10') path from their property for access to the Green Belt and Detention Reserve area. Those lots are further identified as Section 4, Block 1, Lots 1-22, Block 4, Lots 1-9, and Lots 14-25.

And;

The following shall replace Section 3.2 in its entirety, as follows:

3.2 Composite Building Site:

Any Owner of one or more adjoining Lots may, with prior approval of the Committee and approval of the County, consolidate such Lots into one building site ("Composite Building Site"), with the privilege of placing or constructing improvements on the Composite Building Site, in which case the side setback lines along the common Lot lines shall be eliminated and said setback lines shall thereupon be measured from the resulting side Property lines rather than from the center adjacent Lot lines as indicated on the Plat. Further, any utility easements along said common Lot lines shall be eliminated and abandoned upon approval of a Composite Building Site provided such easements are not then being used for utility purposes. Each Composite Building Site must have a front building setback line of not less than the minimum front building setback line of all Lots in the same block. Drainage easements on Composite Building Sites may not be eliminated. A Composite Building Site will be considered as an individual Lot for purposes of voting and the "Maintenance Charge" as set forth in Section 6 of the Declaration.

In order for a composite lot to be recognized by Montgomery County and the Association, Owners will be required to submit to Montgomery County an Account Combination Request and an Affidavit Acknowledging Need to Join Properties as required by Montgomery County. Please note that once filed the properties must be sold as a single property. Under no circumstance can these lots be sold separately without the permission of the Montgomery County Environmental

Health Services. These forms can be found on the Montgomery County website. No Lot shall be further sub-divided.

And;

The following shall be added to Section 3.15(h) Removal of Trees, Trash and Care of Lots During Construction of Dwelling:

Section 4:

All Lots bordering the exterior boundaries of the Subdivision, which adjoin private property, further identified as Section 4, Block 1, Lots 23-28, shall maintain a twenty five foot (25') no cut buffer along the rear or side property lines as applicable.

The lots bordering the Green Belt and Detention Reserve areas will have a twenty five foot (25') no cut buffer on the rear of the lot line, except that they may cut one 10 foot (10') path from their property for access to the Green Belt and Detention Reserve area. Those lots are further identified as Section 4, Block 1, Lots 1-22, Block 4, Lots 1-9, and Lots 14-25.

And;

The following shall be added as follows;

3.37 Leasing:

Improved Lots may be leased for residential purposes only. All leases shall be of a minimum period of 12 months and shall require, without limitation, that the tenant acknowledge receipt of a copy of the Governing Documents. The lease shall also obligate the tenant to comply with the foregoing. The Board may require notice of any lease together with such additional information deemed necessary by the Board. Property owner is responsible for any damages and/or fines tenant(s) may cause. If leased, the entire Lot must be leased to the same tenant. Unimproved lots may not be leased.

And;

In Section 3.15(f) and Section 4.1(d);

The amount of the refundable damage deposit which is paid for by the Approved Builders shall be reduced to \$3,500.00.

And;

The following shall be added to Exhibit "A" as follows;

REPUBLIC GRAND RANCH, SECTION 4, A SUBDIVISION CONTAINING 391.98 ACRES OF LAND OUT OF THE RESIDUE OF THE 4818.84 ACRE REPUBLIC GRAND RANCH, LLC TRACT, CLERK'S FILE NO.

2019113827, MONTGOMERY COUNTY OFFICIAL PUBLIC RECORDS, JOSE MARIA DE LA GARZA, A-15; MONTGOMERY COUNTY, TEXAS; AS RECORDED IN CABINET 002, SHEET 777, DOCUMENT NO. 202128959 OF RECORD OF MAPS OF MONTGOMERY COUNTY.

All other terms and conditions of the Declaration shall remain the same.

EXECUTED this 15 day of September, 2021

DECLARANT:

REPUBLIC GRAND RANCH, LLC, a Texas limited liability company

By: Debra Burkhalter

Its: Authorized Agent

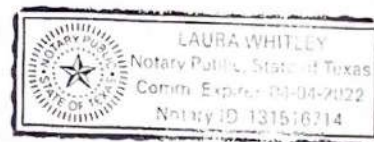
STATE OF TEXAS _____)
) ss.

County of Montgomery

This instrument was acknowledged before me this 15 day of September, 2021 by Debra Burkhalter as Authorized Agent of Republic Grand Ranch, LLC, A Texas limited liability company

My Commission expires: 4/4/2022

Notary Laura Whitley



When Recorded Return To:
Republic Grand Ranch Property Owners Association
1015 A West Street SH 150
New Waverly, TX 77358

FILED FOR RECORD
09/16/2021 03:39PM

Mark Turnbull

COUNTY CLERK
MONTGOMERY COUNTY, TEXAS

STATE OF TEXAS,
COUNTY OF MONTGOMERY

I hereby certify that this instrument was filed in the file number
sequence on the date and time stamped herein
by me and was duly RECORDED in the Official Public
Records of Montgomery County, Texas.

09/16/2021



Mark Turnbull

County Clerk
Montgomery County, Texas



DOC #2021073266

When Recorded Return To:
Republic Grand Ranch Property Owners Association
502 West Montgomery Ste 407
Willis, TX 77378

AMENDED AND RESTATED
DECLARATION OF
COVENANTS, CONDITIONS AND RESTRICTIONS
FOR
REPUBLIC GRAND RANCH
Montgomery County, Texas

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**AMENDED AND RESTATED
DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS**

**REPUBLIC GRAND RANCH
Montgomery County, Texas**

This instrument shall constitute the AMENDED AND RESTATED DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS FOR REPUBLIC GRAND RANCH located in Montgomery County, Texas.

RECITALS:

WHEREAS, Republic Grand Ranch, LLC ("Developer") originally caused to be recorded the "Declaration of Covenants, Conditions and Restrictions for Republic Grand Ranch", as recorded at Document Number 2020147031, in the office of the County Clerk of Montgomery County, Texas (hereinafter the "Original Declaration").

WHEREAS, Developer intends to amend and restate the Declaration of Covenants, Conditions and Restrictions for Republic Grand Ranch.

NOW THEREFORE, in accordance with Section 9.3 of the Declaration, Developer, intends to and does hereby amend, replace and restate the Declaration of Covenants, Conditions and Restrictions for Republic Grand Ranch, and this instrument shall for all purposes amend, replace and restate said Declaration in its entirety as set forth below.

THIS DECLARATION ("Declaration") is made on the date hereinafter set forth by Republic Grand Ranch, LLC, a Texas limited liability company, hereinafter referred to as "Developer" or "Declarant".

WITNESETH:

WHEREAS, Developer is the owner of that certain tract of land known as "Republic Grand Ranch", being a Subdivision of 4818.84 acres of land, situated in the JOSE MARIA DE LA GARZA SURVEY, Abstract No. 15, Montgomery County, Texas and being the portion of a called 8437.836 acre tract of land lying north of the centerline of Tanyard Road (county maintained road with both rock and asphalt surfaces, no right-of-way or easement found of public record) which is out of the residue of a called 8805.5 acre tract described as TRACT XII in a Special Warranty Deed from New Forestry, LLC to Atakapa, LLC dated 19 February 2013 and recorded under Clerk's File Number (CFN) 2013016070 of the Montgomery County Official Public Records in Montgomery County, Texas; and as described in a Deed to Republic Grand Ranch, LLC under Instrument No. 2019113827, Montgomery County Official Public Records, Montgomery County, Texas, (hereinafter referred to as the "Property" or the "Subdivision"), portions of which are described on Exhibit A attached hereto; and

WHEREAS, Developer reserves the right to plat additional portions of the Property in accordance with the terms of this Declaration; and

WHEREAS, it is the desire of Developer to place certain restrictions, easements, covenants, conditions, stipulations and reservations (herein sometimes referred to as the "Restrictions") upon and against the Property in order to establish a uniform plan for the development, improvement and sale of the Property, and to insure the preservation of such uniform plan for the benefit of both the present and future Owners (as hereinafter defined).

NOW, THEREFORE, Developer hereby adopts, establishes and imposes the Restrictions upon the Subdivision for the purpose of enhancing and protecting the value, desirability and attractiveness of the Property. The Restrictions shall run with the Property and title or interest therein, or any part thereof, and shall inure to the benefit and burden of each Owner thereof, except that no part of this Declaration or the Restrictions shall be deemed to apply in any manner to the areas identified or platted as a "Reserve" or "Unrestricted Reserve" on the Plat or to any area not included in the boundaries of the Plat. Developer also declares that this Subdivision shall be subject to the jurisdiction of the "Association" (as hereinafter defined).

1. DEFINITIONS

1.1 "Annexable Area" shall mean and refer to any additional property made subject to the jurisdiction of the Association pursuant to the provisions set forth herein, including, without limitation any other sections of the Subdivision, if any. Developer may plat any property adjacent to or in the proximity of the Property which Developer may wish to include in the jurisdiction of the Association.

1.2 "Architectural Review Committee" shall mean and refer to ARC or Committee as more particularly defined in Section 4.

1.3 "Approved Builder" shall mean and refer to home builders approved by the Developer and or assigns who have met all qualifications and are pre-approved by the Developer and /or assigns to construct homes within the Subdivision, subject to the ARC guidelines and application.

1.4 "Association" shall mean and refer to Republic Grand Ranch Property Owners Association, and its successors and assigns.

1.5 "Board of Directors" shall mean and refer to the Board of Directors of the Association.

1.6 "Builders" shall mean and refer to persons or entities who purchase Lots and build speculative or custom Dwellings thereon for third party purchasers.

1.7 "Committee" shall mean and refer to Architectural Review Committee of the Association as more particularly defined in Section 4.2.

1.8 "Common Area" shall mean all real property (including the improvements thereto) within the Subdivision owned by Developer and/or the Association for the common use and enjoyment of Owners and/or any other real property and improvements, including, but not limited to, parks, open spaces, nature trails, greenbelt areas and other facilities and areas designated on the Plat within the Common Area to which Owners may hereafter be entitled to use.

1.9 "Composite Building Site" shall mean the consolidation of two or more contiguous lots. To be recognized by the Association, all county/tax required approvals, and a copy of the recorded platted lot, must be submitted to the Association prior to any approval of new home construction and/or request for the reduction of the maintenance fee in accordance with Section 3.2.

1.10 "Contractor" shall mean and refer to persons or entities with whom an Owner contracts to construct a residential dwelling on such Owner's Lot.

1.11 "Developer" shall mean and refer to Republic Grand Ranch, LLC, a Texas limited liability company, and its successors and assigns. Provided, however, no person or entity merely

purchasing one or more Lots from Republic Grand Ranch, LLC, a Texas limited liability company, in the ordinary course of business shall be considered a "Developer".

1.12 "Dwelling" a single-family residential dwelling as more particularly described in Section 3.1.

1.13 "Impervious Area" shall mean the total sum of square footage under roof, and walkways and driveways constructed of impervious material. A variance may be granted by the Architectural Review Committee with approval by Montgomery County.

1.14 "Living Area" shall mean and refer to the area computed using exterior dimensions of the entire living area of a residential dwelling that is heated and cooled (e.g. both floors of a two-story residential dwelling), excluding attic, garage, basement, breezeway or porch.

1.15 "Lot" shall mean and refer to any plot of land identified as a Lot or tract on the Plat. For purposes of this instrument, "Lot" shall not be deemed to include any portion of any "Common Area", "Reserves", "Restricted Reserves", "Restricted Open Space Reserves" or "Unrestricted Reserves", (defined herein as any Common Area, Reserves, Restricted Reserves, Restricted Open Space Reserves, or Unrestricted Reserves shown on the Plat) in the Subdivision, regardless of the use made of such area. No further subdivision of a Lot is permitted.

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

1.17 "No Clear Zone" as more particularly described in Section 2.12.

1.18 "Owner" shall mean and refer to the record Owner, whether one or more persons or entities, of fee simple title to any Lot or Reserve which is a part of the Subdivision, including (i) contract sellers (a seller under a contract-for-deed), but excluding those having such interest merely as security for the performance of an obligation, (ii) Developer (except as otherwise provided herein), and (iii) Builders.

1.19 "Plat" shall mean the Plat described in the first "Whereas" paragraph above, along with any amended, supplemental or additional plat that might be filed and recorded against the Property in the future.

1.20 "Reserves" shall mean the Reserves as described in Section 2.8, Section 2.9 and Section 2.10, respectively.

1.21 "Site and Building Requirements" as more particularly described in Section 4.1(e)

1.22 "Republic Grand Ranch or RGR" shall mean and refer to this Subdivision and any other sections of the Subdivision hereafter made subject to the jurisdiction of the Association.

1.23 "Transfer Fee" shall mean a fee required on all property resales, payable to the Association, not to exceed \$250.00.

1.23 "Transition Date" shall mean the date upon which Developer transfers control of the Subdivision to the Association as more particularly defined in Section 5.6.

2. RESERVATIONS, EXCEPTIONS AND DEDICATIONS

2.1 Recorded Subdivision Map of the Property:

The Plat dedicates for use as such, subject to the limitations as set forth therein, the roads, streets and easements shown thereon. The Plat further establishes certain restrictions applicable to the Property. All dedications, restrictions and reservations created herein or shown on the Plat, replats or amendments of the Plat recorded or hereafter recorded shall be incorporated herein and made a part hereof and shall be construed as being included in each contract, deed, or conveyance executed or to be executed by or on behalf of Developer, conveying said Property or any part thereof whether specifically referred to therein or not.

2.2 Easements:

Developer, subject to the provisions of Section 3.2 for "Composite Building Sites", reserves for public use the utility easements shown on the Plat or that have been or hereafter may be created by separate instrument recorded in the Real Property Records of Montgomery County, Texas, for the purpose of constructing, maintaining and repairing a system or systems of electric lighting, electric power, telegraph and telephone line or lines, gas lines, sewers, water lines, storm drainage (surface or underground), cable television, and/or any other utility or parcel receptacle, USPS or otherwise, Developer sees fit to install in, across and/or under the Property. All utility easements in the Subdivision may be used for the construction of drainage swales in order to provide for the improved drainage of the Reserves, Common Area and/or Lots. The Association, Developer and their successors and assigns further expressly reserve the right to enter upon any Lot for the purpose of improving, constructing or maintaining any natural drainage pattern, area or easement. Should any utility company furnishing a service covered by the general easement herein provided request a specific easement by separate recordable document, Developer, without the joinder of any Owner, shall have the right to grant such easement on said Property without conflicting with the terms hereof. Any utility company serving the Subdivision and/or any utility district serving the Subdivision shall have the right to enter upon any utility easement for the purpose of installation, repair and maintenance of their respective facilities. Neither Developer nor any utility company, water district, political subdivision or other authorized entity using the easements herein referred to shall be liable for any damages done by them or their successors, assigns, agents or employees, to fences, shrubbery, trees and lawns or any other property of Owner on the Property covered by said easements.

2.3 Title Subject to Easements:

It is expressly agreed and understood that the title conveyed by Developer to any of the Lots by contract, deed or other conveyance shall be subject to any easement affecting same for roadways or drainage, water line, gas, sewer, electric lighting, electric power, telegraph or telephone purposes and other easements hereafter granted affecting the Lots. Owners of the respective Lots shall not be deemed to own pipes, wires, conduits or other service lines running through their Lots which are utilized for or service other Lots, but each Owner shall have an easement in and to the aforesaid facilities as shall be necessary for the use, maintenance and enjoyment of his/her Lot. Developer may convey title to said easements to the public, a public utility company or the Association as Developer sees fit.

2.4 Utility Easements:

- (a) Utility ground and aerial easements have been dedicated in accordance with the Plat. Utility easements on side Lots may be eliminated and cancelled along adjoining Lot lines in a Composite Building Site in accordance with Section 3.2 hereof.
- (b) No building, swimming pool or other structure shall be located over, under, upon or across any portion of any utility easement. The Owner of each Lot shall have the right to construct, keep and maintain concrete drives, walkways, and similar improvements across any utility easement, and shall be entitled to cross such easements at all times for purposes of gaining access to and from such Lots, provided, however, any concrete drive, or similar improvement placed upon such utility easement by the Owner shall be constructed, maintained and used at Owner's risk and expense and shall be subject to removal in whole or in part by the utility district or public utility, and, as such, the Owner of each Lot subject to said utility easements shall be responsible for (i) any and all repairs to the concrete drives, walkways, and similar improvements which cross or are located upon such utility easements and (ii) repairing any damage to said improvements caused by the utility district or any public utility in the course of installing, operating, maintaining, repairing, or removing its facilities located within the utility easements.
- (c) The Owner of each Lot shall indemnify and hold harmless Developer, the Association and public utility companies having facilities located over, on across or under utility easements from any loss, expense, suit or demand resulting from death, injuries to persons or damage to property in any way occurring, incident to, arising out of or in connection with said Owner's installation, maintenance, repair or removal of any permitted improvements located within utility easements, INCLUDING WHERE SUCH DEATH, INJURY OR DAMAGE IS CAUSED OR ALLEGED TO BE CAUSED BY THE NEGLIGENCE OF SUCH PUBLIC UTILITY OR DEVELOPER OR THE ASSOCIATION, OR THEIR RESPECTIVE EMPLOYEES, OFFICERS, CONTRACTORS OR AGENTS.

