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DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS THE TERRACE AT PECAN GROVE, A SUBDIVISION IN FORT BEND COUNTY, TEXAS

THE STATE OF TEXAS §
§ KNOW ALL PERSONS BY THESE PRESENTS:
COUNTY OF FORT BEND §

THIS DECLARATION ("Declaration"), made on the date hereinafter set forth by Arenosa Development Pitts Road, Ltd., a Texas limited partnership.

W I T N E S S E T H:

WHEREAS, Arenosa Development Pitts Road, Ltd., a Texas limited partnership, (the "Developer") is the owner of that certain real property to be known as The Terrace at Pecan Grove, which is more particularly described by the plat of the Subdivision filed in the Map Records of Fort Bend County, Texas under File No. 2015055789, attached hereto as Exhibit "A" and incorporated herein for all purposes (the "Subdivision"); and

WHEREAS, Developer desires to impose upon such Subdivision, the covenants, conditions and restrictions herein set forth.

NOW THEREFORE, Developer hereby declares that all of the Subdivision shall be held, sold and conveyed subject to the following easements, restrictions, covenants and conditions, which are for the purpose of protecting the value and desirability of, and which shall constitute covenants running with, the Subdivision, shall be binding on all parties (including their heirs, successors and assigns) having any right, title or interest in the Subdivision or any part thereof, and shall inure to the benefit of each owner thereof and Pecan Grove Plantation Property Owners Association, Inc. (the "Association").

ARTICLE I
DEFINITIONS

SECTION 1.1 **"Architectural Control Committee"** shall mean and refer to the Pecan Grove Plantation Architectural Control Committee or any person or persons to whom the Architectural Control Committee delegates such responsibility provided for in Article II hereof.

SECTION 1.2 **"Association"** shall mean and refer to Pecan Grove Plantation Property Owners Association, Inc., a Texas non-profit corporation, and its successors and assigns.

SECTION 1.3 **"Builder"** shall mean any person, firm or entity, which owns a developed Lot for the purpose of constructing a new dwelling for resale to the public.

SECTION 1.4 **"Common Area"** shall mean all property owned by or under the jurisdiction of the Association for the common use and benefit of the Owners, together with such other property as the Association may, at any time or from time to time, acquire by purchase or otherwise, subject, however, to the easements, limitations, restrictions, dedications and reservations applicable thereto by virtue hereof, and/or by virtue of the Plat, and/or by virtue of prior grants or dedications. References herein to the "Common Area" shall mean and refer to Common Area as defined respectively in this Declaration, all supplemental Declarations, and any additional Restrictions governing the other sections of Pecan Grove Plantation.

"Common Area" shall also mean and refer to all existing and subsequently provided improvements upon or within the Common Area, except those as may be expressly excluded herein. Common Area may include, but not necessarily be limited to, the following: structures for recreation, swimming pools, playgrounds, structures for storage or protection of equipment, fountains, statuary, sidewalks, gates, streets, fences, landscaping, and other similar and appurtenant improvement, including those previously constructed for the benefit of Pecan Grove Plantation Owners.

SECTION 1.5 **"Declaration"** shall mean and refer to this document, and all amendments and supplements thereto.

SECTION 1.6 **"Developer"** shall mean and refer to not only Arenosa Development Pitts Road, Ltd., a Texas limited partnership, but also to each of its successors or assigns (whether immediate or remote), as successor developer of all or a substantial portion of the Lots in the undeveloped state, but shall not include any purchaser of one (1) or more

developed Lots. For the purposes of this Declaration, "developed Lot" shall mean a Lot with the street on which it faces opened and improved and with utilities installed and ready to furnish utility service to such Lot, and "undeveloped Lot" is any Lot which is not a developed Lot.

SECTION 1.7 **"Lienholder"** shall mean that entity executing this Declaration in such capacity.

SECTION 1.8 **"Lot"** shall mean and refer to any subdivided parcel of land designated as a Lot or Lots shown upon the plat of the Subdivision filed in the Map Records of Fort Bend County, Texas under File No. 2015055789 (the "Plat"), with the exception of property designed thereon as "Public Streets", "Reserves", "Commercial Reserves", "Unrestricted Reserves", "Lakes", "Common Area", or "Recreational Areas", if any. Lots are to be used for residential purposes only. Pursuant to the filed Plat, the Subdivision shall have ninety-one (91) Lots as reflected upon the plat filed with Map Records of Fort Bend County, Texas, a copy of which is attached hereto as Exhibit "A" and incorporated herein for all purposes (also referred to as the "Plat").

SECTION 1.9 **"Member"** shall mean and refer to those an Owner who is a member of the Association as provided in Article II, Section 2.1 and Article IV, Section 4.2.

SECTION 1.10 **"Owner"** shall mean and refer to the record owner, whether one or more persons or entities, of a fee simple title to any Lot which is a part of the Subdivision, including contract sellers, but excluding those having such interest merely as security for the performance of an obligation.

SECTION 1.11 **"Properties"** shall mean and refer to all Lots in The Terrace at Pecan Grove, as more fully described.

SECTION 1.12 **"Reserve(s)"** shall mean any property in the Subdivision owned by the Developer or the Association, which is designated for Recreation Area or Common Area or for green space, landscaping or Subdivision identification signage, or as a Restricted Reserve on the Plat.

SECTION 1.13 **"Reserve Lot(s)"** shall mean any single-family residential lot which either backs up to, along-side or in plain view of a Reserve.

SECTION 1.13 **"Subdivision"** shall mean and refer to The Terrace at Pecan Grove.

ARTICLE II

ARCHITECTURAL CONTROL

SECTION 2.1 **ARCHITECTURAL CONTROL.** With the exception of Lots on which original home construction has not previously occurred, (e.g. Developer controlled lots, Builder-owned Lots), any construction plans, detailed specifications, survey (or original plat plan) for any of the following must be submitted to and approved in writing by the Pecan Grove Plantation Architectural Control Committee, a previously-existing committee created by the Board of Directors of the Association: the erection of any buildings or improvements of any character; changes to the exterior of any improvement on any Lot which would modify the design, color, materials, or size; any change to the exterior of any Lot which would include additions, remodeling, renovations and redecorations; and any substantial change in landscaping or irrigation after original construction. Approval shall be granted or withheld based on matters of compliance with the provisions of this instrument, quality of materials, harmony of external design with existing and proposed structure and location with respect to topography and finished grade elevation.

In the event the Committee fails to indicate its approval or disapproval within fourteen (14) days after the receipt of the required documents, the request shall be deemed approved and the construction of any such building and other improvements may be commenced and proceeded with in compliance with all such plans and specifications and plat and all of the other terms and provisions thereof. Architectural Control Committee Approval shall not apply to any request which would (1) violate any setback or easement set out in this Declaration or recorded Plat, or (2) violate any express provision of this Declaration, and such requests shall be deemed to be automatically disapproved without the specific approval of the Committee. The policies and procedures of Pecan Grove Property Owners Association, Inc. already in place pertaining to Architectural Control Committee shall supersede these provisions, unless this document includes policies and procedures not already in place.

Prior to initial development, Developer and Builder shall submit a master set of plans to the Architectural Control Committee for overall approval. A fee in an amount of $150.00 per plan may be required to be paid to the Architectural Control Committee prior to architectural approval, or at such other time as designated by the Architectural Control Committee to defray the expense of such review and building inspections.

Construction of new residential homes upon Developer or Builder owned or controlled Lots shall be subject to final approval by the Developer, who has an affirmative duty to ensure that all new home construction in the Subdivision conforms with the quality and character of the other sections of Pecan Grove Plantation, as modified by these Declarations. As described herein, for Lots not yet sold to a record Owner, the Developer may provide approval in any instance where the approval of the Architectural Control Committee would otherwise be required.

Each Lot shall become subject to Architectural Control and to the Architectural Control Committee upon sale of the Lot by Developer or Builder to an Owner. Upon close of a sale of a Lot by Developer, the Owner shall immediately become a Member of the Association, with all of the rights, privileges and obligations thereof.

All Members shall be entitled to full membership in the Pecan Grove Plantation Property Owners Association, Inc., including voting rights and obligations, including obligations to pay maintenance assessments and the like.

SECTION 2.2 MINIMUM CONSTRUCTION STANDARDS. The Architectural Control Committee may from time to time promulgate an outline of the minimum acceptable construction standards; provided, however, that such outline will serve as a minimum guideline, and the Architectural Control Committee shall not be bound thereby. In the event of conflict between shared provisions or requirements, these Declarations shall control. However, to the extent that the Architectural Control Committee guidelines contain additional detail or requirements not found within these Declarations, the guidelines shall control.

SECTION 2.3 NO LIABILITY. NEITHER THE ARCHITECTURAL CONTROL COMMITTEE OR THE ASSOCIATION, NOR THE RESPECTIVE AGENTS, EMPLOYEES AND ARCHITECTS OF EACH, SHALL BE LIABLE TO ANY OWNER OR ANY OTHER PARTY FOR ANY LOSS, CLAIM OR DEMAND ASSERTED ON ACCOUNT OF THE ADMINISTRATION OF THIS DECLARATION OR THE PERFORMANCE OF THE DUTIES HEREUNDER, OR ANY FAILURE OR DEFECT IN SUCH ADMINISTRATION AND PERFORMANCE. THIS DECLARATION CAN BE ALTERED OR AMENDED ONLY AS PROVIDED HEREIN AND NO PERSON IS AUTHORIZED TO GRANT EXCEPTIONS OR MAKE REPRESENTATIONS CONTRARY TO THE INTENT OF THIS DECLARATION. NO APPROVAL OF PLANS AND SPECIFICATIONS AND NO PUBLICATION OF MINIMUM

CONSTRUCTION STANDARDS SHALL EVER BE CONSTRUED AS REPRESENTING THAT SUCH PLANS, SPECIFICATIONS OR STANDARDS WILL, IF FOLLOWED, RESULT IN A PROPERLY DESIGNED RESIDENTIAL STRUCTURE. SUCH APPROVALS AND STANDARDS SHALL IN NO EVENT BE CONSTRUED AS REPRESENTING OR GUARANTEEING ANY RESIDENCE WILL BE BUILT IN A GOOD, WORKMANLIKE MANNER. THE APPROVAL OR LACK OF DISAPPROVAL BY THE ARCHITECTURAL CONTROL COMMITTEE SHALL NOT BE DEEMED TO CONSTITUTE ANY WARRANTY OR REPRESENTATION BY THE ARCHITECTURAL CONTROL COMMITTEE INCLUDING, WITHOUT LIMITATION, ANY WARRANTY OR REPRESENTATION RELATING TO FITNESS, DESIGN OR ADEQUACY OF THE PROPOSED CONSTRUCTION OR COMPLIANCE WITH APPLICABLE STATUTES, CODES AND REGULATIONS. THE ACCEPTANCE OF A DEED TO A RESIDENTIAL LOT BY THE OWNER IN THE SECTION SHALL BE DEEMED A COVENANT AND AGREEMENT ON THE PART OF THE OWNER, AND THE OWNER'S HEIRS, SUCCESSORS AND ASSIGNS, THAT THE BOARD OF DIRECTORS OF THE ASSOCIATION, AS WELL AS THEIR AGENTS, EMPLOYEES AND ARCHITECTS, SHALL HAVE NO LIABILITY UNDER THIS DECLARATION EXCEPT FOR WILLFUL MISDEEDS.

SECTION 2.4 SINGLE-FAMILY RESIDENTIAL CONSTRUCTION. No building shall be erected, altered or permitted to remain on any Lot other than one (1) detached single-family residential dwelling not to exceed two and one-half (2½) stories in height, with a private garage for not more than three (3) cars and bona fide servants' quarters, which structures shall not exceed the main dwelling in height and which structures may be occupied only by (i) a member of the family occupying the main residence on the building site or (ii) domestic servants employed on the premise. No room(s) in the dwelling and no space in any other structure shall be let or rented. This shall not preclude the main residential structure from being leased or rented in its entirety as a single residence to one (1) family or person.

SECTION 2.5 MINIMUM SQUARE FOOTAGE WITHIN IMPROVEMENTS. The living area on the ground floor of the main residential structure for a one-story dwelling (exclusive of porches, garages and servants' quarters) shall be not less than two thousand (2,000) square feet for one-story dwellings. The total living area of the main residential structure for a multi-story dwelling shall be not less than twenty-two hundred (2,100) square feet,

with a minimum of eleven hundred (1,100) square feet thereof on the first floor. The Architectural Control Committee, at its sole discretion, is hereby permitted to approve deviations in any building area herein prescribed in instances, which in its sole judgment such deviation would result in a more common beneficial use. Such approvals must be granted in writing and, when given, will become part of this Declaration to the extent of the particular Lot involved.

SECTION 2.6 EXTERIOR MATERIALS. The variety and number of primary exterior materials should be held to a minimum. The maximum number of exterior materials allowed is three. A minimum of seventy-five percent (75%) of the exterior wall area, below a point 8' above the foundation of the residence on each Lot, exclusive of doors and windows, shall be brick, brick veneer, stone veneer, and concrete or other masonry type construction. A minimum of seventy-five percent (75%) of the exterior wall area of the front side of the residence must be brick or masonry. On two-story homes, the front elevation must be predominantly brick, stone or stucco. Committee may require additional brick, stone or stucco on homes that are in public view of Subdivision entrance and community access boulevards. For purposes hereof the product known as "Hardiplank®", cement-based board and similar products shall not be considered to be masonry to meet the masonry requirements hereinabove.

(a) Brick

Brick shall be hard fired and have an overall appearance of relative evenness in color and texture. Painted brick may be permitted where deemed appropriate for a particular architectural style. However, such applications must be approved by the Architectural Control Committee prior to initiation.

(b) Wood/Hardboard

Siding: Material shall be fiber-cement (e.g. "Hardiplank®") and must be of a horizontal, lap type. Diagonal siding, board and batten, and particleboard siding, and vinyl siding are prohibited. Siding shall be painted or stained with medium range colors that do not drastically contrast adjacent brick or other material. Naturally weathered wood is not permitted.

Trim: All trim shall be smooth/semi-smooth, high quality finish grade stock wood or Fiber-Cement (e.g. "Hardiplank®"). Trim shall be stained or painted as approved by the Architectural Control Committee.

(c) Stucco

Stucco, as a building material, is permitted given an appropriate style of architecture. Stucco may be used as a major building material with the approval of the Architectural Control Committee.

(d) Stone

If stone is to be incorporated, it should be a natural limestone, or other regional stone color which is deemed appropriate with the project character as approved by the Architectural Control Committee.

(e) Synthetic Materials

Synthetic material such as metal siding, vinyl siding, and other materials which have the appearance of wood, or stone must be reviewed to ensure a quality appearance for approval by the Architectural Control Committee.

(f) Material Changes

Changes in exterior wall material should have a logical relationship to the massing of the home. Material changes on a common wall plane that occur along a vertical line should be avoided wherever possible.

(g) Awnings

Awnings over entrances or windows are prohibited.

SECTION 2.7 NEW CONSTRUCTION ONLY. Because it is the intention that only new construction shall be placed and erected on the Lots, no building of any kind (with the exception of lawn storage or children's playhouses) shall ever be moved onto any Lot within said Subdivision, except with the prior written consent of the Architectural Control Committee.

SECTION 2.8 ROOFS AND ROOFING MATERIALS.

1. Materials

Approved roof materials shall have the following minimum qualities:

- Dimensional with 30-year warranty.
- Earthtone colors. All shingles within a given neighborhood shall be the same color.

Shingles shall be composition asphalt. No other materials will be allowed in this Subdivision. The shingle material must harmonize with other shingle materials used in the neighborhood. Shingles with an ornate pattern or cut pattern are not acceptable. Earthtone shades are required for all shingle materials.

2. *Form*

The form and massing of the roof should have a logical relationship to the style and massing of the home. Roof pitches must conform with applicable codes, but must be a minimum of 5 in 12 and not steeper than 12 in 12 for the main body of the roof. Patio or shed roofs must be a minimum of 3 in 12.

The Architectural Control Committee will consider other configurations in roof forms if appropriate to the style of architecture for a particular home. However, very steeply pitched roofs, such as Mansards, which create massive roof structures, are strongly discouraged.

The roof height should not exceed ¾ of the total elevation area for single story homes and ½ the total elevation area two-story homes.

Fascia depths should be in scale with the mass of the elevation, but the face of the fascia board must be at least 6 inches (nominal) in size.

3. *Roof Penetrations*

Roof vents, utility penetrations, or other roof protrusions shall not be visible from the front street and must be painted to match the shingles. Skylights should not be visible from the front street.

4. *Gutters & Downspouts*

Gutters and downspouts should be strategically placed to minimize their visibility to the front street. Preferably, downspouts should occur only at the rear and sides of a home. Placement on the front elevation should be avoided as much as possible, but may be used to avoid water runoff at front entrances. Gutters and downspouts must match or be very similar to the color of the surface to which they are attached.

Downspouts must be installed vertically and in a simple configuration. All gutters and downspouts on standard lots must be installed so water runoff does not adversely affect adjacent properties. Zero-lot-line patio homes, however, may drain onto the adjacent easement of the non-patio side of the home to accommodate roof drainage.

SECTION 2.9 LOCATION OF THE IMPROVEMENTS UPON THE LOT. No building, structure, or other improvements shall be located on any Lot nearer to the front Lot line or nearer to the street sideline than the minimum building setback line shown on the recorded Plat. No building, structure, or other improvement shall be located on any Lot nearer than ten feet

(10') to any side street line. No building shall be located nearer than five feet (5') to any interior Lot line. The only exception shall be detached garages which can be located no nearer than three feet (3') to any interior lot line. No Lot adjacent to any Reserve shall have any improvements within twenty feet (20') of the rear property line. For the purposes of this covenant or restriction, eaves, steps and unroofed/unwalled and unfenced terraces shall not be considered as part of a building; provided, however, that this shall not be construed to permit any portion of the construction on a Lot to encroach upon another Lot.

SECTION 2.10 COMPOSITE BUILDING SITE. Any Owner of one (1) or more adjoining Lots (or portions thereto) may consolidate such Lots or portions into one single-family residence building site, with the privilege of placing or constructing improvements on such site, in which case setback lines shall be measured from the resulting side property lines rather than from the Lot lines shown on the recorded Plat. Any such proposed composite building site(s) and the improvements thereon must be approved by the Architectural Control Committee.