It is the responsibility of the Owner to verify the existing drainage easements, floodplains, building setbacks, etc. on their lot will accommodate the configuration of their desired house plan and appurtenances.

2.5 Use of Easements by Owners:

All easements contemplated by this Declaration, including without limitation the easements shown on the Plat adjacent to any road or street, may be used by all Owners, their families, guests and invitees for the purposes provided herein, except to the extent expressly limited herein or on the Plat.

2.6 Nature Trail Easements/Walking Trail Easements:

An easement on, over and across the areas designated on the Plat as a "nature trail" or "walking trail" (collectively, the "Nature Trails") is hereby reserved for the non-exclusive use and enjoyment of all Owners, their families, guests and invitees, and said easement is herein referred to as Nature Trail or Nature Trails. No Owner or other person whomsoever shall be permitted to fence or obstruct any portion of any Nature Trail, and no building, fence or other structure whatsoever shall be constructed or maintained on any Nature Trail. The Nature Trails shall be maintained in as natural-a-state as possible consistent with use as a Nature Trail. The Nature Trails shall be used for the purpose of pedestrian walking or jogging and for riding of horses, bicycles or similar activities. Nature Trails will be maintained by the Association.

2.7 Drainage Easements:

An Owner is prohibited from constructing any improvements, including but not limited to fencing within, through or over the drainage easements and variable width drainage easement as shown on the recorded Plats (the "Drainage Easements") that limit the flow of water. An Owner may clear underbrush and establish foot trails within the Drainage Easements, but no other vertical improvements will be allowed. Fencing is allowed along the Property lines located within the Drainage Easements but cannot impede the flow of storm water within the Drainage Easements. The natural drainage channels that are located within various Lots throughout the Subdivision may not be altered in any way without the written consent of the Montgomery County Engineer.

It is the responsibility of the Owner to verify the existing drainage easements, floodplains, building setbacks, etc. on their lot will accommodate the configuration of their desired house plan and appurtenances.

2.8 Drill Site Reserves and Multipurpose Easements:

Specific areas designated, or in the future to be designated, on the Plats as may be used as "drill sites" (each a "Drill Site" and collectively, the "Drill Sites") and are designated drill site areas for any operations for the exploration, drilling, development and/or production of oil, gas (or any other substances produced from wellbores with oil or gas) and/or any other mineral substances or any operations in connection therewith, including, but not limited to, the drilling of wells for such purposes, the staging of equipment, the installation of gathering or transmission lines, the installation of compression, processing, metering, or holding tanks for extracted mineral or petroleum products or for fluids or other substances used in the exploration, drilling,

development and/or production process (collectively, "Mineral Exploration and Production Operations"). The areas designated, or in the future to be designated, as "multipurpose easements" (each a "Multipurpose Easement" and collectively, the "Multipurpose Easements") on the Plat are the easements for ingress and egress to and from the Drill Sites, including the installation of any gathering or pipelines, for transportation of equipment, personnel or production and materials that may be undertaken in, on or under the Drill Sites in connection with Mineral Exploration and Production Operations. The Drill Sites and the Multipurpose Easements may be used by each Owner, including without limitation his/her families, guests and invitees, upon whose Lot the Drill Site and/or the Multipurpose Easement is located for recreation, outdoor activities and other activities until such time as an owner or lessee of all or a portion of any oil, gas, mineral right and/or mineral estate (each, a "Mineral Owner" and collectively, the "Mineral Owners") desires to use said area within the Drill Site or the Multipurpose Easement for Mineral Exploration and Production Operations. The use of the Drill Sites and the Multipurpose Easements by an Owner is specifically subject to the superior right of the Mineral Owners to use the Drill Sites or the Multipurpose Easements for Mineral Exploration and Production Operations. Owners are not permitted to construct improvements on the Drill Sites or the Multipurpose Easements, and any improvements constructed by an Owner on the Drill Sites or the Multipurpose Easements shall be constructed and maintained at the sole risk and expense of said Owner and, as such, said Owner shall be solely responsible for any damage to said improvements as a result of the Minerals Owner's use of the Drill Site and/or the Multipurpose Easement for Mineral Exploration and Production Operations.

These reserves are specifically referred to on the Plats as:
Section 1, Unrestricted Reserve D.
Section 2, Reserve D.

2.9 Water Plant Reserve A, Section 1

The area designated in Section 1, as Water Plant Reserve A, or in the future to be deeded to Developer or assigns, as "Water Plant Reserve A" on the Plat is to be used as a water plant by Developer or its assigns. There is a 150 foot sanitary control easement around each well on this Reserve A, as shown on the Plat. The construction and/or operation of underground petrochemical storage tanks, stock pens, feed lots, dump grounds, privies, cesspools, septic tank drain fields, drilling of improperly constructed water wells of any depth and all other construction or operation that could create an unsanitary condition within, upon or across the above described 150 foot sanitary control easement(s) is prohibited. For the purpose of the 150 foot sanitary control easement(s), improperly constructed water wells are those which do not meet the surface and subsurface construction standards for a public water supply well. Further, tile or concrete sanitary sewers, sewer appurtenances, septic tanks and storm sewers are specifically prohibited within a 50 foot radius of the deep water well(s) location in this Reserve A.

2.10 Reserves and Green Belts & Detention Reserve

The areas designated as "Green Belts and/or Detention Reserves" on the Plat are Common Area to be used by Owners, their invitees and guests for a park, nature area, walking or outdoor

activities as set forth on the Plat or as may be permitted or regulated by Developer or, upon the Transition Date, the Association. These are as follows:

Section 1, Reserve B, C, E.
Section 2, Reserve B.

Some Areas designated as "Reserves" may be designated for future development by the Developer. These are as follows:

Section 2, Reserve A, C.
Section 3, Reserve A.

2.11 Roads and Streets:

Subject to the terms and conditions of this Section 2.11, the roads and streets in the Subdivision, as shown on the Plat are hereby dedicated, in addition to roadways, as utility easements for the purpose of constructing, operating and maintaining or repairing a system(s) of electric lighting, electrical power, telegraph and telephone lines, gas lines, sewers, water lines, storm drainage (surface or underground), cable television, or any other utilities that Developer sees fit to install (or permit to be installed) in, across and/or under the Property.

2.12 No Clear Zones or Vegetation Buffers:

Section 1:

All Lots bordering the exterior boundaries of the Subdivision, further identified as Section 1, Block 1, Lots 1 thru 26 shall maintain a twenty five foot (25') no cut buffer along the rear property lines.

The lots bordering the Green Belt and Detention Reserve areas will have a twenty five foot (25') no cut buffer on the rear of the lot line, except that they may cut one 10 foot (10') path from their property for access to the Green Belt and Detention Reserve area. Those lots are further identified as Section 1, Block 2, Lots 6, 7, 9 thru 27 and Block 3, Lots 1, 6 thru 13, 16 thru 27 and 29 thru 32.

Section 2:

There is a 25' Walking Trail along the rear of Section 2, Block 2, Lots 1-8;

The lots bordering the Green Belt and Detention Reserve areas will have a twenty five foot (25') no cut buffer on the rear of the lot line, except that they may cut one 10 foot (10') path from their property for access to the Green Belt and Detention Reserve area. Those lots are further identified as Section 2, Block 2, Lot 8 and Block 3 Lots 1-3.

Section 3:

All Lots bordering the exterior boundaries of the Subdivision, which adjoin private property, further identified as Section 3, Block 3, Lots 1-2, shall maintain a twenty five foot (25') no cut buffer along the rear or side property lines as applicable.

The lots bordering the Green Belt and Detention Reserve areas will have a twenty five foot (25') no cut buffer on the rear of the lot line, except that they may cut one 10 foot (10') path from their property for access to the Green Belt and Detention Reserve area. Those lots are further identified as Section 3 Block 3 Lots 7-15, Block 6 Lot 1 and Block 7 Lots 1-2,

Violation of the No Clear Zones and/or removal of the vegetative buffer will result in the lot owner being required to plant additional trees to screen the cleared area and may be subject to fines of up to \$5,000.

3. USE RESTRICTIONS

3.1 Single Family Residential Construction:

All Dwellings shall have a minimum of 2,000 square feet of living area, excluding porches and garages, and shall be built with new construction materials. There shall be a minimum of 1,600 square feet of living area on the first floor of any multi-story Dwelling. No structure shall exceed two (2) stories or thirty (30) feet in height unless written approval has been given by the Committee including but not limited to barns and windmills.

No building shall be erected, altered, placed, or permitted to remain on any Lot or building site other than one single-family residential dwelling ("Dwelling") per each Lot to be used solely for residential purposes, except that one "Guest House/Staff Quarters" may be built, provided it matches the same design as the Dwelling. "Guest House/Staff Quarters" is defined as a separate house or living quarters. The Guest House/Staff Quarters must contain a minimum of 500 square feet and a maximum of not more than 60% of the square footage of the Dwelling.

Each Dwelling shall have a fully enclosed garage for not less than two (2) automobiles, which garage is continuously available for parking automobiles without any modification being made to the interior of said garage. Detached garages, see Section 3.3(e), may be constructed on the Property after or while the Dwelling is being built, so long as they are of good construction, kept in good repair, matches the design of the Dwelling, and are not used for residential purposes provided, however, garages must be built for at least two (2) automobiles and not more than five (5) automobiles. Garages should be either a side-loading type or a rear-loading type so as not to face the street at the front property line.

Occupancy of the Dwelling shall be limited to one (1) family, which shall be defined as any number of persons related by blood, adoption or marriage living with not more than one (1) person who is not related as a single household unit, or no more than two (2) persons who are not so related living together as a single household unit. It is not the intent of Developer to exclude any individual from a Dwelling who is authorized to so remain by any state or federal law.

No construction of accessory buildings, barns, shops, guesthouses, etc. may begin until ARC approval has been issued for the main Dwelling and the approved slab has been poured, except that the foundation for an accessory building and the main dwelling may be poured at the same time if approval has also been issued by the ARC for the accessory building.

All Dwellings, guest houses, detached garages, barns, tack-rooms and workshops must be approved in writing by the Committee prior to being erected, altered or placed on the Property and according to the requirements adopted by the Committee. The term "Dwelling" does not include any manufactured or mobile home, or any old or used houses to be moved on the Lot, and said manufactured, mobile or used homes are not permitted within the Subdivision

Construction of the exterior of the Dwelling shall be completed within twelve (12) months from the setting of forms for the foundation of said Dwelling. Construction of a Guest House/Staff Quarters, barn or other structure or improvement may not begin until construction of the primary Dwelling has begun or has been completed and approved in writing by the Committee. The Construction or improvements of all structures (other than Dwellings) shall be completed as to exterior finish and appearance within six (6) months from the setting of forms for the foundation of said improvement or structure.

As used herein, the term "residential purposes" shall be construed to prohibit mobile homes, trailers, modular or manufactured homes, or pre-fabricated homes being placed on any Lots, or the use of any Lots for duplex houses, churches, condominiums, townhouses, garage apartments, or apartment houses; and no Lot shall be used for business, educational or professional purposes of any kind whatsoever, nor for any commercial or manufacturing purposes. Provided, however, an Owner may maintain a home office and/or home school in a Dwelling with no advertising signs or regular visits by customers or clients.

Model homes as constructed and maintained by Approved Builders and/or Developer shall not be construed as commercial use and shall be allowed. Developer may operate a resale brokerage office or an Association office on lots owned by the Declarant and/or assigns. Specific lots to be used for Model homes must be approved by the Developer or assigns.

Requirements concerning construction materials are set forth in Section 3.5 below.

Review the "Site and Building Requirements" as issued by the Developer and enforced by the Association/Architectural Review Committee for more specific information and prior to ANY Site work of any kind, as referred to in 4.1(d) below.

3.2 Composite Building Site:

Any Owner of one or more adjoining Lots (or portions thereof) may, with prior written approval of the Committee, consolidate such Lots or portions into one building site ("Composite Building Site"), with the privilege of placing or constructing improvements on the Composite Building Site, in which case the side setback lines along the common Lot lines shall be eliminated and said

setback lines shall thereupon be measured from the resulting side Property lines rather than from the center adjacent Lot lines as indicated on the Plat. Further, any utility easements along said common Lot lines shall be eliminated and abandoned upon approval of a Composite Building Site provided such easements are not then being used for utility purposes. Each Composite Building Site must have a front building setback line of not less than the minimum front building setback line of all Lots in the same block. Drainage easements on Composite Building Sites may not be eliminated. A Composite Building Site will be considered as an individual Lot for purposes of the "Maintenance Charge" as set forth in Section 6 hereof. No Lot shall be further sub-divided, however composited lots may be reconfigured into no greater than the number of lots originally composited. At no point may a lot be created smaller than 1 acre in size. In order for a composite lot to be recognized by the Committee, all county/tax required approvals, and a copy of the recorded platted lot, must be submitted to the Committee prior to any approval of new home construction and/or request for the reduction of the maintenance fee.

3.3 Location of the Improvements upon the Lot:

No building of any kind shall be located on any Lot nearer to any side or rear Property line, or nearer to any public road than as may be indicated on the Plat; provided, however, as to any Lot, the Committee may waive or alter any such setback line if the Committee, in the exercise of the Committee's sole discretion, deems such waiver or alteration is necessary to permit effective utilization of a Lot. Any such waiver or alteration must be in writing and recorded in the Deed Records of Montgomery County, Texas. Each Dwelling placed on Property must be equipped with a septic tank or other sewage disposal system meeting all applicable laws, rules, standards and specifications, and each Dwelling must be served with water and electricity. The Dwelling on any Lot shall face the front of the Lot towards the street or road, unless a deviation is approved in writing by the Committee. On corner Lots, the front of the Lot is defined as (i) on a rectangular Lot; the narrowest Property line facing a street or on a (ii) square Lot, the Property line facing a secondary road.

The minimum dimensions of any Lot and the building setback lines shall be as follows (provided, any conflict with the building setback lines set forth on the Plat shall be controlled by the Plat):

- (a) The building setback line along the front of each Lot shall be seventy-five (75') feet on all Lots less than two (2) acres in size. On Lots of two (2) acres or greater in size, the front setback shall be one hundred (100') feet, unless otherwise shown on Plat. In special circumstances, the Committee may grant a variance for a minimum of fifty (50') foot building setback line when site conditions on the Lot require such a variance due to hardship. For all "corner lots" in the Subdivision with two sides fronting on a street, the building setbacks will be seventy-five (75') feet from both streets and twenty (20') feet from both side/rear property lines.
- (b) The building setback line along the side of each Lot shall be twenty (20') feet, on all Lots, unless otherwise shown on Plat.

- (c) The building setback line along the rear of each Lot shall be twenty-five (25') feet on all Lots, unless otherwise shown on Plat.
- (d) Accessory buildings, such as barns, guest houses, shops etc., must be setback no less than two hundred feet (200') from the front of the property line and no less than one hundred feet (100') from the side street and no less than thirty feet (30') from the side and rear property lines.
- (e) If a detached garage is going to be side facing, the requirement for 200' lot depth is removed and the garage may be placed in line with the building area of the Dwelling.
- (f) All permanent structures, dwellings, guest houses, garages, accessory buildings, barns, pools or ponds are required to have a fifty foot (50") setback from any Pipeline right-of-way. In addition, there is a twenty-five foot (25") pipeline right-of-way setback on septic tanks and leach fields, light poles and small sheds. A ten foot (10") setback is required on yard lights and mail boxes. No variance will be granted for a pipeline right-of-way setback.