SECTION 2.11 UTILITY EASEMENTS. Easements for installation and maintenance of utilities are reserved as shown and provided for on the recorded Plat or by separate recorded instrument, and no structure of any land shall be erected upon any of said easements. Utility easements are for the distribution of electrical, telephone, gas and cable television service. In some instances, sanitary sewer lines or storm sewer lines are also placed within the utility easement. Utility easements are typically located along the rear Lot line, although selected Lots may contain a side Lot utility easement for the purpose of completing circuits or distribution systems. Both the Plat and the individual Lot survey should be consulted to determine the size and location of utility easements on a specific lot. Interior Lots typically contain a utility easement along the rear line. Perimeter Lots or Lots that back up to drainage facilities, pipeline easements, property boundaries and non- residential tracts typically contain a utility easement along the rear line. Encroachment of structures upon the utility easement is prohibited.

NEITHER THE DEVELOPER, THE ASSOCIATION, NOR ANY UTILITY COMPANY USING THE EASEMENTS SHALL BE LIABLE FOR ANY DAMAGE DONE BY EITHER OF THEM OR THEIR ASSIGNS, THEIR AGENTS, EMPLOYEES OR SERVANTS TO SHRUBBERY, TREES, FLOWERS OR IMPROVEMENTS OF THE OWNER LOCATED ON THE LAND WITHIN OR AFFECTED BY SAID EASEMENTS.

SECTION 2.12 GARAGES. All homes in the Subdivision must have a minimum two-car garage and a maximum of three-car garage. The garages may be detached or attached. Detached garages must be set back a minimum of sixty (60) feet from the front property line, and within any building setbacks applicable to said Lot. A breezeway or covered patio must connect the main residential structure of the home to the detached garage. Three-car garages detached and oversized garages are permissible, subject to Committee approval.

No garage shall ever be changed, altered or otherwise converted for any purpose inconsistent with the housing of a minimum of two (2) automobiles at all times. All Owners, their families, tenants and contract purchasers shall, to the greatest extent practicable, utilize such garages for the garaging of vehicles belonging to them. When a Lot sides onto a neighborhood entry street or collector/loop street, driveways and garages are to be placed near the property line farthest from the entry street.

When the side of a Lot is exposed to a Reserve, a detached garage may be allowed provided that the garage is on the side of the Lot opposite the Reserve. Lots that back onto or have a side exposed to a Reserve may have detached garages positioned on either side of the Lot. On corner Lots, detached and attached garages may not face the side street and must be placed on the opposite Lot side from the side street. Front loaded garages may protrude no more than 15 feet from the front plane of the main residence.

SECTION 2.13 SIDEWALKS. Sidewalks, four (4) feet in width, will be required in public-street areas of Subdivision. They shall be located entirely within the road right-of-way.

Sidewalks shall conform to the Fort Bend County design standard and detail, and shall continue uninterrupted visually through both front walk paving areas and driveways. Builders shall install all sidewalks associated with the lot on which they construct a home. Sidewalks shall be installed along the side of all Lots located at the corner or two public streets, from the street intersection to the rear property line of each lot. Fort Bend County requires a five (5) foot wide sidewalk through the driveway. No sidewalk shall exceed a 2% cross slope. A picture-frame finish must be applied to driveway and walkway areas that intersect the sidewalk in order to achieve a continuous look. Owners of the Lots in the Subdivision are responsible for the maintenance and upkeep of all sidewalks located directly in front of their Lot and the sidewalks located along the side of their Lot if they own a corner Lot.

SECTION 2.14 HOUSING PLAN AND ELEVATION REPETITION. The following three scenarios represent the Subdivision guidelines for determining when a plan and elevation can be repeated within the Subdivision:

(1) when building the same plan, different elevation, on the same side of the street, two (2) full Lots must be skipped;

(2) when building same plan, different elevation, on both sides of the street, one (1) full Lots must be skipped; and

(3) when building the same plan, same elevation, on the same side of the street or on both sides of the street, four (4) full Lots must be skipped.

SECTION 2.15 LOT COVERAGE. Total Lot coverage of buildings, driveways, walks and other structures shall not exceed eighty percent (80%) of the total Lot area for standard single-family residential developments. Pools, spas and decks are not considered structures for the purpose of calculating the Lot coverage.

SECTION 2.16 LANDSCAPING. The Builder is responsible for landscaping all front yards, including the portion of the street right-of-way between the property line and the street curb. Installation of all landscaping must occur immediately upon occupancy of the house or within thirty (30) days after completion of construction, whichever occurs first. Installation of landscaping, including materials and workmanship, must be in conformance with acceptable industry standards. Any dead tree, which tree is required by this Subdivision must be removed and replaced within thirty (30) days of written notice from the Association or the Architectural Control Committee. Owners of the Lot(s) in the Subdivision are responsible for all maintenance and upkeep of all landscaping and any irrigation associated with the Lot(s) they own.

1. Yard Trees

All natural trees are to be saved in the front yard. If there are no trees in the front yard, the Builder is required to install trees in the front yard of each home. The specific number of yard trees required for each lot depends on lot width. The following standards should be adhered to for the appropriate lot widths specified.

YARD TREE REQUIREMENTS

Lot Width	# of Yard Trees Required	# of Street Trees Required
50'	1 Hardwoods	0
55'	2 Hardwoods	0
>55'	3 Hardwoods	0
All Corner Lots	Add a Minimum of 2 trees on side yards	0

The yard trees installed, or if existing, must be a minimum of four (4) inches in diameter (50 gallon) for hardwoods when measured twelve (12) inches above grade. Additionally, trees must have a minimum height of ten (10) feet and a minimum spread of five (5) feet. However, larger trees are encouraged. For Lots which require more than one tree, the trees shall be planted in a staggered arrangement from the front property line to avoid linear tree placement.

2. *Other Vegetation*

In addition to the tree requirements above, individual lots must meet the following minimum landscaping requirements:

(a) At least fifteen (15) foundation shrubs per lot should be installed in the front yard with a minimum container size of five (5) gallons.

(b) At least two (2) vertical foundation accent shrubs per lot should be installed in the front yard with a minimum container size of ten (10) gallons.

(c) Primary shrub treatment in the front yard shall be within the back third of the front of the home. This is not to preclude additional landscaping in other areas of the front yard.

(d) At least two (2) shrubs, five (5) gallon size are required in front of air conditioners visible from the street. Air conditioners on corner lots must be enclosed by the fence on the street side of the lot.

Planting bed edging is not required, but is encouraged for maintenance purposes and to define the shape of planting beds. Loose brick, plastic, concrete scallop, corrugated aluminum, wire picket, vertical timbers and railroad ties are not in character with the desired landscape effect and are prohibited. Acceptable edging is Ryerson steel, brick set in mortar, stone laid horizontally and continuous concrete bands.

All planting beds are to be mulched with shredded pine bark, or shredded hardwood.

The use of gravel or rock in front yard planting beds is prohibited, except as a border when set in and laid horizontally as quarried or utilized for drainage purposes. Specimen boulders are permitted.

Tree stakes must be made of wood or steel. Wood stakes must be two inches (2") in diameter by six feet (6") long. Under no circumstances may tree stakes remain present for more than one (1) calendar year on any individual tree.

All lawn ornaments, statutes, or other similar items must be approved by the Association. The Association shall have the sole and exclusive discretion to determine what is acceptable.

3. Grass Coverage

   All areas exposed to public view (public right of ways, greenbelt views, public streets) shall be sodded with Saint Augustine Grass.

4. *Irrigation*

   Irrigation must be installed by Builder in front yards of all Lots and in side Lots if the Lot is a corner Lot. Irrigation, when installed, must cover all landscape areas in front and side yards of corner Lots.

   All landscaping is required to be maintained in a healthy and attractive appearance. Proper maintenance includes:

   1. adequate irrigation, automatic irrigation systems are encouraged;
   2. appropriate fertilization;
   3. pruning;
   4. mowing;
   5. weed control in lawns and planting beds;
   6. seasonal mulching of planting beds;
   7. insect and disease control;
   8. replacement of diseased or dead plant materials; and

In addition to the standard front yard landscaping requirements, the Lot types listed below require the following minimum landscape material and trees:

SECTION 2.17 UNDERGROUND ELECTRIC SERVICE. An underground electric distribution system will be installed in that part of the Subdivision designated "Underground Residential Subdivision," which underground service area shall embrace all Lots in the Subdivision. The Owner of each Lot in the Underground Residential Subdivision shall at his own cost, furnish, install, own and maintain (all in accordance with the requirement of local governing authorities and the National Electrical Code [N.E.C.]) the underground service cable and appurtenances from the point of the electric company's metering on customer's structure to the point of attachment at such company's installed transformers or energized secondary junction boxes, such point of attachment to be made available by the electric company at a point designated by such company at the property line of each Lot. The electric company furnishing service shall make the necessary connections at said point of attachment and at the meter. In addition, the Owner of each such Lot shall, at his own cost, furnish, install, own and maintain a meter loop (in accordance with then current standards and specifications of the electric company furnishing service) for the location and installation of the meter of such electric company for the residence constructed on such Owner's Lot for so long as underground service is maintained in the Underground Residential Subdivision, the electric service to each Lot therein shall be underground, uniform in character and exclusively of the type known as single phase, 110/220 volt, three wire, 60 cycle, alternating current.

The electric company has installed the underground electric distribution system in the Underground Residential Subdivision at no cost to Developer (except for certain conduits, where applicable) upon Developer's representation that the Underground Residential Subdivision is being developed for single-family dwellings of the usual and customary type, constructed upon the premises, designed to be permanently located upon the Lot where originally constructed and built for sale to bona fide purchasers (such category of dwelling expressly excludes, without limitation, mobile homes and duplexes). Therefore, should the plans of Lot Owners in the Underground Residential Subdivision be changed so that dwellings of a different type will be permitted in such Subdivision, the company shall not be obligated to provide electric service to a Lot where a dwelling of a different type is located unless (a) Developer has paid to the company (1) an amount representing the excess in cost, for the entire Underground Residential Subdivision, of the underground distribution system over the cost of equivalent overhead facilities to serve such

Subdivision, or (b) the Owner of such Lot, or the applicant for service, shall pay to the electric company for the additional service, it having been agreed that such amount reasonably represents the excess in cost of the underground distribution system to serve such Lot, plus (2) the cost of rearranging and adding any electric facilities serving such Lot, which rearrangement and/or addition is determined by the company to be necessary.

SECTION 2.18 STRUCTURED IN-HOUSE WIRING. Each house built in the Subdivision shall include among its components structured in-house wiring and cabling to support multiple telephone lines, internet/modem connections, satellite and cable TV service and in-house local area networks. In each home, a central location or Main Distribution Facility ("MDF") must be identified to which ALL wiring must be run. The MDF is the location where all wiring is terminated and interconnected, and where the electrical controllers, shall be mounted.

The MDF will be the central location for all wiring of all types including security, data, video, and telephone wiring. The wiring room must be a clean interior space, preferably temperature controlled and secure.

DO NOT install the components in a garage, crawl space, or exterior enclosure. These are not approved installation locations. DO NOT install the components in a fire rated wall.

The volume and ventilation characteristics of the MDF must allow for 70W heat dissipation without exceeding the ambient temperature and humidity requirements.

The specific requirements, specifications, and locations for wiring, cabling and MDF installation shall be in accordance with rules promulgated by the Architectural Control Committee from time to time.

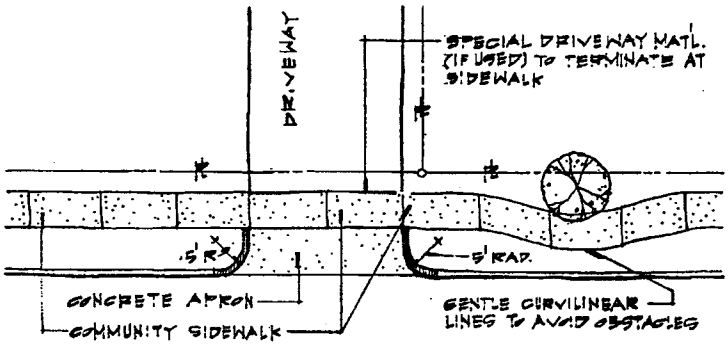
SECTION 2.21 GRADING AND DRAINAGE. Each Lot shall be graded so that storm water will drain to the abutting street(s) and not across adjacent Lots. Minimum grade shall meet Federal Housing Administration ("FHA") requirements. Exceptions will be made in those instances when existing topography dictates an alternate Lot grading plan. The Architectural Control Committee must approve all exceptions.

SECTION 2.22 DRIVEWAYS.

Figure 5

Builders are required to build driveways out to the street curb. Where six (6) inch barrier curbs exist, the Builders are required to saw-cut the street and curb, and tie into the street and curb in accordance with city or county standards. It is the Builders' responsibility to realign the

grade in the flow line of the gutter in accordance with applicable regulations. Builders shall be responsible for repairing any ponding water ("bird baths") resulting from their construction activities. Where four (4) inch mountable curbs exist, no saw cuts will be required or permitted.



The driveway shall be constructed perpendicular to the street and shall be tied in to the street with a five (5) foot radius. The joint will be constructed in conformance to city or county standards and shall be doweled at the point of curvature.

Where the driveway intersects the sidewalk and front walks, the driveway finish may not continue through the sidewalk.

Driveways may be paved with concrete or other masonry materials, which relate to the architecture of the home. This masonry material must be compatible, not only with the home, but also with any other walkways or terraces on the Lot.

Materials such as textured concrete, stamped concrete, colored concrete, interlocking pavers, and brick borders are acceptable, but must be submitted to the Architectural Control Committee for color and design approval prior to the construction.

The maximum allowable driveway width for detached garages is twelve (12) feet from the front property line to at least the front building line where it may then transition to a wider width. The minimum driveway width allowed is ten (10) feet except where applicable county and city codes require otherwise.

All detached garage driveways shall have a minimum three (3) foot side lot setback between the driveway and the adjacent side property line.

Where side-by-side driveways occur, a minimum four (4) feet side lot setback shall be required between the driveway and the side property line to allow for adequate landscape treatment.

All driveway designs are subject to review by the Architectural Control Committee.

SECTION 2.23 OUTDOOR LIGHTING. All outdoor lighting must conform to the following standards and be approved by the Architectural Control Committee. Floodlighting

fixtures shall be attached to the house or an architectural extension. Floodlighting shall not illuminate areas beyond the limits of the property line. Ornamental or accent lighting is allowed, but should be used in moderation and compliment the associated architectural elements. Moonlighting or uplighting of trees is allowed, but the light source must be hidden. Colored lenses on low voltage lights, colored light bulbs, fluorescent and neon lighting is prohibited. Mercury vapor security lights, when the fixture is visible from public view or from other Lots, is prohibited. Mercury vapor lights, when used for special landscape lighting affect (such as hung in trees as up and down lights) is permissible.

SECTION 2.24 SCREENING. Mechanical and electrical devices, garbage containers and other similar objects (i) visible from a street, Reserves, or Common Area, or (ii) located on property boundaries, must be screened from view by either fences, walls, plantings, or a combination thereof. Screening with plants is to be accomplished with initial installation, not assumed growth at maturity.

SECTION 2.25 WALLS, FENCES AND HEDGES.

1. Wood Fencing Guidelines:

(a) Height:

Typically limited to six (6) feet nominal measurement above natural grade. Builder may be required to construct eight (8) foot high fences where perimeter conditions warrant.

(b) Materials:

All wood fences are to be constructed with Right Wood only or similar product.

(c) Construction:

Interior Lots: Fence must be set back at least 5 feet from the front of the home. A "good neighbor" fence policy is required. Alternating sections are to occur at regular fence post intervals only, so that an entire panel is dedicated to one lot and the following panel is dedicated to the adjacent lot and so forth. In this manner, both lots receive approximately the same exposure to finished sides of a picket fence structure.

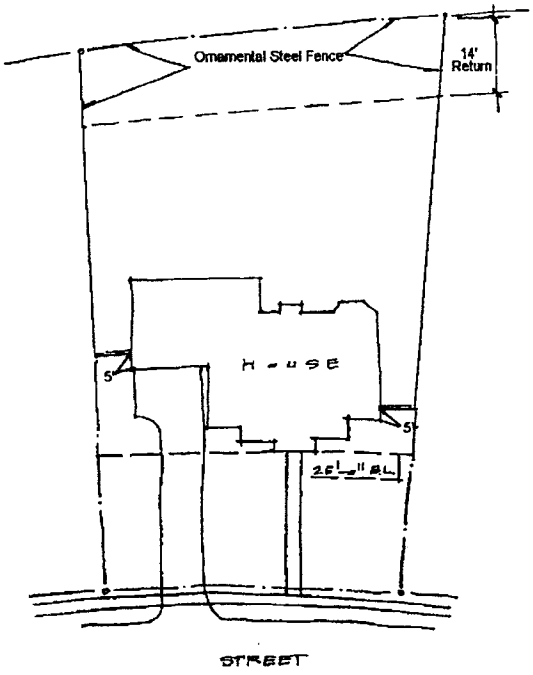
Corner lots: Fence must be located on the property line. The fence must be set back five (5) feet from the front of the home. The finished, or "picket" side of the fence should face the side street. On corner lots of a subdivision entrance where wood fencing is utilized, the fence must be a capped.

(d) Special conditions:

The finished side of a fence should always face the exterior or public view side. Any exposures to public streets, greenbelts, ditches, or detention basins will be considered public view.

The breezeway fencing between a detached side-out garage and the home may be four (4) feet high to allow for visibility.

Where residential lots are located adjacent to either a commercial, institutional, or other more public use, the finished side of a fence should always face the non-residential use.



2. *Ornamental Steel Fencing Guidelines:*

Ornamental metal fencing must be approved for lots adjacent to golf courses, water bodies, nature preserves and greenbelts.

(a) Height:

Nominally four (4) feet, measured from natural ground.

(b) Dimensions:

Posts: one and one-half (1½) inches square, nominally six (6) feet on center.

Rails: Two rails, one and one fourth (1¼) inches square. Located top and bottom. Bottom rail is to be two (2) inches above natural grade.

Pickets: Flat topped, one half (½) inch square, four and one-half (4½) inches on center.

(c) Materials.

All steel construction. Posts shall be sixteen- (16) gauge wall thickness, rails shall be eighteen (18) gauge wall thickness. Weld solid all exposed ends.

Paint system: One coat of primer, finished off with two coats of a flat, black, non-fade paint system.

(d) Uniformity. Builder shall use every effort to maintain uniformity of the installed product throughout the community and with other builders' installation. Owners shall maintain all fences associated with the Lot(s) they own unless a fence is otherwise maintained by the Association. In the event the Owner replaces their fence or makes repairs to any damaged portion of the fence, the newly constructed fence or repaired portion must be the same as the previously constructed fence.

3. *Gates*

(a) Gates shall be constructed with the same materials and quality as the adjoining fence. If the adjoining fence is ornamental steel, all hardware shall be painted the same color as the fence.

(b) Pedestrian gates may not exceed forty two (42) inches in width.