3.4 Dwelling Foundation Requirements:

All Dwelling foundations shall consist of either: (i) concrete slabs, or (ii) piers and beams, with the entire Dwelling being skirted with brick or materials which match the outside of the Dwelling as may be approved by the Committee. Provided, however, the Committee may approve a different type of foundation when circumstances such as topography of the Lot make it impractical to use one of the above foundations for all or any portion of the foundation of the Dwelling constructed on the Lot. Minimum finished slab elevation for all Dwellings shall be twelve (12") inches above 100 year flood plain, or such other levels as may be established by the Commissioner's Court or County Engineer of Montgomery County, Texas and other applicable governmental authorities. The minimum slab elevation must also be a minimum of eight inches (8") inches above the finished grade of the Lot unless otherwise approved by the Committee.

All references in this Declaration to required minimum slab elevations and/or any slab elevations approved by the Committee do not constitute a guaranty by Developer, the Committee or the Association that the Dwelling will be free of flood or related damage.

All foundations are required to be engineered and designed, by a professional engineer licensed by the State of Texas, based upon appropriate soils information taken from the specific Lot in question as recommended by such engineer. Soils borings and soils reports by a licensed professional engineer are suggested for all Lots prior to such engineer's design of the foundation.

The foundation plans to be used in the construction of the Dwelling must be submitted to the Committee along with the plans and specification for the Dwelling as provided in Section 4.1. All foundation plans must be signed, sealed and dated by the engineer designing said foundation plans. The Committee and/or Developer shall rely solely upon Owner/Builder's engineer as to the adequacy of said foundation design when issuing architectural approval of the Dwelling to be

constructed. No independent evaluation of the foundation plan is being made by the Committee. The Committee's sole function as to foundation plans is to determine if the plans have been prepared by a licensed professional engineer, as evidenced by the placement of an official seal on the plans.

Owner/Builder shall establish and construct the Dwelling and garage slab elevation sufficient to avoid water entering the Dwelling and garage in the event of a heavy rain. A special drainage structure, as recommended and designed by a licensed professional engineer on behalf of the Owner is required wherein the slab elevation is lower than the road ditches.

The granting of approvals of foundation plans and the Dwelling and garage slab elevation shall in no way serve as warranty as to the quality of the plans and specifications and/or that Dwelling shall be free from flood damage from rising or wind driven water or the flow of surface water from other locations within the Subdivision and in no event shall Developer, the Committee or the Association have any liability as a result of the Committee's approval or disapproval of the resulting improvement.

3.5 Type of Construction, Materials and Landscaping:

All structures must be constructed from new material or its equivalent with the finished exteriors being of natural colors, in harmony with each other and in harmony with the natural surroundings. White and off-white colors along with shades of gray to black are also permitted colors for Dwellings. Structures may be subject to Montgomery County codes, regulations, building permits, and flood control district requirements (if applicable), the compliance of which shall be Owner's responsibility. The exterior of Dwellings, garages and carports shall be of at least sixty-five (65%) percent glass or masonry construction or its equivalent on its exterior wall area, unless another type of material is approved in writing by the Committee, (stucco, stone and brick are considered masonry for purposes of this requirement, while Hardie-Board and other materials similar to Hardie-Board are not considered masonry for purposes of this requirement). The roof of any Dwelling, garage or carport shall be constructed of either composition shingles, copper, tile, slate, standing seam metal or other material approved by the Committee and according to the requirements adopted by the Committee, prior to construction. The use of sheet metal or similar material on the roof or exterior sides of any Dwelling, garage or carport other than as flashing is prohibited. All chimneys shall be of masonry construction. Cement Fiberboard Chimneys are allowed if they are made of solid cement board in either smooth finish, stucco finish or textured finish with trim boards on corners. Lap siding will not be allowed.

For all proposed Dwellings, the structural and architectural integrity of the community will be the determining factor of home design approval, at the discretion of the ARC or appointed official of the POA.

In addition to the building material and roof pitch requirements for Dwellings, per the CC&R's and the SBR's, exceptions may be made for specific home styles which demand different building materials. All such exceptions, if they substantially comply with the intent of the site and building requirements, may be approved at the discretion of the ARC. In general, these exemptions will

be made solely for adherence to specific building styles, and as a rule will not be permitted as a method to lower the cost. Examples of this include, but are not limited to:

Southern Living Showcase Homes™ or other like-quality, like-style Modern Farmhouse-Style Homes are permitted to be built on any Lot within the Republic Grand Ranch. If the Dwelling is not specifically a Southern Living Showcase Home design, it will need to be verified as appropriate by the ARC prior to receiving approval, at the ARC's discretion. This style of construction, along with the stipulated quality standards, does not offer a "less expensive" alternative to the general building requirements, may be permitted.

Log Homes are permitted on any Lot in Republic Grand Ranch and typically will require the general 65% stone, stucco, masonry or glass stipulation. Deviations from this requirement may be considered on a case-by-case basis for high-end log homes that feature high glass content and require less stone, however some stone will be required of any log home. This may be granted at the sole discretion of the ARC.

Plantation Style Homes may be considered on a case-by-case basis and may receive reductions in the requirements of stone, stucco, masonry and glass if both required for stylistic integrity at the discretion of the ARC and if no reduction in the overall quality or curb-appeal of the build exists.

Contemporary Style Homes may be considered on a case-by-case basis and will be required to appropriately blend-in with their natural surroundings and adjacent properties. Roof pitch and building material deviations may be granted at the sole discretion of the ARC.

The general requirement of 65% stucco, masonry and glass is a standard and variances will only be granted on a case by case basis by the ARC.

- (a) No reflective roofing shall be allowed, with Weathered Galvalume being the most reflected acceptable form of roofing permitted. No external roofing material other than slate, tile, metal, built up roof, composition (where the type, weight, quality and color has been specifically approved by the Committee) shall be used on any building in any part of the Properties without written approval of the Committee. All roofing material must be applied in accordance with the manufacturer's specifications. Roof vents, vent stacks, galvanized roof valleys and other roof items must be painted to match the roof materials. Galvanized roof valleys must be primed before painting to insure the prevention of peeling.
- (b) No window or wall type air conditioners shall be permitted to be used, erected, placed or maintained on or in any building in any part of the Properties.
- (c) All roof ventilation (other than ridge ventilators) shall be located to the rear of the roof ridge line and/or gable of any structure and shall not extend above the highest point of such structure, so as not to be visible from any street, unless site conditions dictate and a variance is granted by the Committee. The Committee shall have the right to approve the exceptions to the foregoing in cases where energy conservation

and heating/cooling efficiency require ventilators that, because of the particular roof design, cannot be hidden from view.

- (d) Corrals and pens shall be built and maintained in an attractive and workmanlike manner and maintained in such sanitary manner so as not to be considered a nuisance.
- (e) Accessory buildings such as workshops or storage sheds are allowed and should match the Dwelling and be made of like materials. They are also permitted to be made of metal, provided they are constructed with high-quality, non-reflective, sturdy metal, **sized 26 gauge or thicker**, sided with the lesser of a four feet (4') high wainscot on all sides or fifty (50%) percent of the exterior of the building as stone, stucco or brick (matching the Dwelling), for any aspect of the accessory building that is visible from any street or neighboring property, and the remaining metal be of colors in harmony with the Dwelling and natural surroundings (earth tones) or glass for windows. The roofs of these outbuildings must be colored to match the main dwelling. No accessory buildings may be larger than the main Dwelling. The minimum size for any such outbuilding is to be ten feet by ten feet (10' x 10') or one hundred square feet (100sqft). If any such building should be large enough that it requires a building permit from any governing bodies, it must comply with the appropriate rules and regulations. Accessory buildings may be no closer than two hundred feet (200') from the front street of the property and no closer than thirty feet 30' from the side or rear lot lines of a property. Accessory buildings that are not of metal construction are permitted to be constructed of like materials to the Dwelling.

Any accessory building not meeting these requirements will result in a **minimum** of \$2,500 fine and will be required to be re-built or altered to the specifications laid out in these Restrictions and the Site and Building Requirements.

3.6 Driveways and Culverts:

Prior to any lot requiring heavy equipment, (any vehicle with tires larger than passenger vehicles, including metal track equipment) the new home application and all fees and permits must be submitted and approved, the owner/builder shall then determine the location of the permanent culvert which must be installed before any heavy construction machinery may enter upon any home site. Driveway culvert sizing has been approved by Montgomery County and a copy of the individual lot culvert sizing requirements are available upon request. The ARC shall be notified prior to any culvert installation and the installation shall not be authorized until a damage deposit has been received, as required in the Site and Building Requirements.

Vegetation-clearing machinery, on rubber tires and no larger than a pick-up truck, may enter upon a home site prior to culvert installation for the purpose of clearing underbrush, defined in the Site and Building Requirements, Section 4.1, Lot Clearing, following approval from the ARC, provided the lot clearer is on the approved list and has posted a damage deposit in the event the

ditches or road are damaged during the clearing process. Vegetation-clearing machinery on tracks shall be considered heavy construction machinery and may not enter upon any home site without new home construction approval and receipt of a Damage Deposit.

All driveways in the Subdivision shall be constructed of concrete or asphalt at Owner's expense and shall be completed within twelve (12) months from the setting of forms for the foundation of the Dwelling or structure as indicated in Section 3.1 hereof. Further, the driveway or entrance to each Lot from the pavement of the street shall be paved with concrete or asphalt. Prior to Montgomery County road acceptance, the ARC is to be notified of culvert and driveway installation. Following acceptance of the roads by Montgomery County, application for approval to the Montgomery County Precinct Commissioner will be required prior to installation of any culvert and driveway. Driveway culverts shall be installed at the Owner's expense. Driveway culverts must be installed prior to any construction activity on the lot, except clearing of underbrush.

If a driveway should cross the pipe right-of-way it must cross at no less than a 60-degree angle and should not run parallel within 25' of the pipeline. A minimum cover over the pipeline of 36 inches is recommended for driveways.

3.7 Use of Temporary Structures and Sales Offices:

No structure of a temporary character, whether trailer, basement, tent, shack, garage, barn or other outbuilding shall be maintained or used on any Lot at any time as a Dwelling or for any other purpose, either temporarily or permanently; provided however, that Developer reserves the exclusive right to erect, place and maintain such facilities in or upon any portion of the Subdivision as in its sole discretion may be necessary or convenient while selling Lots, selling or constructing Dwellings and constructing other improvements within the Subdivision. Model homes to be constructed by builders must be approved by the RGR ARC.

3.8 Water Supply:

Developer has contracted or will contract with a third-party public water utility for the installation of a central water system for the Subdivision. All Dwellings shall be equipped with and served by a central fresh water system installed, operated and continuously maintained in accordance with applicable utility company and governmental requirements, and no water wells shall be made, bored or drilled, nor any type or kind of private system installed or used except upon the written approval of the Committee, the third party public water utility and any required governmental authorities. Wells may be drilled by Developer or the Association for use in watering the Common Area and filling of lakes or ponds in the Common Area. All Dwellings must tap into and remain connected to the central water system for the Subdivision.

3.9 Electric Utility Service:

Prior to beginning any construction on a Lot, each Owner, at his/her sole expense, shall be required to install underground electric service lines from the transformer or source of feed to the meter location on his Lot. Further, each Owner may expect to pay a charge for connection to such electric utility service, and Owner is obligated to contact the electric utility company providing service to the Subdivision to determine the amount of such charge and make arrangements for the installation of said electrical service lines and connection to the electrical distribution system. Owner shall also be responsible for all charges for all utility service furnished to Owner's Lot.

3.10 Sanitary Sewers:

No outside, open or pit type toilets will be permitted in this Subdivision. Prior to occupancy, all Dwellings constructed in this Subdivision must have a septic or sewage disposal system installed by Owner to comply with the requirements of the appropriate governing agency or agencies. The aerobic type septic systems are preferred.

3.11 Walls, Fences and Hedges:

All fencing along the front of the property must be Ornamental and must be extended, on each side, along half the depth of the dwelling.

Perimeter fencing on boundary lines is permitted with prior submittal of a field survey. This excludes pool fencing, and horse fencing. Walls and fences, if any, must be approved prior to construction by the Committee and no wall, fence, planter or hedge more than six (6') feet in height shall be erected, planted or maintained on any Lot. No wall, fence, planter, or hedge shall be erected, planted, or maintained outside of the Lot lines. No fence shall be constructed inside the utility easement. No wall or fence of any kind may be constructed within or across a Drainage or Variable Width Drainage Easement. No fencing is allowed in, over or through a pipeline right-of-way. Fences parallel to a pipeline should be at least 15 feet from the pipeline.

No electric wire or temporary fences shall be allowed unless the Committee approves a variance prior to its construction.

No barbed wire, hurricane, chain link or white picket fencing fences shall be allowed. A property owner must obtain permission from the Committee to construct a cage, kennel or dog run out of chain link fence. Any outside pen, cage, kennel, shelter, concrete pet pad, run, or track and all other buildings, structures or devices directly or indirectly related to animals which can be seen, heard, or smelled by anyone other than the subject Owner must also be approved by the Committee. All materials, size, and location of these style of fences, pins, or kennels must be approved by the Committee at its sole and absolute discretion.

All fencing approved by the Committee as "Ornamental" that is to be built on any lot, shall not encroach into any 20' utility easements boarding the property as indicated on the plat. As

indicated below throughout section 3.11, perimeter fencing on boundary lines may be allowed if a current survey has been presented at the time of the fence submission and has been reviewed and approved by the Committee.

"Ornamental Fencing" can be no more than six (6') feet in height, of a design and color approved by the Committee that does not obstruct the view of the front of the main dwelling, park or adjoining Lots. Ornamental fencing may be no closer than 2' to any rear or side boundary line for fence maintenance purposes. If a current survey has been presented at the time of the fence application submission, then the Committee may approve for the fence to be erected closer to the side or rear property lines. No fencing will be allowed to be built inside of any public utility easement (PUE) as indicated on the plat. The following additional restrictions shall apply to walls, fences, planters, or hedges on park fronts ("Park Fronts"), Reserves and corner Lots:

(a) Except for a Non-Privacy Fence as hereinafter described, no privacy fence or wall of any kind shall be erected, planted, or maintained on a corner Lot, provided that this Subsection 3.11(a) shall not apply to a corner Lot which abuts any of the Reserves described in Section 2 hereof.

"Hog fencing", is fencing for the purpose of protecting the property from nuisance animals. This style of fencing can be installed separately from within ornamental fencing or if it is to be installed as a style of ornamental fencing, it must first be reviewed and approved by the Committee. The natural vegetation between the hog fencing and property boundaries must be allowed to grow and remain established to effectively hide the wire fencing from any neighboring property. If this style of fencing has been approved to be placed at the front property line along the street or road, the wire mesh must be concealed from view by utilizing the natural vegetation buffer. If the fencing is to be placed on the property where there is no natural vegetation barrier to hide or conceal the wire from view, then the property owner must plant vegetation that will satisfy this requirement. All hog fencing must be built utilizing 12.5-gauge wire or larger. However, no fencing is allowed in, over or through the drainage easements or variable width drainage easements, or pipeline right-of-ways. Said fencing is permitted along the side and rear boundary lines of a property and must be no closer than 2' to any rear or side boundary line for fence maintenance purposes, unless otherwise having been reviewed and approved by the Committee where an updated survey must be attached to the submitted fence application at the time of that review.

"Horse Fencing", as referred to herein, shall at a minimum, be constructed of three (3) rail pipe, wood, vinyl, or no-climb fencing with a top rail. Any other materials to be utilized and all construction of all fences, must be approved by the Committee. No temporary panels shall be used for fencing. No climb fencing shall not be visible from the street unless it is more than 200 ft. from the property line. If closer than 200 ft., either a landscape hedge or twenty feet (20') wide natural vegetation barrier shall be used to prevent visibility of the no climb fence. Horse fencing may be no closer than 2' to any rear or side boundary line for fence maintenance purposes, unless otherwise approved by the Committee and no fences shall built inside of any utility easement or pipe line right-of-way as indicated on the plat.

"Pool Fencing" shall be installed around any swimming pool, spa, or hot tub in accordance with International Residential Code (IRC), Appendix G, Section AG105 BARRIER REQUIREMENTS, including self-closing gates where appropriate. Pool fencing may be no closer than 20' to any rear or side boundary line.

"Privacy Fencing" and walls shall be constructed of ornamental iron, wood, masonry or synthetic materials in harmony with the requirements established by the Committee, provided Privacy Fences shall not be constructed any closer to the front of the Lot than 50% of the depth of the Dwelling and may be no closer than 2' to any rear or side boundary line for fence maintenance purposes, unless otherwise having been reviewed and approved by the Committee.

Driveway entrances may be constructed of masonry columns, ornamental iron, or similar materials in harmony with the Dwelling on said Lot as may be approved by the Committee.

The Owner of any Lot upon which the Developer may have constructed a fence shall be responsible for the maintenance and repair of said fence.