(c) Gates are not required but may be constructed for resident access to the adjoining public areas (e.g. greenbelts and public rights of way).

SECTION 2.26 FENCES ON RESERVE LOTS. Fences are to be constructed and maintained on all reserve Lots by the Owner of the home constructed thereon. The fences shall enclose the rear Lot yard and/or side Lot as specified by the Architectural Control Committee, shall be built on the property line as otherwise herein required, in such materials as may be designated, including without limitation ornamental iron fences on a concrete panel, or a masonry or brick wall as specified by the Developer.

SECTION 2.27 FENCE MAINTENANCE. All fences (except boulevard masonry/brick/wood/wrought iron fences adjacent to streets) erected by the Developer specifically required elsewhere herein to be maintained by the Association, shall be maintained in good condition at all times by the Owner of the Lot. The Association is granted an easement for the purpose of maintenance or replacement over and across any Lot (i) upon which a fence owned by the Developer or the Association is constructed or, (ii) upon which a fence is constructed by Developer that is maintained by the Association. Owners of the Lot(s) in the Subdivision are responsible for all maintenance and upkeep of all fencing associated with the Lot(s) they own, unless otherwise maintained by the Association, described herein

SECTION 2.28 BASKETBALL EQUIPMENT. The following are rules and regulations regarding basketball equipment:

1. No basketball goals shall be installed without prior approval of the Architectural Control Committee.
2. Removable basketball poles are permitted, but must be installed on the "interior" side of the driveway. Backboards are not allowed to face the street. Architectural approval requests must include a site plan of the exact location of where the goal will be placed. Permanent basketball poles are not permitted.
3. Basketball backboards must be pole mounted and shall not be installed structurally on a building or structure.
4. Backboards must be professionally manufactured, of neutral color (clear, white, gray, or tan) and free of brightly colored decals or graphics.
5. Poles and support brackets must be black in color.
6. All equipment, including poles, support brackets, and netting shall be maintained in good condition. Broken equipment, including backboards, bent poles, supports, rims, netting, and peeled or chipped paint are prohibited. Netting is limited to nylon or similar cord netting. Metal or other chain nets are prohibited.
7. Portable basketball goals are permitted only so long as they are maintained in good condition and stored when not in use so as not to be visible from neighboring properties.
8. Overnight storage of such equipment in a location visible from neighboring properties is prohibited.
9. However, placement on the side of the house, laying the goal on its side, is an acceptable location, when not in use.
10. Spotlights or other lighting for the purpose of illuminating the area of play is prohibited.
11. The owner and all occupants of the home are fully responsible for ball containment on their individual property as not to cause damage to a neighboring lot or property. Balls must be kept out of the streets. Painting of the driveway for a basketball court layout or any other similar purpose is prohibited.

12. All rear yard basketball goals must receive prior approval by the Architectural Control Committee and must conform to all the above listed specifications.

SECTION 2.29 ENTRY AND BOULEVARD LANDSCAPE MAINTENANCE. All landscaping installed in the following areas shall be maintained by the Association:

(1) subdivision designation sign areas;

(2) entry gate and fences;

(3) property within North and South boundaries of Subdivision from the edge of Pitts Road to exterior fencing of Subdivision;

(4) all Reserves denoted on the plat of the Subdivision;

(5) boulevard street landscaping;

(6) boulevard median landscaping; and

(7) recreation facility areas.

The mandatory landscaping shall include maintenance and replacement of all:

(1) trees;

(2) shrubs;

(3) grass;

(4) seasonal planting of flowers;

(5) signage;

(6) mulch, fertilizer and weed control;

(7) landscape design elements such as borders;

(8) irrigation systems;

(9) water usage of irrigation systems;

(10) mowing; and

(11) insect and disease control.

ARTICLE III

USE RESTRICTIONS

SECTION 3.1 PROHIBITION OF OFFENSIVE ACTIVITIES. No activity which is not related to single-family residential purposes, whether for profit or not, shall be carried on any Lot. No noxious or offensive activity of any sort shall be permitted nor shall anything be done on any Lot, which may be, or may become, an annoyance or a nuisance to the neighbors,

Subdivision or the Association. No loud noises or noxious odors shall be permitted on the Property, and the Board of Directors of the Association shall have the right to determine if any such noise, odor or activity constitutes a nuisance. Without limiting the generality of any of the foregoing provisions, no exterior speakers, horns, whistles, bells or other sound devices (other than security devices used exclusively for security purposes), noisy or smoky vehicles, large power equipment or large power tools, unlicensed off-road motor vehicles or other items which may unreasonably interfere with television or radio reception of any Lot Owner in the Property, shall be located, used or placed on any portion of the Property or exposed to the view of other Lot Owners without the prior written approval of the Board of Directors of the Association. No television, sound or amplification system or other such equipment shall be operated at a level that can be heard outside of the building in which it is housed. This restriction is waived in regard to the normal sales activities by Builders required to sell homes in the Subdivision and the lighting effects utilized to display the model homes.

SECTION 3.2 USE OF TEMPORARY STRUCTURES OR OUTBUILDINGS. 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 residence, or for any other purpose, with the exception of lawn storage or children's playhouses which have received the prior written approval of the Architectural Control Committee, except that sales trailers and construction trailers are permitted during the initial construction phase and sales phase of the Subdivision development.

Provided the express written consent of the Architectural Control Committee is secured prior to installation and placement on a Lot, one (1) lawn storage building and/or one (1) children's playhouse, each limited in maximum height to eight feet (8') from ground to highest point of structure and not exceeding one-hundred (100) square feet at its base, may be placed on a Lot behind the main residential structure. In no case can the outbuilding be placed in a utility easement; within five feet (5') of side Lot line; or within ten feet of the back Lot line. Additionally, no outbuilding structure of any type is permitted unless the specific Lot involved is completely enclosed by fencing. Otherwise, no outbuilding or temporary structure of any kind shall ever be moved onto or erected on any Lot. It is intended hereby that, unless otherwise specifically approved, only new construction shall be placed and erected on any Lot within the Property.

SECTION 3.3 AUTOMOBILES, BOATS, TRAILERS, RECREATIONAL VEHICLES AND OTHER VEHICLES. No motor vehicle may be parked or stored on any part of any Lot, easement, street right-of-way or Common Area or in the street adjacent to any Lot, easement, right-of-way or Common Area unless:

a. such vehicle does not exceed either six feet six-inches (6' 6") in height, and/or seven feet six inches (7' 6") in width, and/or twenty-one feet (21') in length; and

b. such vehicle is concealed from public view inside a garage or other approved enclosure (on the Owner's Lot).

Only passenger automobiles, passenger vans (the term "passenger vans" specifically excludes motor homes and recreation vehicles), motorcycles, pick-up trucks, or pick-up trucks with attached bed covers are permitted to be parked in public view, and must be:

(i) in operating condition,

(ii) have current license plates and inspection stickers,

(iii) in daily use as motor vehicles on the streets and highways of the State of Texas; and

(iv) which do not exceed either six feet six inches (6'6") in height, and/or seven feet six inches (7'6") in width, and/or twenty-one feet (21') in length.

No non-motorized vehicle, trailer, boat, marine craft, hovercraft, aircraft, machinery or equipment of any kind may be parked or stored on any part of any Lot, easement, street right-of-way, or Common Area or in the street adjacent to such Lot, easement, street right-of-way, or Common Area unless such object is concealed from public view inside a garage or other approved enclosure (on the Owner's Lot). The phrase "approved enclosure" as used in this paragraph shall mean any fence, structure or other improvement approved by the Architectural Control Committee. No one shall park, store or keep within or adjoining the Property any large commercial-type vehicle (including, without limitation, any dump truck, cement-mixer truck, oil or gas truck, delivery truck, tractor or tractor trailer, and any other vehicle equipment, mobile or otherwise, deemed to be a nuisance by the Board of Directors of the Association), or any recreational vehicle (including, without limitation, any camper unit, motor home, truck, trailer, boat, mobile home or other similar vehicle deemed to be a nuisance by the Board of Directors of the Association).

No one shall conduct repairs or restorations of any motor vehicle, boat, trailer, aircraft or other vehicle upon any street, driveway, Lot or portion of the Common Area, except for repairs to the personal vehicles of the residents conducted exclusively in their respective enclosed garages, and provided such personal vehicle repairs do not cause excessive noise or disturb the neighbors at unreasonable hours of the morning or night.

This restriction shall not apply to any vehicle, machinery, or maintenance equipment temporarily parked and in use for the construction, repair or maintenance of a house or houses in the immediate vicinity.

No vehicle shall be parked on streets or driveways so as to obstruct ingress or egress by other Owners, their families, guests and invitees or the general public using the streets for ingress and egress in the Subdivision. The Board of Directors of the Association may designate areas as fire zones, no parking zones or guest parking only zones. The Association shall have the authority to tow any vehicle parked or situated in violation of this Declaration or Association Rules, which cost shall be at the vehicle owner's expense.

No motor bikes, motorcycles, motor scooters, "go-carts" or other similar vehicles shall be permitted to be operated in the Subdivision, if, in the sole judgment of the Board of Directors of the Association, such operation, by reason of noise or fumes emitted or by reason of manner of use, shall constitute a nuisance or jeopardize the safety of any Owner, the tenants, and their families. The Board of Directors of the Association may adopt rules for the regulation of the admission and parking of vehicles within the Subdivision, the Common Areas, and adjacent street right-of-ways, including the assessment of charges to Owners who violate, or whose invitees violate, such rules. If a complaint is received about a violation of any part of this Subdivision, the Board of Directors of the Association will be the final authority on the handling of the matter.