3.12 Prohibition of Offensive Activities:

Without expanding the permitted use of the Lots, no activity, whether for profit or not, shall be conducted on any Lot which is not related to single family residential purposes. No noxious or offensive activity of any sort shall be permitted, nor shall anything be done on any Lot which may be or become an annoyance or a nuisance to the Subdivision. This restriction is waived regarding the customary sales activities required to sell Dwellings in the Subdivision and for home offices described in Section 3.1 hereof. No exterior speaker, horn, whistle, bell or other sound device, except security and fire devices used exclusively for security and fire purposes, shall be located, used or placed on a Lot. Without Limitation, the illegal discharge of firearms within the subdivision is expressly prohibited. Hunting within the Subdivision is expressly prohibited. The Association shall have the sole and absolute discretion to determine what constitutes a nuisance or annoyance. Activities expressly prohibited, include, without limitation, (1) the illegal use of firearms, firecrackers or other fireworks within the Subdivision, (2) the storage of ammonium nitrate, flammable liquid in excess of five gallons, or (3) other activities which may be offensive by reason of odor, fumes, dust, smoke, noise, vibration or pollution, or which are hazardous by reason of excessive danger, fire or explosion, (4) No motor sport tracks, racing areas, or activities, whether for personal, private or public use may be constructed on a lot or vehicles used for such activity on any lot.

3.13 Swimming Pools:

No swimming pool may be constructed on any Lot without the prior written approval of the Committee. Each application made to the Committee shall be accompanied by one (1) set of plans and specifications for the proposed swimming pool construction on such Lot, including a plot plan showing the location and dimensions of the swimming pool and all related

improvements, together with the plumbing and excavation disposal plan and the required application fee and damage deposit as specified on the application. The Committee's approval or disapproval of such swimming pool shall be made in the same manner as described in Section 4 hereof for other building improvements. Owner shall be responsible for temporary erosion control measures required during swimming pool construction on said Lot to ensure there is no erosion into natural waterways. Swimming pool drains shall be piped into the ditch in front of the Lot or other approved drainage area. The swimming pool drain outfall shall be terminated through a concrete pad constructed flush with the slope of the ditch so as not to interfere with the maintenance or mowing of the ditch. Pools may not be constructed within any utility easement, and no portion of a swimming pool shall be erected in front of a Dwelling. Swimming pools shall be protected by a fence constructed in accordance with Section 3.11 above.

3.14 Excavation:

The digging of dirt or the removal of any dirt from any Lot is expressly prohibited except as may be necessary in conjunction with permitted ponds, permitted landscaping or permitted construction of improvements on such Lot.

3.15 Removal of Trees, Trash and Care of Lots During Construction of Dwelling:

No tree removal on a Lot is permitted prior to new home construction application approval by the Committee. Underbrushing may be permitted prior to new home construction application submittal, at the discretion of the Committee, on the basis of providing adequate time for such building and planning processes as home elevation design on your Lot, determination of site plan and pad locations and tree preservation plans.

- (a) All Owners, during their respective construction of a Dwelling, are required to burn, in accordance with applicable regulations, or remove and haul from the Lot all tree stumps, trees, limbs, branches, underbrush and all other trash or rubbish cleared from the Lot for construction of the residence, construction of other improvements and landscaping. No material or trash hauled from the Lot may be placed elsewhere in the Subdivision or on land owned by Developer whether adjoining the Subdivision or not. Burning on Lots shall be permitted as long as it does not violate any governmental rules or regulations. No more than 30% of mature trees in excess of five inches (5") at five feet (5') in height, may be cleared, unless approved by a variance granted by the Architectural Review Committee. This 30% of trees does not include any trees required to be removed for the building pad of the Dwelling. Any clearing twenty feet (20') beyond the building pad or five feet (5') beyond the driveway requires the written approval of the ARC.
- (b) Prior to and during Dwelling construction, there is a twenty foot (20') vegetation buffer at the front of each lot, starting behind the utility easement and drainage ditch, which requires that only non-machinery vegetation clearing (prior to and during construction) i.e. no equipment that has tires that would disturb the native soil, is allowed within the front twenty feet (20') from the front street of the lot, excluding where the driveway will

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be located plus an additional four feet (4') on either side of the driveway. Handheld trimmers or cutting blades are permitted, to be used to clear vegetation (underbrush) with a maximum trunk diameter of 3" at a height of 5'. After the final approval of the completed construction, upon final inspection, this front 20' buffer area may be cleared in accordance with the regular site clearing limitations set out in the Site and Building Requirements in Sections 4.1 and 4.3.

The no-cut vegetation buffer is strongly recommended in order to uphold the best erosion control practices. If an owner agrees, a builder may clear within the front twenty-foot (20') buffer; however, if this is done, there must be careful attention paid to maintaining other appropriate erosion control measures, including but not limited to hay bale barriers, properly maintained silt fencing, or mulch barriers.

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- (c) All Owners, during their respective construction of a Dwelling, are required to continuously keep the Lot in a reasonably clean and organized condition. Papers, rubbish, trash, scrap and other unusable building materials are to be kept picked up daily and hauled from the Lot when the trash containment system is full. Other usable building materials are to be kept stacked and organized in a reasonable manner upon the Lot.
- (d) No trash, materials, or dirt is allowed in the street or street ditches. All Owners shall keep street and street ditches free from trash, materials and dirt. Any such trash, materials, or excess dirt or fill inadvertently spilling or getting into the street or street ditch shall be removed by Owner causing same without delay, not less frequently than daily. Erosion control fences must be used by an Owner to control silt from entering roadside ditches until grass is established.
- (e) No Owner or Contractor may enter onto a Lot adjacent to the Lot upon which he is building for purposes of ingress or egress to his Lot before, during or after construction, unless such adjacent Lot is also owned by such Owner, and all such adjacent Lots shall be kept free of any trees, underbrush, trash, rubbish and/or any other building or waste materials during or after construction of building improvements by the Owner of an adjacent Lot.
- (f) All Owners, Builders and their Contractors shall be responsible for any damage caused to the roads, roadside ditches, easements and other Lots during the construction of improvements on a Lot. Further, every Owner, Builder or Contractor shall be required to deliver to the Association a minimum damage deposit as described in Section 4.1(d) of this Declaration of \$5,500 or such reasonable amount as may be determined by the Committee prior to beginning construction of any Dwelling or other building. This damage deposit shall be refunded upon completion of said Dwelling or other building provided the Association determines that no violations have occurred or damage to the roads, ditches or easements was caused by said Builder or Contractor. Further, Builder or Contractor shall supply and maintain a portable toilet and trash bins for construction trash during the construction of a Dwelling. All Builders and their Contractors shall be

responsible for keeping the construction site free of debris and trash. Each Builder must provide (i) a concrete clean out area, (ii) construction fencing, and (iii) a siltation fence along all ditches. Concrete clean out and other disposal of debris, etc. in roadside ditches is prohibited.

- (g) No mature trees (5" + diameter) may be removed from the side and rear 20 foot (20') no-build setback areas of any Lot. In addition to this, no mature trees may be removed from the front fifty feet (50') of any Lot, counting from the edge of the fronting street, aside from those trees required to be removed for driveway and fencing purposes within that portion of the Lot. For corner lots, no mature trees may be removed from the side twenty-five feet (25') along the side facing the side street. These portions of Lots may be underbrushed at the Owner's discretion, in accordance with their desired level of privacy and aesthetic.

- (h) In accordance with Section 2.12:

Section 1:

All Lots bordering the exterior boundaries of the Subdivision, further identified as Section 1, Block 1, Lots 1 thru 26 shall maintain a twenty five foot (25') no cut buffer along the rear property lines.

The lots bordering the Green Belt and Detention Reserve areas will have a twenty five foot (25') no cut buffer on the rear of the lot line, except that they may cut one 10 foot (10') path from their property for access to the Green Belt and Detention Reserve area. Those lots are further identified as Section 1, Block 2, Lots 6, 7, 9 thru 27 and Block 3, Lots 1, 6 thru 13, 16 thru 27 and 29 thru 32.

Section 2:

There is a 25' Walking Trail along the rear of Section 2, Block 2, Lots 1-8;

The lots bordering the Green Belt and Detention Reserve areas will have a twenty five foot (25') no cut buffer on the rear of the lot line, except that they may cut one 10 foot (10') path from their property for access to the Green Belt and Detention Reserve area. Those lots are further identified as Section 2, Block 2, Lot 8 and Block 3 Lots 1-3.

Section 3:

All Lots bordering the exterior boundaries of the Subdivision, which adjoin private property, further identified as Section 3, Block 3, Lots 1-2, shall maintain a twenty five foot (25') no cut buffer along the rear or side property lines as applicable.

The lots bordering the Green Belt and Detention Reserve areas will have a twenty five foot (25') no cut buffer on the rear of the lot line, except that they may cut one 10 foot (10') path from their property for access to the Green Belt and Detention Reserve area. Those lots are further identified as Section 3 Block 3 Lots 7-15, Block 6 Lot 1 and Block 7 Lots 1-2.

3.16 Inspections:

The fee for Architectural Committee review is \$1,000, as referenced in the Site and Building Requirements. This fee is subject to change. The fee must be paid to the Committee at such time as application for architectural approval is made to the Committee, which fee shall be used for an independent inspection and to defray the expense for plan and site review and final building inspect. In the event construction requirements are incomplete or rejected at the time of inspection and it becomes necessary to have additional building inspections; an additional fee, in an amount to be determined by the Committee, must be paid to the Committee prior to each building inspection. The fee for submittal of a variance request shall be \$250.00, per variance request application. This non-refundable fee must be paid prior to ARC review of the request.

3.17 Garbage, Trash and Manure Disposal:

All trash cans and bins may be placed at the curb the day of pick up and must be removed within 24 hours and stored from street view. Garbage, trash, manure or other refuse accumulated in the Subdivision shall not be permitted to be dumped at any place upon adjoining land which creates a nuisance to an Owner. No Lot shall be used or maintained as a dumping ground for rubbish or landfill. Trash, garbage, manure or other waste shall be kept in sanitary containers and shall be disposed of regularly. All equipment for the storage or disposal of such material shall be kept in a clean and sanitary condition. Livestock and poultry areas shall be kept clean and odor free, with all manure either removed or spread over an adequate area to disseminate same on a regular basis.

3.18 Junked Automobiles Prohibited:

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

3.19 Signs:

Property Owners that do not comply with the following are subject to a \$250 fine. No signs, advertisement, billboard or advertising structure of any kind may be erected or maintained on any Lot without prior written consent of the Committee, except one (1) professionally made sign made by a sign company approved by the Owners Association, of uniform aesthetic design, advertising a Dwelling for sale or rent, may be placed on such improved Lot. With prior written consent of Developer or the Committee, a model home as indicated in Section 3.7, may erect one (1) professionally made 16 square foot (16 sq.ft.) minimum to 32 square foot (32 sq. ft.) maximum

sign advertising the model home or inventory home of, or advertising the Builders of, the Dwelling.

A property owner may allow builder to install an Association-approved sign no larger than thirty-two square feet (32 sq.ft.) on their Lot. A "builder sign" may be installed during the construction period of the Dwelling, during the period starting when the home construction contract has been signed and ending within one month following the final inspection by the Association, not to exceed an eighteen (18) month period. In addition to the previously mentioned "builder sign", every active construction site must include the standard Owners Association Construction Sign, at a nominal fee. No signs shall be permitted on unimproved Lots, except by the Developer. Developer or any member of the Committee shall have the right to remove any unapproved sign, advertisement or billboard or structure which is placed on any Lot in violation of these restrictions, and in doing so, shall not be liable, and are hereby expressly relieved from, any liability for trespass or other tort in connection therewith, or arising from such removal. After the Transition Date the Board of Directors will develop a uniform sign code for Owners wishing to sell their lots.

3.20 Livestock and Animals:

No animals, livestock or poultry of any kind shall be raised, bred or kept on any Lot, except that dogs, cats or other common household pets, one (1) horse per acre (as indicated in Section 3.21) may be kept on Lots consisting of at least two (2) acres and a maximum of two (2) chickens per acre owned will be allowed, provided that they are not kept, bred or maintained for commercial purposes and do not become a nuisance or threat to other Owners. Provided, however, calves, chickens, sheep or goats being raised for FFA or 4-H school sponsored programs will be permitted on Lots. The maximum number of animals kept for FFA or 4-H purposes shall be two (2) livestock plus six (6) chickens (e.g., two (2) calves and six (6) chickens; or one (1) calf, one (1) goat and six (6) chickens, etc.). No pigs, hogs, llamas, alpacas, emus, peacocks, ostriches or reptiles will be permitted under any circumstances or school sponsored programs. All Livestock, animals and common household pets are prohibited from living onsite prior to receiving final inspection approval and permanent residence occupancy.

3.21 Horse Provisions:

The number of horses kept on a Lot shall not exceed the total number of animals allowed of one (1) horse per acre on Lots consisting of at least two (2) acres. Additionally, a suitable facility is required to be constructed to meet the maximum number of horses. The fenced area must equal a minimum of one (1) acre per two (2) horses. The fencing of horses shall be in conformance with Section 3.11 and shall be approved in writing by the Committee prior to installation. The facade of the structures must be analogous with the facade of the Dwelling. Prefab metal barns are allowed provided they are sided with the lesser of a four feet (4') high wainscot on all four exterior sides or fifty percent (50%) of the exterior of the building as stone, stucco or brick (matching the Dwelling), and the remaining metal be of colors in harmony with the Dwelling and natural surroundings (earth tones) or glass for windows. The construction is to be done in a professional manner. Covered, but un-enclosed structures (i.e. mare motels) are permitted for

use as shades in pastures but are not to be considered a replacement for permanent accepted suitable facilities. Temporary structures are not allowed.

3.22 Logging & Mineral Development:

Except within the areas designated as Drill Sites on the Plat, and easements related thereto, no commercial logging, oil drilling, oil development operations, oil refining, quarrying or mining operation of any kind shall be permitted on or under any Lot, nor shall any wells, tanks, tunnels, mineral excavation, or shafts be permitted on or under any Lot and, no derrick or other structures designed for the use of boring for oil or natural gas be erected, maintained or permitted on or under any Lot. Provided, however, that this provision shall not prevent the leasing of the Lots or any portion thereof, for oil, gas and mineral purposes and the development of same, it being contemplated that the portion or portions of the Lots may be developed from adjacent lands by directional drilling operations or from Drill Sites designated on the Plat.

3.23 Drainage:

- (a) Each Owner agrees for himself/herself, his/her heirs, legal representatives, assigns or successors-in-interest that he/she will not in any way interfere with the established drainage pattern over his/her Lot from other Lots, and he will make adequate provisions for the drainage of his Lot (which provisions for drainage shall be included in the Owner's plans and specifications submitted to the Committee and shall be subject to the Committee's approval). For the purposes hereof, "established drainage" is defined as the drainage, including Private Drainage Easements, Private Drainage Areas, Detention Pond Easements, Variable Width Drainage Easements etc., which existed at the time that the overall grading of the Subdivision, including landscaping of any Lot, was completed by Developer.
- (b) Each Owner and/or Builder, unless otherwise approved by the Committee, must finish the grade of the Lot so as to establish good drainage from the rear of the Lot to the front street or from the building site to the front and rear of the Lot as dictated by existing drainage ditches, swales and lakes constructed by Developer or utility districts for drainage purposes. No pockets or low areas may be left on the Lot (whether dirt or concrete) where water will stand for more than twenty-four (24) hours following a rain or during watering. With the approval of the Committee, an Owner may establish an alternate drainage plan for low areas by installing underground pipe and area inlets or by installing an open concrete trough with area inlets, however, the drainage plan for such alternate drainage must be submitted to and approved by the Committee prior to the construction thereof. The Committee's sole function in reviewing drainage plans is to see if the drainage pattern has been or will be altered by the proposed construction and to make a determination if Owner and/or Builder has evaluated the effects of their construction and to make a determination of the effect of potential flowing and rising water that may affect the submitted improvements.