SECTION 3.4 ADVERTISEMENT AND GARAGE SALES. The Board of Directors of the Association shall have the right to prohibit or to make rules and regulations governing and limiting the advertisement of and holding of garage sales.

SECTION 3.5 AIR CONDITIONERS. No window or wall type air conditioner shall be installed, erected, placed, or maintained on or in any building without prior written consent of the Architectural Control Committee.

SECTION 3.6 WINDOW AND DOOR COVERINGS. No aluminum foil or other reflective material shall be used or placed over doors or on windows.

SECTION 3.7 **UNSIGHTLY OBJECTS.** No unsightly objects which might reasonably be considered to give annoyance to neighbors of ordinary sensibility shall be placed or allowed to remain on any yard, street or driveway. The Association shall have the sole and exclusive discretion to determine what constitutes an unsightly object.

SECTION 3.8 **POOLS AND PLAYGROUND EQUIPMENT.** Playground equipment, including playforts, playstructures, pool slides, rock-scapes and similar style structures (but excluding playhouses addressed under Article III, Subdivision 3.2 of this Declaration) are limited to (i) a maximum overall height of eleven feet (11') excluding a canopy or twelve and one-half feet (12½') including a canopy, and (ii) an above ground grade platform maximum height of sixty-two inches (62"). No swimming pool may be construction on any Lot without the prior written approval of the Architectural Control Committee. Each application made to the Architectural Control Committee shall be accompanied by two sets of plans and specifications for the proposed swimming pool construction to be done on such Lot, including a plot plan showing the location of the swimming pool and all other improvements and dimensions of same plus a plumbing and excavation disposal plan. No above ground pools are permitted in the Subdivision. Decks of pool ancillary structures are limited to twenty-four inches (24"). Additionally, playground and equipment of any type or amenity structures of any type are permitted only when the specific Lot involved is completely enclosed by fences. The intent of this provision is to offer optimum private enjoyment of adjacent properties.

SECTION 3.9 **MINERAL OPERATION.** No oil drilling, oil development operations, oil refining, quarrying or mining operation of any kind shall be permitted upon or in any Lot or Common Areas, nor shall any wells, tanks, tunnels, mineral excavation, or shafts be permitted upon or in any Lot or Common Area. No derrick or other structures designed for the use in boring for oil or natural gas shall be erected, maintained or permitted upon any Lot or Common Area.

SECTION 3.10 **ANIMAL HUSBANDRY.** 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 may be kept, provided that they are not kept, bred or maintained for commercial purposes. No Owner shall allow any pets to become a nuisance by virtue of noise, odor, dangerous proclivities, excessive pet debris or unreasonable numbers of animals. If common household pets are kept, they must be confined to a fenced backyard (such fence shall encompass the entire backyard) or within

the house. When away from Lot, pets must be on a leash at all times. It is the pet owner's responsibility to keep the Lot clean and free of pet debris and to keep pets from making noise, which disturbs neighbors. Pet owners shall not permit their pets to defecate on other Owners' Lots, on the Common Areas, recreational areas or on the streets, curbs, or sidewalks.

SECTION 3.11 VISUAL OBSTRUCTION AT THE INTERSECTION OF STREETS. No object or thing which obstructs site lines at elevations between two feet (2') and six feet (6') above the roadways within the triangular area formed by the intersecting street property lines and a line connecting them at points twenty-five feet (25") from the intersection of the street property lines or extension thereof shall be placed, planted or permitted to remain on any corner Lots.

SECTION 3.12 LOT AND BUILDING MAINTENANCE. The Owners or occupants of all Lots shall at all times keep all weeds and grass thereof cut in a sanitary, healthful and attractive manner, edge curbs that run along the property lines, and shall in no event use a Lot for storage of materials and equipment except for normal residential requirements or incident to construction of any improvements thereon as herein permitted. All fences and buildings (including but not limited to the main residence and garage, if any, which have been erected on any Lot) shall be maintained in good repair and condition by Owner, and Owner shall promptly repair or replace the same in the event of partial or total destruction or ordinary deterioration, wear and tear. Each Owner shall maintain in good condition and repair all improvements on the Lot including, but not limited to, all windows, doors, garage doors, roofs, siding, brickwork, stucco, masonry, concrete, driveways and walks, fences, trim, plumbing, gas and electrical. By way of example, not of limitation, wood rot, damaged brick, fading, peeling or aged paint or stain, mildew, broken doors or windows, and rotting or falling fences shall be considered violations of these Declarations, which the Owner of a Lot shall repair or replace upon Association demand. The drying of clothes within public view is prohibited. All walks, driveways, carports and other areas shall be kept clean and free of debris, oil or other unsightly matter. The Board of Directors of the Association shall be the final authority of the need for maintenance or repair.

No Lot shall be used or maintained as a dumping ground for rubbish or trash, nor will the accumulation of garbage, trash or rubbish of any kind thereon be permitted. Trash, garbage or other waste materials shall not be kept except in sanitary containers constructed of metal, plastic or masonry materials with sanitary covers or lids. Containers for the storage of trash, garbage and other

waste materials must be stored out of public view, except on trash collection days when they may be placed at the curb not earlier than 6:00 p.m. of the night prior to the day of scheduled collections. No Lot shall be used or maintained as a dumping ground for the burning of trash, garbage, leaves, grass or anything else will not be permitted. Equipment for storage or disposal of such waste materials shall be kept in a clean and sanitary condition and shall be stored out of public view.

New building materials used in the construction of improvements erected upon any Lot may be placed upon such Lot at the time construction is commenced and may be maintained thereon for a reasonable time so long as the construction progresses without undue delay and until the completion of the improvements, after which time such materials shall either be removed from the Lot or stored in a suitable enclosure on the Lot.

In the event of default on the part of the Owner or Occupant of any Lot in observing the above requirements or any other maintenance requirement imposed by this Declaration, such default continuing after the Association has served ten (10) days written notice thereof, which notice shall be placed in the U.S. Mail without the requirement of certification, then the Association, by and through its duly authorized agent may, without liability to the Owner or Occupant in trespass or otherwise, enter upon said Lot and cut the weeds and grass, edge the lawn around the curb, cause to be removed 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. The Association may charge the Owner or Occupant of such Lot for the cost of such work. The Owner or Occupant, as the case may be, agrees by the purchase or occupancy of a Lot to pay for such work immediately upon receipt of a statement thereof. In the event of failure by the Owner or Occupant to pay such statement within fifteen (15) days from the date mailed, the amount thereof may be added to the Annual Assessment provided for herein, and the collection of such additional maintenance charge shall be governed by Article V of this Declaration.

SECTION 3.13 SIGNS, ADVERTISEMENTS AND BILLBOARDS. Except for signs owned by Builders advertising their model homes during the period of original construction and home sales, no sign, poster, advertisement, billboard or advertising structure of any kind other than a normal "For Sale" sign, which shall not exceed five (5) square feet in total size, may be erected or maintained on any Lot in said Subdivision. Owner shall also have the right to maintain on their Lot not more than two (2) signs not to exceed five (5) square feet each advertising a political candidate in any local, state, or federal election. These political advertisement signs may be

maintained for three (3) weeks prior to the election and must be removed within two (2) days after the election. The Association shall have the right to remove any sign, advertisement, billboard, or advertising structure that does not comply with the above and, in so doing, shall not be subject to any liability of trespass or other tort in the connection therewith or arising with such removal.

SECTION 3.14 NO BUSINESS OR COMMERCIAL USE. Subject to the provisions of this Declaration and the Association By-Laws, no Lot or any other part of the property subject to this Declaration, except for reserves and as otherwise specifically provided to the contrary on the Plat, may be used for purposes other than single-family residential housing and the related common purposes for which the Property was designed. Each Lot and structure shall be used for single-family residential purposes or such other uses permitted by this Declaration and for no other purposes. No Lot or structure shall be used or occupied for any business, commercial, trade or professional purpose (or as a church) either apart from, or in connection with, the use thereof as a residence, whether for profit or not. The foregoing restrictions as to residence shall not, however, be construed in such manner as to prohibit an Owner from:

(1) maintaining a personal professional library;

(2) keeping personal business or professional records or accounts; or

(3) handling personal business or professional telephone calls or correspondence, which uses are expressly declared customarily incidental to the principal residential use and not in violation of said restrictions, provided such activity is not apparent in sight, sound, smell or that such permitted use does not attract business traffic or invitees to the residence or allow business employees to work at the residence.

SECTION 3.15 HOLIDAY DECORATIONS. Exterior Thanksgiving decorations may be installed November 10 of each year and must be removed by December 1 of each year. Exterior Christmas decorations may be installed the day after Thanksgiving each year and must be removed by January 5 of the new year. Easter and Halloween decorations may be installed three (3) weeks prior to and must be removed by one (1) week after each respective holiday. Holiday decorations shall not be so excessive as to cause a nuisance to neighboring homes. The Board of Directors of the Association shall have the sole and absolute authority to decide if holiday decorations are causing a nuisance.

SECTION 3.16 **VISUAL SCREENING ON LOTS.** The drying of clothes in public view is prohibited, and the Owner or occupant 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 clothes from public view. Similarly, all yard equipment, woodpiles or storage piles shall be kept screened by a service yard or other similar facility so as to conceal them from view of neighboring Lots, streets or other property.

SECTION 3.17 **ANTENNAS, SATELLITE DISHES AND MASTS.** No exterior antennas, aerials, satellite dishes, or other apparatus for the reception of television, radio, satellite or other signals of any kind shall be placed, allowed, or maintained upon any Lot, which are visible from any street, Common Area or another Lot, unless it is impossible to receive an acceptable quality signal from any other location. In that event, the receiving device may be placed in the least visible location where reception of an acceptable quality signal is possible. The Board of Directors of the Association may require painting or screening of the receiving device, which painting or screening does not substantially interfere with an acceptable quality signal. In no event are the following devices permitted: (i) satellite dishes, which are larger than one (1) meter in diameter; (ii) broadcast antenna masts, which exceed the height of the center ridge of the roofline; or (iii) MMDS antenna masts, which exceed the height of twelve feet (12') above the center ridge of the roofline. No exterior antennas, aerials, satellite dishes, or other apparatus shall be permitted, placed, allowed or maintained upon any Lot, which transmit television, radio, satellite or other signals of any kind. This Subdivision is intended to be incompliance with the Telecommunications Act of 1996 (the "Act"), as the Act may be amended from time to time; this Subdivision shall be interpreted to be as restrictive as possible, while not violating the Act. The Board of Directors of the Association may promulgate Architectural Guidelines, which further define, restrict or elaborate on the placement and screening of receiving devices and masts, provided such Architectural Guidelines are in compliance with the Telecommunications Act.

SECTION 3.18 **ROADS.** All roads and esplanades within the Subdivision are public roads and esplanades and shall be maintained and regulated by the County. The Association shall have the right to establish rules and regulations concerning all such streets and roads including, but not limited to, speed limits, curb parking, fire lanes, alleys, stop signs, traffic directional signals and signs, speed bumps, crosswalks, traffic directional flow, striping, signage, curb requirements, street

cleaning, and other matters regarding the roads, streets, curbs, esplanades and their usage by Lot Owners, guests, and invitees.

SECTION 3.19 FIREARMS. The discharge of firearms within the Subdivision is prohibited. The terms "firearms" includes B-B guns, pellet guns, and other firearms of all types, regardless of size. Notwithstanding anything to the contrary contained herein or in the By-Laws, the Association shall not be obligated to take action to enforce this restriction.

SECTION 3.20 ON-SITE FUEL STORAGE. No on-site storage of gasoline, heating or other fuels shall be permitted on any part of the Subdivision except that up to five (5) gallons of fuel may be stored on each Unit for emergency purposes and operation of lawn mowers and similar tools or equipment and that the Association shall be permitted to store fuel for operation of maintenance vehicles, generators, and similar equipment.

SECTION 3.21 DRAINAGE AND SEPTIC SYSTEMS. Basins and drainage areas are for the purposes of natural flow of water only, and no obstructions or debris shall be placed in these areas. No Person other than Developer may obstruct or rechannel the drainage flows after location and installation of drainage swages, storm sewers, or storm drains. Developer hereby reserves for itself and the Association a perpetual easement across the Properties for the purpose of altering drainage and water flow, provided that the exercise of such easement shall not materially diminish the value or interfere with the use of any adjacent property without the consent of the Owner thereof. Septic tanks and drain fields, other than those installed by or with the consent of the Developer are prohibited within the Subdivision. No Owner or occupant shall dump grass clippings, leaves or other debris, petroleum products, fertilizers or other potentially hazardous or toxic substances, in any drainage ditch, storm sewer or storm drain within the Subdivision.

ARTICLE IV

PECAN GROVE PLANTATION PROPERTY OWNERS ASSOCATION, INC.

SECTION 4.1 PURPOSE. The purpose of the Pecan Grove Plantation Property Owners Association, Inc. shall be to provide for maintenance, preservation and architectural control of the residential Lots within the Subdivision, and the Common Area, if any.

SECTION 4.2 MEMBERSHIP AND VOTING RIGHTS. Every Owner of a Lot that is no longer owned by the Developer in The Terrace at Pecan Grove is subject to a maintenance charge assessment by the Association shall be a Member of the Association. Membership shall be

appurtenant to and may not be separated from ownership of any Lot, which is subject to assessment. The foregoing is not intended to include persons or entities who hold an interest merely as security for the performance of an obligation. No Owner shall have more than one membership.

SECTION 4.3 NON-PROFIT CORPORATION. Pecan Grove Plantation Property Owners Association, Inc., is a non-profit corporation, has been duly organized, and is governed by the Articles of Incorporation of said Association, the By-Laws of the Association, the Declarations of Covenants, Conditions and Restrictions of each section of the Association, and all supplemental filings, amendments and modifications thereto. All duties, obligations, benefits, liens and rights hereunder in favor of the Association shall vest in said corporation.

SECTION 4.4 BY-LAWS. The Association is governed by those pre-existing By-Laws, filed in the real property records of Fort Bend County Texas, and all amendments and supplements thereto.

SECTION 4.5 OWNERSHIP INFORMATION. The Owner is required at all times to provide the Association with written notice of proper mailing information should it differ from the property address relative to ownership. Further, when an alternate address exists, Owner is required to render notice of tenant, if any, or agency, if any, involved in the management of said property. The Owner is required and obligated to maintain current information with the Association or its designated management company at all times.

SECTION 4.6 INSPECTION OF RECORDS. The members of the Association shall have the right to inspect the books and records of the Association at reasonable times during normal business hours for proper purposes, in accordance with the requirements of the Texas Non-Profit Corporation Act.

ARTICLE V

MEMBERSHIP AND VOTING RIGHTS

SECTION 5.1 ASSESSMENT. Every Owner of a Lot, which is subject to assessment, shall be a member of the Association. Membership shall be appurtenant to and may not be separated from ownership of any Lot, which is subject to assessment. However, Lots owned by the Declarant or a Builder shall be assessed at the rate of fifty percent (50%) of the assessment on all other Lots. The assessment for an individual Lot, within a calendar year, shall change as the Lot is conveyed and the assessment for such Lot shall be prorated accordingly.

SECTION 5.2 **VOTING.** In conjunction with the By-Laws of Pecan Grove Plantation Property Owners Association, each Owner shall be entitled to one (1) vote for each Lot owned. When more than one (1) person holds an interest in any Lot, all such persons shall be members. The vote for such Lot shall be exercised as they determine, but in no event shall more than one (1) vote be cast with respect to any Lot holders of future interests not entitled to present possession shall not be considered as Owners for the purposes of voting hereunder.

ARTICLE VI

ASSESSMENTS

SECTION 6.1 **THE MAINTENANCE FUND.** All funds collected as hereinafter provided, for the benefit of the Association from the Annual and/or Special Assessments, shall constitute and be known as the "Maintenance Fund". The assessments levied by the Association shall be used exclusively to promote the recreation, health, and welfare of the residents in the Pecan Grove Plantation Property Owners Association and for the improvement, maintenance and acquisition of Common Areas and Reserves. The responsibilities of the Association may include, by way of example, but without limitation, at its sole discretion, any and all of the following: maintaining, repairing or replacing parkways, perimeter fences, and esplanades; maintaining, repairing or replacing of the walkways, steps, entry gates, or fountain areas; landscaping, if any; maintaining rights-of-way, easements, esplanades and other public areas, if any; construction, installation, and operation of street lights; the expense of purchasing and/or operating recreation areas, pools, playgrounds, clubhouses, tennis courts, jogging tracks and parks, if any; collecting garbage; insecticide services; payment of all legal and other expenses incurred in connection with the enforcement of all recorded charges and assessments, covenants, restrictions, 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 Fund; contracting for policemen and watchmen; CPAs and property management firms, attorneys, porters, lifeguards, or any type of service deemed necessary or advisable by the Association; caring for vacant Lots and doing any other thing necessary or desirable in the opinion of the Association to keep the properties in the Pecan Grove Plantation Property Owners Association neat and orderly, or to which is considered of general benefit to the Owners or occupants of the Properties. It is

understood that the judgment of the Association, when deciding the expenditure of said funds, shall be final and conclusive so long as such judgment is exercised in good faith.

The Board of Directors of the Association shall also prepare annually a reserve budget to take into account the number and nature of replaceable assets, the expected life of each asset, and the expected repair or replacement cost of each asset. The Board of Directors of the Association shall set the required capital contribution in an amount sufficient to permit meeting the projected needs of the Association, as shown on the budget, with respect both to amount and timing by annual base assessments over the period of the budget. The capital contribution required, if any, shall be fixed by the Board of the Directors of the Association and included within and distributed with the applicable budget and notice of assessments.

SECTION 6.2 CREATION OF THE LIEN AND PERSONAL OBLIGATION OF ASSESSMENTS. Each Lot in the Subdivision is hereby subjected to the Assessments set out in this Article VI and each Owner of any Lot by acceptance of a deed therefore, whether or not it shall be so expressed in such deed, is deemed to covenant and agree to pay to the Association: (1) Annual Assessments; (2) Special Assessments to be established and collected as hereinafter provided; (3) Interest; (4) Late Fees; (5) Costs of Collection; (6) Attorney Fees; and (7) any other charges authorized by the Declaration or incurred by the Association in connection with enforcement of this Declaration, the Association By-Laws, or Rules and Regulations. The Annual Assessments and Special Assessments and charge backs, together with the interest, costs of collection, late fees, and reasonable attorney's fees, shall be a charge on the Lot and shall be a continuing lien upon the property against which such assessments are made. All such assessments as to a particular property, together with interest, late fees, collection costs and reasonable attorney's fees, shall also be the personal obligation of the person who was the Owner of such property at the time when the assessments fell due. The personal obligation for delinquent assessments shall not pass to his successor in title unless expressly assumed by such successor.