- (c) The Subdivision has been designed and constructed utilizing surface drainage in the form of ditches and swales and, to the extent these drainage ditches and swales are located in front, side or rear Lot easements, Owners shall not re-grade or construct any improvements or other obstruction on the Lot which adversely affects the designed drainage flow. Owner shall be responsible for returning any drainage swale disturbed during construction or thereafter to its original line and grade, and Owner shall be responsible for maintaining the drainage ditches or swales appurtenant to said Owner's Lot in their original condition during the term of his ownership.
- (d) All Owners and/or Builders shall comply with the National Pollutant Discharge Elimination Rules and Regulations applicable to their respective Lot(s) as required by EPA under the Water Quality Act of 1987 amending the Clean Water Act, as said laws, rules and regulations may be amended from time to time.
- (e) It is the responsibility of the Lot owner to maintain any drainage swales or ditches so that the flow of rainwater is not impeded. At the discretion of the Association, or its assigns, the Association or its assigns may enter onto an Owner's drainage swales or easements for the purpose removing silt and/or re-grading to improve roadside drainage or to prevent damage to road systems at the Association's expense.
- (f) Based on calculations made from available data, an Owner may construct impervious cover (structures, driveways, sidewalks, etc.) Improvements up to a "total square footage "equal to 6,534 square feet or ten (10) percent (%) of the total area of the lot, whichever is greater. Any impervious area that exceeds this limit will require a drainage study by a licensed civil engineer be submitted to and approved by Montgomery County. See plat notes and individual plats for lots that contain drainage easements for any restrictions. These are further identified in the ISLA Property Report.
- (g) Capture of streams and water courses is prohibited on any Lot.
- (h) Placement of building materials, trash dumpsters, port-a-johns, vehicles or any other obstruction to the roadside ditches is strictly prohibited and subject to a \$500/day fine per incident.
- (i) There may be fines associated with any damage of roadside ditches and removal of existing vegetation. At final inspection, if builder has not repaired any damage to the ARC's satisfaction, and re-grading or re-vegetation is required, an estimate will be given for repairs which will be carried out according to ARC discretion. This cost will be withheld from the Compliance and Damage Deposit.

3.24 Lot Maintenance:

All Lots, at Owner's sole cost and expense, shall be kept at all times in a neat, attractive, healthful and sanitary condition, and Owner or occupant of all Lots shall keep all weeds and grass thereon (outside of natural vegetation areas) cut and shall in no event use any Lot for storage of materials or equipment except for normal residential requirements or incident to construction of improvements thereon as herein permitted, or to permit the accumulation of garbage, trash or rubbish of any kind thereon, and shall not burn any garbage, trash or rubbish. Provided, however, the burning of underbrush and trees solely during Lot clearing shall be permitted and the burning of leaves or other natural debris shall be permitted, provided such burning shall not exceed twice a year and is conducted in accordance with applicable governmental regulations. All yard equipment or storage piles shall be kept screened by a service yard or other similar facility as herein otherwise provided, to conceal them from view of neighboring Lots, streets or other Property. Such maintenance includes, but is not limited to the following:

- a. All trash cans and bins may be placed at the curb the day of pick up and must be removed within 24 hours and stored from street view. Prompt removal of all litter, trash, refuse and wastes, as defined by the ARC.
- b. Lawn mowing (outside of the natural vegetation areas).
- c. Tree and shrub pruning (outside of the natural vegetation areas).
- d. Keeping exterior lighting and mechanical facilities in working order.
- e. Keeping lawn and garden areas alive, free of weeds, and attractive.
- f. Keeping parking areas, walkways and driveways in good repair.
- g. Complying with all government health and policy requirements.
- h. Repainting of improvements.
- i. Repair of exterior damage to improvements.
- j. Lots may be underbrushed during the period prior to building. If a property is underbrushed prior to building, the vegetation removal must be maintained so that underbrushed properties do not grow over with brush in a way that compromises the aesthetic appeal of the community. The minimum requirement for maintenance of an underbrushed, undeveloped lot is every six months. Failure to accommodate this minimum requirement may result in a fine sufficient for the POA to hire for and commence the underbrushing. See requirements for Lot Clearing with machinery, Section 3.6 and Section 3.15. Once any Lot has received its final inspection, it shall be the Lot Owner's responsibility to mow and maintain their street front drainage ditch as an extension of their property/lawn.

In the event of the failure of Owner to comply with the above requirements after ten (10) days written notice thereof, the Association or their designated agents may, in addition to any and all remedies, either at law or in equity, available for the enforcement of these restrictions, without liability to Owner, Builder or any occupants of the Lot in trespass or otherwise, enter upon (and/or authorize one or more others to enter upon) said Lot, to cut, or cause to be cut, such weeds and grass and remove, or cause to be removed, such garbage, trash and rubbish or do any other thing necessary to secure compliance with this Declaration, so as to place said Lot in a neat, attractive, healthful and sanitary condition, and may charge Owner, Builder or occupant of such Lot for the cost of such work and associated materials, plus a fee of \$25.00 or ten percent (10%), whichever is greater, for each instance. Payment thereof shall be collected as an additional Maintenance Charge (defined in Section 6) and shall be payable on the first day of the next calendar month.

3.25 Exterior Maintenance of Buildings:

In the event an Owner should allow any building on his Lot to fall into disrepair and become in need of paint, repair or restoration of any nature and become unattractive and not in keeping with the neighborhood ("Disrepair"), the Association and/or Developer will give such Owner written notice of the disrepair (the "Notice of Disrepair"). In the event Owner fails to begin and continue at a diligent, reasonable rate of progress to correct the Disrepair within fifteen (15) days of Owner's receipt of the Notice of Disrepair, the Association and/or Developer, in addition to any and all remedies, either at law or in equity, available for the enforcement of these Restrictions, may at its sole discretion enter upon said Lot, without liability to Owner, to do or cause to be done any work necessary to correct the Disrepair. Owner thereof shall be billed for cost of necessary repairs, plus ten (10%) percent. All monies so owed the Association will be an additional Maintenance Charge (defined in Section 6) and shall be payable on the first day of the next calendar month.

3.26 Storage of Automobiles and Other Vehicles and Equipment:

Without limiting the foregoing, the following restrictions shall apply to all Lots:

- a. No automobile, truck, van, bus, motorcycle, ATV, boat, jet ski, aircraft, travel trailer, motor home, camper body, tractor, lawn equipment, horse trailer, or similar vehicle or equipment (collectively, "Vehicles and Equipment") may be parked or stored in the front of any Dwelling or parked on any street in the Subdivision, nor shall any such Vehicles and Equipment be parked for storage to the side or rear of any Dwelling unless completely concealed from public view. All boats so parked and stored on any Lot must at all times be stored on a trailer, provided any boat shall be stored in a garage. No such Vehicles and Equipment shall be used as a residence either temporarily or permanently. This parking restriction shall not apply to any Vehicles and/or Equipment temporarily parked between the hours of 7:00 am and 8:00 pm and in use by a subcontractor for the construction, maintenance or repair of a Dwelling.

b. Commercial vehicles shall not be permitted to park within the Subdivision, except those used by a Builder during the construction of improvements on Lots or in the Common Area. Commercial vehicles shall not be allowed to park overnight within the Subdivision, except cars, vans and trucks with a maximum load capacity of one ton, used by the homeowner as a "company car" or transportation to and from work. **Under no circumstances shall any on street parking be allowed.**

c. No Vehicles and Equipment of any size which transports flammable or explosive cargo may be kept in the Subdivision at any time.

d. No Vehicles and Equipment shall be parked or stored in an area visible from any street, except passenger automobiles, passenger vans, motorcycles and pick-up trucks that are in operating condition and have current license plates and inspection stickers and are in daily use on the streets and highways of the State of Texas, and all such automobiles, passenger vans, motorcycles and/or pick-up trucks shall be parked in a driveway or garage and may not be parked in a yard.

3.27 Views, Obstructions and Privacy:

In order to promote the aesthetic quality of "view" within the Subdivision, the Committee shall have the right to review and approve, or prohibit, any item placed on a Lot including, but not limited to the following:

- a. The probable view from second story windows and balconies and decks (particularly where there is potential invasion of privacy to an adjoining neighbor);
- b. Sunlight obstructions;
- c. Roof top collectors;
- d. Flagpoles, flags, pennants, ribbons, streamers, wind sock and weather vanes;
- e. Exterior storage sheds, pergolas and the like;
- f. Fire and burglar alarms which emit lights and sounds;
- g. Children playground or recreational equipment;
- h. Exterior lights;
- i. Ornamental statuary, sculpture and/or yard art visible from a street or common area excluding those which may be a part of an otherwise approved landscape plan;

- j. The location of the Dwelling on the Lot and; and
- k. The location of satellite dishes and antennas.

Prohibited Items. The following items are prohibited on any Lot:

- a. Above ground swimming pools;
- b. Visible window unit air conditioners and any window unit air conditioners on Dwellings.
- c. Signs (except for signs permitted in Section 3.19 hereof); and
- d. Unregistered, unlicensed or inoperable Vehicles and Equipment.

3.28 Antennas and Satellite Dishes:

No electronic antenna or device for receiving or transmitting any signal other than an antenna for receiving normal television, marine signals, citizens band signals or cellular telephone signals shall be erected, constructed, placed or permitted to remain on any Lot, Dwelling, garage or other buildings unless otherwise approved by the Committee. The Committee's decision shall be final.

No satellite dish may be maintained on any portion of any Lot outside the building lines of said Lot or forward of the front of the Dwelling thereon. A satellite dish may not exceed thirty (30") inches in diameter and must be mounted as inconspicuously as possible to the rear of the Dwelling. All satellite dishes must be placed on the rear facing roof pitch of the Dwelling whenever possible, and secondarily may be placed on a side facing exterior wall or roof pitch if required for adequate signal. Any satellite dishes which are not placed on a rear facing roof pitch will require written verification from the dish or installation company that such placement was a signal requirement. However, in no event may the top of the satellite dish be more than two (2') feet above the roofline for roof mounted antennas or receivers. All dishes shall be of one solid color or black or earth tones of brown, grey or tan. No multicolored dishes shall be permitted. No more than two (2) satellite dishes will be permitted on each Lot. No transmitting device of any type which would cause electrical or electronic interference in the neighborhood shall be permitted. The Association reserves the right to seek the removal of any device that was installed that violates these restrictions. The Committee may vary these restrictions only as is necessary to comply with the Federal Communications Act (the "Act") and the Committee may promulgate rules and regulations in accordance with the Act.

3.29 Solar Panels:

All solar panels shall be framed in such a manner so the structure members are not visible and shall be installed in a location not visible from the public street in front of the Dwelling. Solar panels may be installed on a roof in a location visible from the public street in front of the

Dwelling provided the owner can provide the committee with calculations from the installation company demonstrating that the alternate location increases the estimated annual energy production of the device, as determined by using a publicly available modeling tool provided by the National Renewable Energy Laboratory, by more than ten percent (10%) above the energy production of the device if located in an area designated by the property owners' association (Texas Property Code, Sec. 202.010(d)(5)(B)). The framing material shall be one that is in harmony with the rest of the Dwelling or permitted structure. Written approval from the Committee is required prior to the installation of any solar panels. The Association reserves the right to seek removal of any solar panels installed without first obtaining written approval from the Committee or for any solar panels violating these restrictions.

3.30 Wind Generators:

No wind generators shall be erected or maintained on any Lot if said wind generator is visible from any other Lot or public street.

3.31 Drying of Clothes in Public View:

The drying of clothes in public view is prohibited, and Owners or occupants of any Lots at the intersection of streets or adjacent to parks, playgrounds, or other facilities where the rear yard or portion of the Lot is visible to the public, shall construct and maintain a drying yard or other suitable enclosure to screen drying clothes from public view.

3.32 On-Street Parking:

On-street parking is prohibited within the Subdivision and may never block the roadway. Contractors, vendors and deliveries, may park on the street during construction of a home but may not block the roadway. No overnight parking of contractor equipment or vehicles is allowed. This shall be strictly enforced.

3.33 Hazardous Substances:

No Lot shall be used or maintained as a dumping ground for rubbish or trash and no garbage or other waste shall be kept except in sanitary containers. All incinerators or other equipment for the storage and disposal of such materials shall be kept in a clean and sanitary condition. Notwithstanding the foregoing, no "Hazardous Substance" shall be brought onto, installed, used, stored, treated, buried, disposed of or transported over the Lots or the Subdivision, and all activities on the Lots shall, at all times, comply with Applicable Law. The term "Hazardous Substance" shall mean any substance which, as of the date hereof, or from time to time hereafter, shall be listed as "hazardous" or "toxic" under the regulations implementing The Comprehensive Environmental Response Compensation and Liability Act ("CERCLA"), 42 U.S.C. §§9601 et seq., The Resource Conservation and Recovery Act ("RCRA"), 42 U.S.C. §§6901 et seq., or listed as such in any applicable state or local law or which has been or shall be determined at any time by any agency or court to be a hazardous or toxic substance regulated under applicable

law. The term "Applicable Law" shall include, but shall not be limited to, CERCLA, RCRA, The Federal Water Pollution Control Act, 33 U.S.C. §§1251 et seq. and any other local, state and/or federal laws or regulations that govern the existence, cleanup and/or remedy of contamination on property, the protection of the environment from spill deposited or otherwise in place contamination, the control of hazardous waste or the use, generation, transport, treatment, removal or recovery of hazardous substances, including building materials.

3.34 Access:

Lots fronting on FM 1097 and/or Tanyard Rd are prohibited from direct access to FM 1097 and/or Tanyard Rd. All Lots must utilize Subdivision roads for access. No Lot located within the Subdivision may be used for vehicular ingress or egress (entrance or exit) from the subdivision to any neighboring property for any reason.

3.35 Propane Tanks:

Propane Tanks must be buried underground. In addition, the location of the propane tank must be shown on the site plan submitted for ARC approval.

3.36 Subdivision of Lots:

No single Lot shall be further sub-divided. A composite lot may be reconfigured into no greater than the number of lots than originally were composited in accordance with Section 3.2

4. Architectural Review Committee

4.1 Basic Control:

- a. No building, fencing, horse fencing or other improvement of any character shall be erected or placed, or the erection, or placing thereof commence, or changes made in the design or exterior appearance thereof, (including, without limitation, painting, staining or siding), or any addition or exterior alteration made thereto after original construction, or grading, excavation or leveling of a Lot, or demolition or destruction by voluntary action made thereto after original construction, on any Lot until the obtaining of the necessary approval (as hereinafter provided) from the Committee of the construction plans and specifications for the construction or alteration of such improvement or demolition or destruction of existing improvements by voluntary action. Approval shall be granted or withheld based on matters of compliance with the provision of this instrument, quality of materials, drainage, harmony of external design and color with existing and proposed structures in the Subdivision and location with respect to topography and finished grade elevation. The granting of approval shall in no way serve as a guaranty or warranty as to the quality of the plans or specification nor the habitability, feasibility or quality of the resulting improvements.

Republic Grand Ranch is a custom home development, as such the exact duplication of homes in terms of elevations and visible appearance from the road is discouraged though will be permitted on a case-by-case basis based on such considerations as minimum distance to any existing duplicated homes, and integrity of neighborhood home values.

It is the Property Owner's responsibility to ensure that the Builder has applied for and received all permits and approvals prior to the beginning of any construction activity.

If any construction activity, including but not limited to culvert installation, has begun prior to receiving final approval from the Architectural Review Committee, a fine of \$500.00 per day with a \$5,000.00 maximum will be imposed until all work has stopped and ACC approval has been obtained. Such fine shall be due and payable prior to ARC approval. Owner shall also be responsible for all and any legal fees imposed in a "cease and desist" situation. It is the responsibility of the Builder and Owner to familiarize themselves with the specific details contained in the Site and Building Requirements (SBR) prior to making application to the ARC.

- b. The Association and the Developer are not an owner and do not own any portion of any Approved Builder's company or corporate equity. The Association and Developer do not warranty or in any way guarantee the work of any Builder within the Subdivision. It is incumbent upon each customer/landowner within Republic Grand Ranch to conduct their own due diligence and make their own, well-informed decision when choosing their home builder. It is each customer's/landowner's responsibility to negotiate their own contract with their chosen builder and maintain the appropriate relationship with their builder and not the responsibility of the Developer, POA or Committee to mediate or remedy any such disputes whatsoever. By purchasing property within Republic Grand Ranch, you are agreeing to hold harmless the Developer, Association and Committee from any and all issues that may exist between you and your chosen builder, for any and all reasons, including but not limited to home quality or warranty concerns, construction-site safety and cleanliness, home or site-prep pricing or price changes, contract negotiations or obligations, equitable and fair treatment, personality disputes and issues, timely completion of improvements and any project timeframe issues, subcontractor-related issues, weather or other natural or health related issues, tree removal issues, utility installation and connections, materials costs or overruns, etc.
- c. The sole authority for determining whether construction plans and specifications for proposed improvements are in compliance with the provision of this Declaration as to quality and color of materials, drainage, harmony of external design and color with existing and proposed structures and location with respect to topography, finished grade elevations and other relevant factors, rests with the Committee. Disapproval of plans and specifications, including location of proposed improvements, may be based by the Committee, which shall seem sufficient in the sole discretion of the Committee.

- d. **ARC Application & Building Fees:** Prior to any construction on a Lot, an application must be made to the Committee. Each application made to the committee shall be accompanied by an application fee of \$1,000.00. There is also a refundable damage deposit of \$5,500.00 which is paid for by your chosen Approved Builder. Along with these fees, (ii) professionally drawn plans and specifications for all proposed construction (initial or alterations) on such Lot, , (including a site plan drawn to a scale of 1"=20' for the location of all building footprints, proposed septic, propane tank, driveway, walkways, concrete washout area and the setbacks from all Lot lines, drainage easements, etc., and samples of the siding, roofing, rock, in the colors to be used.) A drainage plan for the Lot, plot plans showing location and elevation of the improvements on the Lot and dimensions of all proposed walkways, driveways, and all other matters relevant to architectural approval are required. The application shall contain the total square footage of Impervious Area proposed. Initially, the address of the Committee shall be the address of the principal office of Developer or the Association. Any and all other required city, county, or state permits must be submitted via the ARC Online Portal.

The amount of the application review fee and the damage deposit are subject to change and must be submitted with the application, to begin the application process. Owner will be notified in writing by the ARC for approval, disapproval or incomplete applications. The Committee may set reasonable application and inspection fees, as well as the damage deposit. Owner must obtain from the Committee a receipt for said plans indicating the date said plans are received by the Committee.

- e. The Site and Building Requirements, as issued by the Developer, and recorded in Montgomery County, Texas, shall rule in conjunction with the Declaration of Covenants, Conditions and Restrictions. Please refer to the Republic Grand Ranch Site and Building Requirements for further clarification and more specific information regarding the building requirements for Republic Grand Ranch. Should ambiguity, or discrepancy exist between the Republic Grand Ranch Site and Building Requirements and these Conditions, Covenants and Restrictions, the stricter or more specific of the two documents shall be considered correct and enforceable.
- f. **Approved Builders:** Only Approved Builders that have been pre-approved by the Developer or assigns will be permitted to "build-on-your-lot" within the Subdivision.

Only in Section 1 of the Subdivision shall a Builder be permitted to build a speculative home with the intent to sell, on any Lot they own within Section 1, assuming they abide by the same guidelines required of all construction within the Subdivision.

The Developer or its assigns reserves the right to continue to use an Approved Builder Program at their option.

4.2 Architectural Review Committee:

- a. The authority to grant or withhold architectural review approval as referred to above is initially vested in Developer, provided, however, the authority of Developer shall cease and terminate upon the election of the Board of Directors, in which event such authority shall be vested in and exercised by the Committee (as provided in (b) below), except as to plans and specifications and plot plans theretofore submitted to Developer which shall continue to exercise such authority over all such plans, specifications and plot plans. The term "Committee", as used in this Declaration, shall mean or refer to Developer or to the Committee composed of Members of the Association or Consultants, appointed by the Board of Directors, as applicable.
- b. After the Transition Date the Board of Directors shall appoint an Architectural Review Committee consisting of not less than three (3) nor more than five (5) Members of the Association or Non-Members that are appointed by the Board and shall review all plans and sample materials required herein to be submitted to the Committee for approval and exercise all other design review powers delegated to the Committee in this Declaration, the Association Bylaws and the Site and Building Requirements. The members of the Committee shall incur no liability for their acts or omissions.

4.3 Effect of Inaction:

Approval or disapproval as to architectural review matters as set forth in the preceding provisions of this Declaration shall be in writing. In the event that the authority exercising the prerogative of approval or disapproval (whether Developer or the Committee) fails to approve or disapprove in writing any plans and specifications and plot plans received by it in compliance with the preceding provisions within thirty (30) days following such submission, such plans and specifications and plot plans shall be deemed approved and the construction of any such buildings and other improvements may be commenced and proceeded with in compliance with all such plans and specifications and plot plans and all of the other terms and provisions hereof. The time to approve or disapprove shall not commence until professionally drawn plans and all the required information, as indicated in Section 4.1(d) have been submitted to the Committee. Professionally drawn plans shall mean those plans prepared in sufficient detail to allow the Committee to review in accordance with the criteria set forth herein.

4.4 Effect of Approval:

The granting of the aforesaid approval (whether in writing or by lapse of time) shall constitute only an expression of opinion by the Committee that the terms and provisions hereof shall be complied with if the building and/or other improvements are erected in accordance with said plans and specifications and plot plans; and such approval shall not constitute any nature of waiver or estoppel either as to the persons expressing such approval or any other person in the event that such building and/or improvements are not constructed in accordance with such plans and specifications and plot plans, but, nevertheless, fail to comply with the provisions hereof. Further, no person exercising any prerogative of approval or disapproval shall incur any liability by reason of the good faith exercise thereof.

4.5 Minimum Construction Standards:

Developer or the Committee may from time to time promulgate an outline of minimum acceptable construction standards, referred to as the "Site & Building Requirements"; provided, however that such outline will serve as a minimum requirement only and Developer or the Committee shall not be bound thereby.

4.6 Variance:

Developer or after the Transition Date, the Committee, with the Board of Directors' approval, as the case may be, may authorize variances from compliance with any of the provisions of this Declaration or minimum acceptable construction standards or regulations and requirements as promulgated from time to time by Developer or the Committee, when circumstances such as topography, natural obstructions, Lot configuration, Lot size, hardship, aesthetic or environmental consideration may require a variance. Developer and the Committee reserve the right to grant variances as to building setback lines, minimum square footage of the Dwellings, fences and other items. Such variances must be evidenced in writing and shall become effective when signed by Developer or by at least a majority of the members of the Committee. If any such variances are granted, no violation of the provisions of this Declaration shall be deemed to have occurred with respect to the matter for which the variance is granted; provided, however, that the granting of a variance shall not operate to waive any of the provisions of this Declaration for any purpose except as to the particular Property and particular provisions of this Declaration hereof covered by the variance, nor shall the granting of any variance affect in any way Owner's obligation to comply with all governmental laws and regulations affecting the Property concerned and the Plat.

If a variance to deviate from the Declaration of Covenants, Conditions and Restrictions or the Site and Building Requirements is requested, a non-refundable application fee of \$250.00 for each variance requested is required with the submittal form.

4.7 No Implied Waiver or Estoppel:

No action or failure to act by Developer, the Committee or by the Board of Directors shall constitute a waiver or estoppels with respect to future action by Developer, the Committee or Board of Directors with respect to the construction of any improvements within the Subdivision. Specifically, the approval by Developer, the Committee or Board of Directors of any such residential construction shall not be deemed a waiver of any right or an estoppel to withhold approval or consent for any similar residential construction or any similar proposals, plans, specification or other material submitted with respect to any other residential construction by such person or other Owners.

4.8 Disclaimer:

No approval of plans and specifications and no publication or designation of architectural standards shall ever be construed as representing or implying that such plans, specifications or standards will result in a properly designed structure or satisfy any legal requirements.

4.9 Subject to Association:

The Committee is a committee of the Association and is subject to supervision by Developer until the Transition Date, and thereafter by the Association. Without limitation of the foregoing, Developer, or the Association, as the case may be, has authority to remove members of the Committee with or without cause and to appoint successors to fill any vacancies which may exist on the Committee.

5. REPUBLIC GRAND RANCH PROPERTY OWNERS ASSOCIATION

5.1 Membership:

Every person or entity who is a record Owner of any Lot which is subject to the Maintenance Charge (or could be following the withdrawal of an exemption therefrom) and other assessments provided herein, including contract sellers, shall be a "Member" of the Association. The foregoing is not intended to include persons or entities who hold an interest merely as security for the performance of an obligation or those having only an interest in the mineral estate. No Owner shall have more than one membership for each Lot owned by such Member. Memberships shall be appurtenant to and may not be separated from the ownership of the Lots. Regardless of the number of persons who may own a Lot (such as husband and wife, or joint tenants, etc.) there shall be but one membership for each Lot. Additionally, upon the Transition Date, all members of the Board of Directors must be Members of the Association (as more particularly described in the bylaws of the Association (the "Bylaws")). Ownership of the Lots shall be the sole qualification for membership. The voting rights of the Members are set forth in Section 8.2 of this Declaration and in the Bylaws. The initial Board of Directors shall be designated by Developer.

5.2 Non-Profit Corporation:

The Association has been (or will be) organized as a non-profit corporation under the laws of the State of Texas and it shall be governed by its articles of incorporation ("Articles") and Bylaws; and all duties, obligations, benefits, liens and rights hereunder in favor of the Association shall vest in said corporation.

5.3 Bylaws:

The Association has adopted or may adopt whatever Bylaws it may choose to govern the organization or operation of the Subdivision and the use and enjoyment of the Lots and Common Area, provided that the same are not in conflict with the terms and provisions hereof.

5.4 Owner's Right of Enjoyment:

Every Owner shall have a beneficial interest of use and enjoyment in and to the Common Area and such right shall be appurtenant to and shall pass with the title to every assessed Lot, subject to the following provisions:

- a. the right of the Association, with respect to the Common Area, to limit the number of guests of Owners;
- b. the right of the Association to make rules and regulations regarding use of any Common Area and to charge reasonable admission and other fees for the use of any facility situated upon the Common Area;
- c. the right of the Association, in accordance with its Articles and Bylaws (and until the Transition Date, subject to the prior written approval of Developer), to borrow money for the purpose of improving and maintaining the Common Area and facilities (including borrowing from Developer or any entity affiliated with Developer);
- d. the right of the Association to suspend the Member's voting rights and the Member's and Related Users' (as hereinafter defined) right to use any recreational facilities within the Common Area during any period in which the Maintenance Charge or any assessment against his Lot remains unpaid;
- e. the right of the Association to suspend the Member's voting rights and the Member's and Related Users' right to use any recreational facilities within the Common Area, after notice and hearing by the Board of Directors, for the infraction or violation by such Member or Related Users of this Declaration or the "Rules and Regulations" defined in Section 8.12 hereof, which suspension shall continue for the duration of such infraction or violation, plus a period not to exceed sixty (60) days following the cessation or curing of such infraction or violation; and
- f. the right of the Association, subject, until the Transition Date, to the prior written approval of Developer, to dedicate or transfer all or any part of the Common Area to any public agency, authority or utility, for such purposes and subject to the provisions of this Declaration.

5.5 Delegation of Use:

Any Member may delegate, in accordance with the Bylaws, his right of enjoyment to the Common Area and facilities to the Member's immediate family living in the Member's Dwelling, and his contract purchasers who reside on the Lot (collectively the "Related Users").

5.6 Transition Date:

At the discretion of Developer at any time, or otherwise if not previously transferred, then at such time as one hundred percent (100%) or more of all sections of the Subdivision are conveyed

by Developer (from time to time hereafter referred to as the "Transition Date"), Developer shall cause an instrument transferring control of the Subdivision to the Association to be placed of record in the Real Property Records of Montgomery County, Texas (which instrument shall include the Transition Date).

The Developer, as the Association's initial Board, shall call a meeting of the Members for the purpose of turning over the operation and control of the Association to the Members (Transition Date) and shall give notice not less than thirty (30) days prior to said meeting. Votes received by Members representing at least thirty-five percent (35%) of the votes entitled to be cast shall constitute a quorum for the transition meeting. Prior to said meeting the Members shall elect, by a majority vote, a minimum of five (5) and a maximum of nine (9) Directors to the Board. The election results shall be announced during the meeting. So long as Declarant owns any Parcel in the Project at the time of the Transition Date, Developer, acting on behalf of Declarant, may exercise its voting rights by casting the number of votes it still retains at the time. Immediately following the transition meeting, the newly elected Board may hold their first Board meeting for the purpose of electing officers and conducting any other business of the directors. Following the Board meeting, the Association may hold its first annual meeting of the Members.

6. MAINTENANCE FUND

6.1 Maintenance Fund Obligation:

Each Owner by acceptance of a deed therefor, whether or not it shall be expressed in any such deed or other conveyance, is deemed to covenant and agrees to pay to the Association, in advance, an annual maintenance charge on January 1st of each year as provided in Section 6.2 below (the "Maintenance Charge"), and any other assessments or charges hereby levied. The Maintenance Charge and any other assessments or charges hereby levied, together with such interest thereon and costs of collection thereof, including reasonable attorney's fees, shall be a charge on the Lots and shall be a continuing lien upon the Property against which each Maintenance Charge and other charges and assessments are made.

6.2 Basis of the Maintenance Charge:

- a. The Maintenance Charge shall be used to create a fund to be known as the "Maintenance Fund", which shall be used as herein provided; and each such Maintenance Charge (except as otherwise hereinafter provided) shall be paid by Owner to the Association annually, in advance, on or before the first day of January of each calendar year, or on such other date or basis (monthly, quarterly, or semi-annually) as Developer or the Board of Directors may designate in its sole discretion.
- b. Any Maintenance Charge not paid within thirty (30) days after the due date shall bear interest from the due date at the lesser of (i) the rate of eighteen percent (18%) per annum or (ii) the maximum rate permitted by law. The Association may bring an action at law against Owner personally obligated to pay the same or foreclose the hereinafter described lien against Owner's Lot. No Owner may waive or otherwise

escape liability for the Maintenance Charge by non-use of any Common Area or recreational facilities available for use by Owners or by the abandonment of his Lot.

- c. The exact amount of the Maintenance Charge applicable to each Lot will be determined by Developer until the Transition Date, and thereafter by the Board of Directors during the month preceding the due date of the Maintenance Charge. The initial annual Maintenance Charge shall be \$495.00 per Lot. Any increase in the Maintenance Charge in excess of ten (10%) percent from the immediate previous year must be approved by the Members pursuant to the Bylaws. All other matters relating to the Maintenance Charge and the collection, expenditures and administration of the Maintenance Charge shall be determined by Developer or the Board of Directors, subject to the provisions hereof and in the Bylaws.
- d. The Maintenance Charge described in this Section 6 and other charges or assessments described in this Declaration shall not apply to the Lots owned by Developer. Developer, prior to the Transition Date, and the Association, from and after the Transition Date, reserve the right at all times in their own judgment and discretion, to exempt any Lot (each, an "Exempt Lot") from the Maintenance Charge, in accordance with Section 6.7 hereof. If an Exempt Lot is sold to any party, the Maintenance Charge shall be automatically reinstated as to the Exempt Lot and can only be waived at a later date pursuant to the provisions of the preceding sentence. Developer, prior to the Transition Date, and the Association, from and after the Transition Date, shall have the further right at any time, and from time to time, to adjust or alter the Maintenance Charge from month to month, subject to the provisions in the Bylaws.
- e. The Board of Directors, from time to time by the adoption of a resolution for such purpose, may levy and impose, against each Lot, a special assessment for a specific amount, which shall be equal for each such Lot, for the purpose of purchasing equipment or facilities for roadways, Common Area or common facilities in the Subdivision and/or for defraying in whole or in part the cost of constructing new capital improvements or altering, remodeling, restoring or reconstructing previously existing capital improvements upon such roadways, Common Area or common facilities, including fixtures and personal property related thereto. HOWEVER, any special assessment established for the purpose of such expenditures must be approved by a two-thirds (2/3) majority vote of the Members meeting a forty-five percent (45%) quorum requirement. The Owner of each Lot subject to such assessment shall pay his special assessment to the Association at such time or times and in such manner as provided in such resolution.

6.3 Creation of Lien and Personal Obligation:

In order to secure the payment of the Maintenance Charge and other charges and assessments (including, but not limited to, attorney's fees incurred in the enforcement of these Restrictions) hereby levied, a vendor's (purchase money) lien for the benefit of the Association shall be and is

hereby reserved in the deed from Developer to the purchaser of each Lot or portion thereof, which lien shall be enforceable through appropriate judicial and non-judicial proceedings by the Association. As additional security for the payment of the Maintenance Charge and other charges and assessments hereby levied, each Owner, by acceptance of a deed thereto, hereby grants to the Association a contractual lien on his/her Lot which shall be a charge on the land and shall be a continuing lien upon the Lot against which each such Maintenance Charge and/or other charges and assessments are made, and which may be foreclosed on by judicial foreclosure or by non-judicial foreclosure (including, as applicable, by expedited foreclosure) pursuant to the provisions of Section 51.002 of the Texas Property Code and Chapter 209 of the Texas Property Code, and any successor statutes) and any other applicable statutes, rules and regulations (collectively, as applicable, and as amended and supplemented from time to time, "Texas Foreclosure Law"). The Association shall comply with all written notices required by Texas Foreclosure Law, including, as applicable, notices required by Section 51.002, Section 209.010 and Section 209.011 of the Texas Property Code, respectively.

Each Owner hereby expressly grants the Association a power of sale in connection therewith. The Association shall, whenever it proceeds with non-judicial foreclosure pursuant to the provisions of said Section 51.002 of the Texas Property Code and said power of sale, designate in writing a trustee ("Trustee") to post or cause to be posted all required notices of such foreclosure sale and to conduct such foreclosure sale. The Trustee may be changed at any time and from time to time by the Association by means of a written instrument executed by the President or any Vice-President of the Association and filed for record in the Real Property Records of Montgomery County, Texas. In the event the Association has determined to non-judicially foreclose the lien provided herein pursuant to the provisions of said Section 51.002 of the Texas Property Code (and any successor statute) and to exercise the power of sale hereby granted, the Association shall mail to the defaulting Owner a copy of the notice of Trustee's sale ("Notice of Trustee's Sale") not less than twenty-one (21) days prior to the date on which said Trustee's sale is scheduled by posting the Notice of Trustee's Sale through the U.S. Postal Service, postage prepaid, certified, return receipt requested, properly addressed to such Owner at the last known address of such Owner according to the records of the Association. If required by law, the Association or Trustee shall also cause a copy of the Notice of Trustee's Sale to be recorded in the Real Property Records of Montgomery County, Texas. Out of the proceeds of such Trustee's sale, if any, there shall first be paid all expenses incurred by the Association in connection with such default, including reasonable attorney's fees and a reasonable trustee's fee; second, from such proceeds there shall be paid to the Association an amount equal to the amount in default; and third, the remaining balance shall be paid to such Owner. Following any such foreclosure, each occupant of any such Lot foreclosed on and each occupant of any improvement thereon shall be deemed to be a tenant at sufferance and may be removed from possession by any and all lawful means, including a judgment for possession in an action of forcible detainer and the issuance of a writ of restitution thereunder.

In the event of nonpayment by any Owner of any Maintenance Charge or other charge or assessment levied hereunder, the Association may, in addition to foreclosing the lien hereby retained and exercising the remedies provided herein, upon ten (10) days prior written notice

thereof to such nonpaying Owner, exercise all other rights and remedies available at law or in equity.

It is the intent of the provisions of this Section 6.3 to comply with the provisions of said Section 51.002 of the Texas Property Code relating to non-judicial sales by power of sale and Chapter 209 of the Texas Property Code relating to residential subdivisions, and in the event of the amendment of said Section 51.002 or said Chapter 209 of the Texas Property Code, or of any other Texas Foreclosure Law, hereafter, the President or any duly authorized officer of the Association, acting without joinder of any Owner or mortgagee or other person may, by amendment to this Declaration filed in the Real Property Records of Montgomery County, Texas, amend the applicable provision hereof so as to comply with said amendments to Section 51.002 or Chapter 209 of the Texas Property Code or other Texas Foreclosure Law, as applicable.

6.4 Notice of Lien:

In addition to the right of the Association to enforce the Maintenance Charge or other charge or assessment levied hereunder, each Owner hereby expressly grants to the Association the right to file a claim of lien against the Lot of the delinquent Owner by recording a notice ("Notice of Lien") setting forth (a) the amount of the claim of delinquency, (b) the interest and costs of collection, including reasonable attorney's fees, which have accrued thereon, (c) the legal description and street address of the Lot against which the lien is claimed and (d) the name of the Owner thereof. Such Notice of Lien shall be signed and acknowledged by an officer of the Association or other duly authorized agent of the Association. The lien shall continue until the amounts secured thereby and all subsequently accruing amounts are fully paid or otherwise satisfied. When all amounts claimed under the Notice of Lien and all other costs and assessments which may have accrued subsequent to the filing of the Notice of Lien have been fully paid or satisfied, the Association shall execute and record a notice releasing the lien upon payment by Owner of a reasonable fee as fixed by the Board of Directors to cover the preparation and recordation of such release of lien amount.

6.5 Liens Subordinate to Mortgages:

The liens described in this Section 6 and the superior title herein reserved shall be deemed subordinate to a first lien or other liens of any bank, insurance company, savings and loan association, university, pension and profit sharing trusts or plans, or other bona fide, third party lender, including Developer, which may have heretofore or may hereafter lend money in good faith for the purchase or improvement of any Lot and any renewal, extension, rearrangement or refinancing thereof. Each such mortgagee of a mortgage encumbering a Lot who claims title to such Lot pursuant to the remedies provided in the deed of trust or mortgage or by judicial foreclosure shall take title to the Lot free and clear of any claims for unpaid Maintenance Charges or other charges or assessments against such Lot which accrued prior to the time such transfer of title to a Lot. No such sale or transfer shall relieve such transferee of title to a Lot from liability for any Maintenance Charge or other charges or assessments thereafter becoming due or from the lien thereof. Any other sale or transfer of a Lot shall not affect the Association's lien for

Maintenance Charges or other charges or assessments. The Association shall make a good faith effort to give each such mortgagee sixty (60) days advance written notice of the Association's proposed foreclosure of the lien described in Section 6.1 hereof, which notice shall be sent to the nearest office of such mortgagee by prepaid United States registered or certified mail, return receipt requested, and shall contain a statement of delinquent Maintenance Charges or other charges or assessments upon which the proposed action is based provided, however, the Association's failure to give such notice shall not impair or invalidate any foreclosure conducted by the Association pursuant to the provisions of this Section 6.

6.6 Purpose of the Maintenance Charge:

The Maintenance Charge levied by Developer or the Association shall be used exclusively for the purpose of promoting the recreation, health, safety and welfare of Owners of the Subdivision and other portions of the Annexable Area which hereafter may become subject to the jurisdiction of the Association. In particular, the Maintenance Charge shall be used for any improvement or services in furtherance of these purposes and the performance of the Association's duties described herein, including the maintenance of the Common Area and structures, parks, detention pond areas, any greenbelt or drainage easements, roads or rights-of-way, and the establishment and maintenance of a reserve fund for maintenance of the Common Area and structures, parks, detention pond areas or drainage easements. The Maintenance Fund may be expended by Developer or the Association for any purposes which, in the judgment of Developer or the Association, will tend to maintain the Property values in the Subdivision, including, but not limited to, providing funds for the actual cost to the Association of all taxes, insurance, repairs, energy charges, replacement and maintenance of the Common Area, etc., as may from time to time be authorized by the Association. Payment of all legal and other expenses incurred in connection with the enforcement of all charges and assessments, conveyances, restriction and conditions affecting the Properties to which the Maintenance Fund applies, payment of all reasonable and necessary expenses in connection with the collection and administration of the Maintenance Charges and assessments, landscaping in the Common Area, utilities, insurance, taxes, employing policemen and a security force and doing any other thing or things necessary or desirable in the opinion of the Association to keep the Properties neat and in good order, or which is considered a general benefit of Owners or occupants of the Properties, it being understood that the judgment of the Association in the expenditure of the Maintenance Fund shall be final and conclusive so long as such judgment is exercised in good faith.

6.7 Exempt Property:

The following Property subject to this Declaration shall be exempt from the Maintenance Charge and all other charges and assessments created herein: (a) all Properties dedicated to and accepted by a local public authority; (b) the Common Area; and (c) all Properties owned by Developer, including those Lots which may be obtained through foreclosure, or owned by the Association; (d) Reserves; however, no land or improvements devoted to Dwelling use shall be exempt from the Maintenance Charge. Where the holder of a first deed of trust, including Declarant, obtains title to a Lot as a result of a trustee's sale, or deed in lieu of foreclosure, of

said first deed of trust, such acquirer of title, its successors and assigns, shall not be liable for the share of the Maintenance Charge by the Association chargeable to such Lot which became due prior to the acquisition of title to such Lot by such acquirer. Such acquirer shall be responsible, as any Owner, for the Maintenance Charge subsequent to the acquisition.

6.8 Handling of Maintenance Charges:

The collection and management of the Maintenance Charge or other charge or assessment levied hereunder shall be performed by Developer until the Transition Date, at which time Developer shall deliver to the Association all funds on hand together with all books and records of receipts and disbursements. Developer and, upon transfer, the Association, shall maintain separate special accounts for these funds, and Owners shall be provided at least annually, information on the Maintenance Fund as provided in Section 8.7 hereof.

7. DEVELOPER'S RIGHTS AND RESERVATIONS

7.1 Period of Developer's Rights and Reservations:

Developer shall have, retain and reserve certain rights as hereinafter set forth with respect to the Association from the date hereof, until the earlier to occur of (i) the Transition Date or (ii) Developer's written notice to the Association of Developer's termination of the rights described in Section 7 hereof. The rights and reservations hereinafter set forth shall be deemed accepted and reserved in each conveyance of a Lot by Developer to an Owner whether or not specifically stated therein and in each deed or other instrument by which any Property within the Common Area is conveyed by Developer. The rights, reservations and easements hereafter set forth shall be prior and superior to any other provisions of this Declaration and may not, without Developer's prior written consent, be modified, amended, rescinded or affected by any amendment of this Declaration. Developer's consent to any one such amendment shall not be construed as a consent to any other or subsequent amendment.

7.2 Right to Construct Additional Improvements in Common Area:

Developer shall have and hereby reserves the right (without the consent of any Owner), but shall not be obligated, to construct additional improvements within the Common Area at any time and from time to time in accordance with this Declaration for the improvement and enhancement thereof and for the benefit of the Association and Owners. Developer shall, upon the Transition Date, convey or transfer such improvements to the Association, and the Association shall be obligated to accept title to, care for and maintain the same as elsewhere provided in this Declaration.

7.3 Developer's Rights to Use Common Area in Promotion and Marketing of the Property and Annexable Area:

Developer shall have and hereby reserves the right to reasonable use of the Common Area and of services offered by the Association in connection with the promotion and marketing of land within the boundaries of the Property and Annexable Area. Without limiting the generality of the foregoing, Developer may erect and maintain on any part of the Common Area such signs, temporary buildings and other structures as Developer may reasonably deem necessary or proper in connection with the promotion, development and marketing of land within the Property and Annexable Area: may use Vehicles and Equipment within the Common Area for promotional purposes; and may permit prospective purchasers of land within the boundaries of the Property and Annexable Area, who are not Owners or Members of the Association, to use the Common Area or Annexable Area at reasonable times and in reasonable numbers; any may refer to the services offered by the Association in connection with the development, promotion, and marketing of the Property and Annexable Area, Further, Developer may establish Rules and Regulations for the use of the Common Areas in the Subdivision.

7.4 Developer's Rights to Grant and Create Easements:

Developer shall have and hereby reserves the right, without the consent of any Owner or the Association, to grant or create temporary or permanent easements, for access, utilities, pipeline easements, cable television systems, communication and security systems, drainage, water and other purposes incident to development, sale, operation and maintenance of the Subdivision, located in, on, under, over and across (i) the Lots or other Property owned by Developer, (ii) the Common Area and (iii) existing utility easements. Developer also reserves the right, without the consent of any Owner or the Association, to (i) grant or create temporary or permanent easements for access over and across the street and road within the Subdivision or other public roads for the benefit of owners of property, regardless whether the beneficiary of such easement own property which is hereafter made subject to the jurisdiction of the Association and (ii) permit owners of the property within the Annexable Area which is not made subject to the jurisdiction of the Association to use the recreational facilities of the Association and other Common Area, provided that said owners pay to the Association their proportionate share of the cost of operating and maintaining said recreational facilities and Common Area.

7.5 Developer's Rights to Convey Additional Common Area to the Association:

Developer shall have and hereby reserves the right, but shall not be obligated to, convey additional real property and improvements thereon, if any, to the Association as Common Area at any time and from time to time in accordance with this Declaration, without the consent of any Owner or the Association.

7.6 Annexation of Annexable Area:

Additional residential property and common areas outside of the Subdivision including, without limitation, the Annexable Area, may, at any time and from time to time, be annexed by Developer into the real property which becomes subject to the jurisdiction and benefit of the Association, without the consent of Owners or any other party; provided however, such additional residential

property outside of the Annexable Area may be made subject to the jurisdiction of the Association by Developer. The Owners of Lots in the Annexable Area, as well as all other Owners subject to the jurisdiction of the Association, shall be entitled to the use and benefit of the Common Area, provided that the Lots in the Annexable Area are impressed with and subject to the Maintenance Charge imposed hereby.

7.7 Developer's Right to De-Annex Property:

Notwithstanding any other provision of this Declaration, Developer shall have the right from time to time, at its sole option and without the consent of any Owner, the Board of Directors or any other person, to delete from the Property and remove from the effect of this Declaration one or more portions or Lots of the Property, so long as (i) the portion of the Property to be removed and deleted is owned by Declarant, or Owner of such portion of the Property executes and records an instrument approving such deletion and removal; and (ii) such deletion and removal would not deprive Owners of other parts of the Property of easements or rights-of-way necessary to the continued use of their respective portions of the Property (unless Declarant at the same time provides for reasonably adequate replacement easements or rights-of-way). Developer may exercise its rights of de-annexation in each case by executing and causing to be recorded an instrument which identifies the portion of the Property to be so deleted and removed and which is executed by each Owner of such portion of the Property to be so deleted and removed (if other than Declarant). The deletion and removal of such portion of the Property shall be effective upon the date such instrument is recorded; whereupon, the portion of the Property so deleted and removed shall thereafter for all purposes be deemed not a part of the Property subject to this Declaration. No such deletion and removal of a portion of the Property shall act to release such portion from the lien for assessments or other charges hereunder which have accrued prior to the effective date of such deletion and removal, but all such assessments or other charges shall be appropriately prorated to the effective date of such deletion and removal. Each portion of the Property deleted and removed pursuant hereto shall thereafter be deemed to be a part of the Annexable Area unless otherwise expressly provided to the contrary in the instrument recorded to effect such deletion and removal.

8. DUTIES AND POWERS OF THE ASSOCIATION

8.1 General Duties and Powers of the Association:

The Association has been formed to further the common interest of the Members. The Association, acting through the Board of Directors or through persons to whom the Board of Directors has delegated such powers (and subject to the provisions of the Bylaws), shall have the duties and powers hereinafter set forth and, in general, the power to do anything that may be necessary or desirable to further the common interest of the members, to maintain, improve and enhance the Common Area and to improve and enhance the attractiveness, desirability, and safety of the Subdivision and any portion of the Annexable Area which becomes subject to the jurisdiction of the Association. The Association shall have the authority to act as the agent to

enter into any and all contract on behalf of the Members in order to carry out the duties, powers and obligation of the Association as set forth in this Declaration.

8.2 Voting:

The total number of votes in the Association shall be on the basis of one (1) vote per Owner, per Lot, except that Developer shall have ten (10) votes for each Lot owned by Developer. The total number of Lots and therefore the total number of votes may also be increased or decreased from time to time by the annexation of Annexable Area or the de-annexation of Property, pursuant to Section 7 of this Declaration. Unless otherwise specifically provided herein or in the Bylaws, all Association matters requiring a vote of the Members shall be determined by a majority vote (i.e., a majority of the votes cast) so long as the quorum requirements are met. If more than one party is the Owner of a Lot, there must be unanimous agreement among those who own an interest, otherwise the vote(s) attributable to that Lot shall not be counted. Any action requiring a vote of the Members may take place one of three ways: (i) in person or by written proxy at a meeting, or (ii) by absentee ballot, or (iii) by written mail-in ballot in accordance with the Bylaws. If an Owner consolidates one or more Lots into a Composite Building Site, such Lot would be entitled to one (1) vote. At the time of an election, if an Owner is not current on any and all assessments owed, that Owner shall not be entitled to vote in any election or to hold any position within the Board of Directors, the Association or on any committee.

8.3 Quorum Requirement:

Unless otherwise stated herein or in the Bylaws, the number of votes received by the Association for most voting matters must represent forty-five percent (45%) of the total number of Members entitled to vote in order to constitute a quorum, whether the votes be cast in person, by proxy at a meeting, by absentee ballot or received as written mail-in votes.

8.4 Duty to Accept the Property and Facilities Transferred by Developer:

The Association shall accept title to a portion or all of the Common Area or other real property, including any improvements thereon and personal property transferred to the Association by Developer, and equipment related thereto, together with the responsibility to perform any and all administrative functions and recreation functions associated therewith (collectively herein referred to as the "Functions"), provided that such Property and the Functions are not inconsistent with the terms of this Declaration. Property interests transferred to the Association by Developer shall be within the boundaries of the Property or Annexable Area. Any Property or interest in Property transferred to the Association by Developer shall, except to the extent otherwise specifically approved by resolution of the Board of Directors, be transferred to the Association free and clear of all liens and mortgages (other than the lien for property taxes and assessments not then due and payable), but shall be subject to the terms of this Declaration, the terms of any declaration of covenants, conditions and restrictions annexing such Property to the Common Area, and all which do not materially affect Owners authorized to use such Property.

Except as otherwise specifically approved by resolution of the Board of Directors, no Property or interest in Property transferred to the Association by Developer shall impose upon the Association any obligation to make monetary payments to Developer or any affiliate of Developer including but not limited to, any purchase price, rent, charge or fee. The Property or interest in Property transferred to the Association by Developer shall not impose any unreasonable or special burdens of ownership of Property, including the management, maintenance, replacement, and operation thereof.

8.5 Duty to Manage and Care for the Common Area:

The Association shall manage, operate, care for, maintain and repair the Common Area and keep the same in a safe, attractive and desirable condition for the use and enjoyment of the Members. The duty to operate, manage and maintain the Common Area shall include, but not be limited to the following: (i) landscaping, maintenance, repair and replacement of the Nature Trails; (ii) maintenance, repair and replacement of the drainage easements; (iii) mowing of street rights-of-way and other portions of the Subdivision; and (iv) management, maintenance, repair and upkeep of the Common Area.

8.6 Other Insurance Bonds:

The Association shall obtain such insurance as may be required by law, including workmen's compensation insurance, and shall have the power to obtain such other insurance and such fidelity, indemnity or other bonds as the Association shall deem necessary or desirable.

8.7 Duty to Prepare Budgets:

The Association shall prepare budgets for the Association, which budgets shall include a reserve fund for the Maintenance of the Common Area.

8.8 Duty to Levy and Collect the Maintenance Charge:

The Association shall, in accordance with the Bylaws, levy, collect and enforce the Maintenance Charge and other charges and assessments as elsewhere provided in this Declaration.

8.9 Duty to Provide Annual Review:

The Association shall provide for an annual unaudited independent review of the accounts of the Association. Copies of the review shall be made available to any Member who requests a copy of the same upon payment by such Member of the reasonable cost of copying the same.

8.10 Duties with Respect to Architectural Approvals:

The Association shall perform functions to assist the Committee as elsewhere provided in Section 4 of this Declaration.

8.11 Power to Acquire Property and Construct Improvements:

In accordance with the Bylaws, the Association may acquire Property or an interest in Property (including leases) for the common benefit of Owners, including improvements and personal property. The Association may construct improvements on the Property and may demolish existing improvements.

8.12 Power to Adopt Rules and Regulations:

In accordance with the Bylaws, the Association may adopt, amend, repeal and enforce rules and regulations ("Rules and Regulations"), fines, levies and enforcement provisions as may be deemed necessary or desirable with respect to the interpretation and implementation of this Declaration, the operation of the Association, the use and enjoyment of the Common Area, and the use of any other Property, facilities or improvements owned or operated by the Association.

8.13 Power to Enforce Restrictions and Rules and Regulations:

The Association (and any Owner with respect only to the remedies described in (ii) below) shall have the power to enforce the provisions of this Declaration and the Rules and Regulations and shall take such action as the Board of Directors deems necessary or desirable to cause such compliance by each Member and each Related User. Without limiting the generality of the foregoing, the Association shall have the power to enforce the provisions of this Declaration and the Rules and Regulations by any one or more of the following means: (i) entry upon any Property after notice and hearing (unless a bona fide emergency exists in which event this right of entry may be exercised without notice (written or oral) to Owner in such manner as to avoid any unreasonable or unnecessary interference with the lawful possession, use or enjoyment of the improvements situated thereon by Owner or any other person), without liability by the Association to Owner thereof, for the purpose of enforcement of this Declaration or the Rules and Regulations; (ii) commencing and maintaining actions and suits to restrain and enjoin any breach or threatened breach of the provisions of this Declaration or the Rules and Regulations; (iii) exclusion, after notice and hearing, of any Member or Related User from use of any recreational facilities within the Common Area during and for up to sixty (60) days following any breach of this Declaration or the Rules and Regulations by such Member or any Related User, unless the breach is a continuing breach in which case exclusion shall continue for so long as breach continues; (iv) suspension, after notice and hearing, of the voting rights of a Member during and for up to sixty (60) days following any breach by such Member or a Related User of a provision of this Declaration or the Rules and Regulations, unless the breach is a continuing breach in which case such suspension shall continue for so long as such breach continues; (v) levying and collecting, after notice and hearing, an assessment against any Member for breach of this Declaration or the Rules and Regulation by such Member or a Related User which assessment reimbursed the Association for the costs incurred by the Association in connection with such breach; (vi) levying and collecting, after notice and hearing, reasonable and uniformly applied fines and penalties, established in advance in the Rules and Regulations, from any

Member or a Related User for breach of this Declaration or the Rules and Regulations by such Member or a Related User; and (vii) taking action itself to cure or abate such violation and to charge the expenses thereof, if any, to such violating Members, plus attorney's fees incurred by the Association with respect to exercising such remedy.

Before the Board of Directors may invoke the remedies provided above, it shall give registered or certified notice of such alleged violation to Owner and shall afford Owner a hearing. If, after the hearing, a violation is found to exist, the Board of Director's right to proceed with the listed remedies shall become absolute. Each day a violation continues shall be deemed a separate violation. Failure of the Association, Developer, or any Owner to take any action upon any breach or default with respect to any of the foregoing violations shall not be deemed a waiver of their right to take enforcement action thereafter or upon a subsequent breach or default.

8.14 Power to Grant Easements:

In addition to any blanket easements described in this Declaration, the Association shall have the power to grant access, utility, drainage, water facility and other such easements in, on, over or under the Common Area. Additionally, the Association, from and after the Transition Date, shall have the power to grant access, utility, drainage, water facility and other similar easements in, on, over and under Lots provided that such easements do not unreasonably interfere with the rights of the Owners of such Lots.

8.15 Power to Convey and Dedicate Property to Government Agencies:

The Association shall have the power to grant, convey, dedicate or transfer any Common Area or facilities to any public or governmental agency or authority for such purposes and subject to such term and conditions as the Association shall deem appropriate, which power may be exercised (i) prior to the Transition Date by the Board of Directors and (ii) from and after the Transition Date by the Association, with the approval of not less than two-thirds (2/3rds) of the Members agreeing in writing or by voting at any scheduled meeting of the Members and with the prior written approval of Developer. The Association may, subject to the limitation of the preceding sentence, convey Property to a public or governmental agency or authority in lieu of such Property being condemned by such public or governmental agency or authority.

8.16 Power to Remove and Appoint Members of the Committee:

The Association shall have the power to remove any member of the Committee with or without cause. The Association shall have the power to appoint new members to the Committee to fill any vacancies which may exist on the Committee.

9. GENERAL PROVISIONS

9.1 Term:

The provisions hereof shall run with the Property and shall be binding upon all Owners and all persons claiming under them for a period of forty (40) years from the date this Declaration is recorded, after which time this Declaration shall be automatically extended for successive periods of ten (10) years each unless an instrument, signed by not less than two-thirds (2/3rds) of the then Owners (including Developer) of the Lots has been recorded agreeing to cancel, amend or change, in whole or part, this Declaration.

9.2 Amendments:

With the exception of this Section, and Sections 3.1, 3.2, 3.8, 3.32, 4.1(b) and 4.1(f) this Declaration may be amended or changed, in whole or in part, after the Transition Date with instrument approved by a two-thirds (2/3rds) majority vote of Owners entitled to vote, meeting a seventy (70%) percent quorum. Such amendment shall be recorded in the office of the County Clerk of Montgomery County, Texas and become effective immediately thereafter. Copies of the written ballots pertaining to such amendment shall be retained by the Association for a period of not less than three (3) years after the date of filing of the amendment or termination. NO SECTION OR PARAGRAPH MAY BE AMENDED BY THE ASSOCIATION IN SUCH A WAY AS TO CHANGE OR NEGATE THE RIGHTS RESERVED BY DECLARANT OR DEVELOPER STATED EITHER HEREIN, IN THE INDIVIDUAL DEEDS TO THE PROPERTY, OR ON THE PLAT.

9.3 Amendments by the Developer:

The Developer shall have and hereby reserves the right any time and from time to time prior to the Transition Date, without the joinder or consent of any Owner or other party, to amend this Declaration by an instrument in writing, duly signed, acknowledged, and filed for record for the purpose of correcting any typographical or grammatical error, oversight, ambiguity or inconsistency appearing herein, provided that any such amendment shall be consistent with and in furtherance of the general plan and scheme of development as evidenced by this Declaration and shall not impair or adversely affect the vested Property or other rights of any Owner or his mortgagee. Additionally, Developer shall have and reserves the right at any time and from time to time prior to the Transition Date, without joinder or consent of any Owner or other party to amend this Declaration by an instrument in writing duly signed, acknowledged and filed for record for the purpose of permitting Owners to enjoy benefits from technological advances, such as security, communications or energy related devices or equipment which did not exist or were not in common use in residential Subdivisions at the time this Declaration was adopted. Likewise, Developer shall have and reserves the right at any time and from time to time prior to the Transition Date, without joinder or consent of any Owner or other party to amend this Declaration by an instrument in writing duly signed, acknowledged and filed for record for the purpose of prohibiting the use of any device or apparatus developed and/or available for residential use following the date of this Declaration if the use of such device or apparatus will adversely affect the Association or will adversely affect the Property values within the Subdivision. Per Section 7.6 the Developer reserves the right, at any time prior to the Transition Date, to record Supplemental Amendments for the purpose of adding future Property Sections to the Subdivision.

9.4 Severability:

Each of the provisions of this Declaration shall be deemed independent and severable and the invalidity or unenforceability or partial invalidity or partial unenforceability of any provision or portion hereof shall not affect the validity or enforceability of any other provision.

9.5 Liberal Interpretation:

The provisions of this Declaration shall be liberally construed as a whole to effectuate the purpose of this Declaration. If it is found that any provision of this Declaration is in violation of any applicable law, then the prohibited section shall be automatically amended to comply with applicable law but shall be interpreted to be as restrictive as possible to preserve as much of the original provision as allowed by applicable law.

9.6 Successors and Assigns:

The provisions hereof shall be binding upon and inure to the benefit of Owners, Developer and the Association, and their respective heirs, legal representatives, executors, administrators, successors and assigns.

9.7 Effect of Violations on Mortgages:

No violation of the provisions herein contained, or any portions thereof, shall affect the lien of any mortgage or deed of trust presently or hereafter placed of record or otherwise affect the rights of the mortgagee under any such mortgage, the holder of any such lien or beneficiary of any such deed of trust; and any terms, subject, nevertheless, to the provisions herein contained.

9.8 Terminology:

All personal pronouns used in this Declaration and all exhibits attached hereto, whether used in the masculine, feminine or neuter gender, shall include all other genders; the singular shall include the plural and vice versa. Title of "Articles" and "Sections" are for convenience only and neither limit nor amplify the provisions of this Declaration itself. The terms "herein", "hereof" and similar terms, as used in this instrument, refer to the entire agreement and are not limited to referring only to the specific paragraph, section or article in which such terms appear. All references in this Declaration to "Exhibits" shall refer to the exhibits attached hereto.

9.9 Developer's Right and Prerogatives:

Prior to the Transition Date, Developer may file a statement in the Real Property Records of Montgomery County, Texas, which expressly provides for Developer's (i) discontinuance of the exercise of any right or prerogative provided for in this Declaration to be exercised by Developer or (ii) assignment to any third party owning Property in the Subdivision or Annexable Area, of one

or more of Developer's specific rights and prerogatives provided in this Declaration to be exercised by Developer. The assignee designated by Developer to exercise one or more of Developer's rights or prerogatives hereunder shall be entitled to exercise such right or prerogative until the earlier to occur of the (i) Transition Date or (ii) date that said assignee files a statement in the Real Property Records of Montgomery County, Texas, which expressly provided for said assignee's discontinuance of the exercise of said right or prerogative. From and after the date that Developer discontinues its exercise of any right or prerogative hereunder and/or assigns its right to exercise one or more of its rights or prerogatives to an assignee, Developer shall not incur any liability to any Owner, the Association or any other party by reason of Developer's discontinuance or assignment of the exercise of said right(s) or prerogative(s). Upon Developer's assignment of its rights as of the Transition Date to the Association, the Association shall be entitled to exercise all the rights and prerogatives of Developer.

9.10 Indemnity:

Each Owner who submits a request for approval of an improvement or alteration of any structure shall indemnify, defend and hold harmless the Association, the Board, the Committee, their officers, directors, Members and shareholders for, from, and against any and all costs, claims or charges arising from the submission of the request, any action taken on the request, and from the construction of the improvements or the implementation of an alteration to any existing structure.

IN WITNESS WHEREOF, the undersigned has hereunto set its hand as of this 28
day of May, 2021.

DEVELOPER:

REPUBLIC GRAND RANCH, LLC
a Texas limited liability company

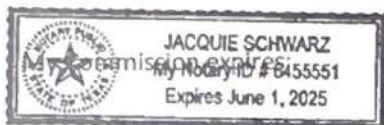
By: Debbie Burkhalter
Its: Authorized Agent

(NOTARY ON FOLLOWING PAGE)

STATE OF TEXAS)
) ss.
COUNTY OF MONTGOMERY

This instrument was acknowledged before me on the 28th day of MAY, 2021 by
DEBRA BURKHALTER as AUTHORIZED AGENT of Republic Grand Ranch,
LLC, a Texas limited liability company.

Jacquie Schwarz
Notary Public



When Recorded Please Return To:
Republic Grand Ranch Property Owners Assn
502 West Montgomery Ste 407
Willis, TX 77378

EXHIBIT "A"
LEGAL DESCRIPTION

REPUBLIC GRAND RANCH, SECTION 1, A SUBDIVISION CONTAINING 458.42 ACRES OF LAND BEING OUT OF THE 4818.84 ACRE TRACT OF LAND DESCRIBED IN A DEED TO REPUBLIC GRAND RANCH, UNDER INSTRUMENT NO. 2019113827, MONTGOMERY COUNTY OFFICIAL PUBLIC RECORDS, JOSE MARIA DE LA GARZA, A-15, MONTGOMERY COUNTY, TEXAS; AS RECORDED IN CABINET 2, SHEET 6889, DOCUMENT NO. 2020146985 OF RECORD OF MAPS OF MONTGOMERY COUNTY.

REPUBLIC GRAND RANCH, SECTION 2, A SUBDIVISION CONTAINING 75.77 ACRES OF LAND BEING OUT OF THE 136.6886 ACRE REPUBLIC GRAND RANCH, LLA TRACT, CLERK'S FILE NO. 2020053105 AND OUT OF THE RESIDUE OF THE 4818.84 ACRE REPUBLIC GRAND RANCH, LLC TRACT CLERKS FILE NO. 2019113827, MONTGOMERY COUNTY OFFICIAL PUBLIC RECORDS, JOSE MARIA DE LA GARZA, A-15, MONTGOMERY COUNTY, TEXAS; AS RECORDED IN CABINET 2, SHEET 7311, DOCUMENT NO. 2021057497 OF RECORD OF MAPS OF MONTGOMERY COUNTY.

REPUBLIC GRAND RANCH, SECTION 3, A SUBDIVISION CONTAINING 340.24 ACRES OF LAND OUT OF THE RESIDUE OF THE 4818.84 ACRE REPUBLIC GRAND RANCH, LLC TRACT, CLERK'S FILE NO. 2019113827, MONTGOMERY COUNTY OFFICIAL PUBLIC RECORDS, JOSE MARIA DE LA GARZA, A-15, MONTGOMERY COUNTY, TEXAS; AS RECORDED IN CABINET Z, SHEET 7393, DOCUMENT NO. 2021073259 OF RECORD OF MAPS OF MONTGOMERY COUNTY.

FILED FOR RECORD
05/28/2021 11:01AM

Mark Turnbull

COUNTY CLERK
MONTGOMERY COUNTY, TEXAS

STATE OF TEXAS,
COUNTY OF MONTGOMERY

I hereby certify that this instrument was filed in the file number
sequence on the date and time stamped herein
by me and was duly RECORDED in the Official Public
Records of Montgomery County, Texas.

05/28/2021



Mark Turnbull

County Clerk
Montgomery County, Texas