SECTION 6.3 ASSESSMENTS. The Annual Assessments shall be paid by the Owner(s) of each Lot in the Association in annual installments. The annual periods for which Annual Assessments shall be levied shall be January 1 through December 31, with payment being due by January 1 of each year. The rate at which each Lot shall be assessed as to the Annual Assessments shall be determined annually, shall be billed in advance, shall be due and payable in advance and may be adjusted from year to year by the Board of Directors of the Association as the

needs of the Subdivision may, in the judgment of the Board of Directors of the Association, require; provided, however, that such assessments shall be uniform as to all Lots in the Subdivision.

SECTION 6.4 MAXIMUM ANNUAL ASSESSMENT. The maximum Annual Assessment for 2015 shall be $200.00 per Lot per annum. The maximum Annual Assessment may be increased each year by no more than 10% above the previous year's maximum Annual Assessment. The maximum Annual Assessment may be increased above the ten percent (10%) increase described above only by consent of the members of the entitled to cast not less than two-thirds (2/3) of the aggregate of the vote of the Members in the Subdivision, voting in person or by proxy, at a meeting duly called for this purpose.

SECTION 6.5 TRANSFER FEES. The Association may charge a fee for transfer of ownership of a Lot. The fee shall be set by the Board of Directors of the Association, but shall not exceed one-fourth ($1/4^{th}$) of the Annual Assessment.

SECTION 6.6 SPECIAL ASSESSMENTS. In addition to the Annual Assessments authorized above, the Board of Directors of the Association may levy, in any assessment year, a Special Assessment applicable to the current year only for the purpose of defraying, in whole or in part, the cost of any construction, reconstruction, repair or replacement of a capital improvement upon the Common Areas, storm sewers, sidewalks, and recreational facilities, including fixtures and personal property related thereto, or for any other purpose approved by the membership, provided any such assessment shall have the approval by written consent of the members of the Association entitled to cast not less than two-thirds (2/3) of the aggregate of the vote of both classes of membership or a two-thirds (2/3) vote of the aggregate of the votes of both classes of membership who are voting in person or by proxy, at a meeting duly called for this purpose.

SECTION 6.7 NOTICE AND QUORUM. The presence of members or of proxies entitled to cast at least ten percent (10%) of all the votes of membership shall constitute a quorum. Written notice of any membership meeting called for the purpose of increasing the cap or raising any annual or special assessment shall be mailed (by U.S. first class mail) to all members not less than thirty (30) days nor more than sixty (60) days in advance of the meeting.

SECTION 6.8 RATE OF ASSESSMENT. All Lots in the Subdivision shall commence to bear their applicable Annual Assessment on later of the date of the recording of this Declaration in Fort Bend County, Texas. Lots in the Subdivision owned by the Developer are not exempt from assessment. All Lots shall be subject to the Annual Assessment determined by the

Board of Directors of the Association in accordance with the provisions hereof. Developed Lots in the Subdivision, which are not occupied by a resident and which are owned by the Developer or Builder shall be assessed at one-half (½) of the Annual Assessment from that date when the plat for said Lot is recorded until the Lot is sold to a record Owner. The rate of assessment for an individual Lot shall change as the character of ownership and the status of occupancy by a resident change, and the applicable assessment for such Lot shall be prorated according to the rate required during each type of ownership.

SECTION 6.9 EFFECT OF NONPAYMENT OF ASSESSMENTS. Any assessment not paid within thirty (30) days after the due date shall bear interest at the rate of ten percent (10%) per annum. The Association may in addition charge a late charge for assessments paid more than fifteen (15) days after the due date. The Association may bring an action at law against the Owner personally obligated to pay same or foreclose the liens against the Lot. Interest, collection costs, late charges and attorneys' fees incurred in any such collection action shall be added to the amount of such assessment or charge. An Owner, by his acceptance of a deed to a Lot, hereby expressly vests in the Association and its agents the right and power to bring all actions against such Owner personally for the collection of such charges as a debt and to enforce the aforesaid lien by all methods available for enforcement of such liens, including a lawsuit for judicial foreclosure pursuant to Chapter 209 of the Property Code, as may be amended, or via an action for expedited foreclosure pursuant to Section 209.0092 of the Texas Property Code (or any amendment or successor statute), and each such Owner expressly grants to the association a Power of Sale in connection with said lien.

Following any foreclosure, each occupant of any such Lot foreclosed on and each occupant of any improvements 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.

The Association shall also have the right to maintain a deficiency suit in the event the sale proceeds are less than the amount of assessments, interest, late fees, attorneys' fees, and costs incurred by or owed to the Association.

In addition to foreclosing the lien hereby retained, in the event of nonpayment by any Owner of such Owner's portion of any assessment, the Association may, acting through the Board of Directors of the Association, upon thirty (30) days prior written notice thereof to such nonpaying

Owner, in addition to all other rights and remedies available at law or otherwise, restrict the right of such nonpaying Owner to use the Common Areas, in such manner as the Association deems fit or appropriate for so long as such default exists.

No Owner may waive or otherwise escape liability for the assessments provided herein by the non-use of the facilities or services provided by the Association or by abandonment of his Lot.

SECTION 6.10 SUBORDINATION OF THE LIEN TO MORTGAGES. To secure the payment of the Maintenance Fund, all Annual and Special Assessments established hereby and to be levied on individual residential Lots, there is hereby reserved in each Deed (whether specifically stated therein or not) a Vendor's Lien and a Contract Lien for benefit of the Association, said liens to be enforceable as set forth in Article VI hereof by the Association on behalf of such beneficiary; provided, however, that each such lien shall be secondary, subordinate and inferior to all liens, present and future given, granted and created by or at the request of the Owner of any such Lot to secure the payment of monies advanced on account of the purchase price and/or the construction of improvements on any such Lot to the extent of any such maintenance fund charge or annual or special assessments accrued and unpaid prior to foreclosure of any such purchase money lien or construction lien; and further provided that as a condition precedent to any proceeding by the Association to enforce such lien upon any Lot upon which there is an outstanding valid and subsisting first mortgage lien, for the aforesaid purpose or purposes. The sale or transfer of any Lot pursuant to mortgage foreclosure or any proceeding in lieu thereof, shall extinguish the lien of such assessment as to payment which became due prior to such sale or transfer. Mortgages are not required to collect assessments. Failure to pay assessments does not constitute a default under an insured mortgage.

SECTION 6.11 ASSOCIATION OBLIGATION. The Board of Directors of the Association shall fix the amount of the annual assessment against each Lot at least thirty (30) days in advance of each annual assessment period. Written notice of the annual assessment shall be mailed (by U.S. First Class Mail) to every Owner subject thereto. The payment dates shall be established by the Board of Directors of the Association. The Association shall, upon demand, and for reasonable charge, furnish a certificate signed by an officer of the Association setting forth whether the assessments on a specified Lot have been paid and the amount of any delinquencies. The Association shall not be required to obtain a request for such certificate signed by the Owner

but may deliver such certificate to any party who in the Association's judgment has a legitimate reason for requesting same.

ARTICLE VII

INSURANCE AND CASUALTY LOSSES

SECTION 7.1 INSURANCE. The Association's Board of Directors, or its duly authorized agent, shall have the authority to and shall obtain blanket "all-risk" property insurance, if reasonably available, for an insurable improvements to the Common Area. If blanket "all-risk" coverage is not reasonably available, then at a minimum an insurance policy providing fire and extended coverage shall be obtained. The face amount of such insurance shall be sufficient to cover the full replacement cost of any repair or reconstruction in the event of damage or destruction from any insured hazard. The Association shall have no insurance responsibility for any part of any Lot or private amenity. The Board of Directors of the Association shall also obtain a general liability policy covering the Common Areas, insuring the Association and its Members for all damage or injury caused by the negligence of the Association or any person for whose acts the Association is held responsible. The public liability policy shall have at least a one million dollar ($1,000,000.00) single person limit with respect to bodily injury and property damage, at least a two million dollar ($2,000,000.00) input per occurrence, if reasonably available, and at least a five hundred thousand dollar ($500,000.00) minimum property damage limit. Premiums for all insurance on the Common Areas shall be common expenses, subject to the right of the Association to seek reimbursement for all or a portion of damages caused by an Owner, or resident, invitee or guest, including deductible reimbursement. Insurance policies may contain a reasonable deductible and the amount thereof shall not be subtracted from the face amount of the policy in determining whether the insurance at least equals the coverage required hereunder. The deductible shall be paid by the party who would be liable for the loss or repair in the absence of insurance, and in the event of multiple parties shall be allocated in relation to the amount each party's loss bears to the total. All insurance coverage obtained by the Board of Directors of the Association shall be governed by the following provisions:

a. all policies shall be written with a company authorized to do business in Texas which holds a Best's rating of "A" or better and is assigned a financial size category of XI or larger as established by A.M. Best Company, Inc., if

reasonably available, or, if not available, the most nearly equivalent rating which is available;

b. all policies on the Common Areas shall be for the benefit of the Association and its Members and shall be written in the name of the Association;

c. exclusive authority to adjust losses under policies obtained on the Common Area shall be vested in the Association's Board of Directors;

d. in no event shall the insurance coverage obtained and maintained by the Association's Board of Directors hereunder be brought into contribution with insurance purchased by individual Owners, occupants, or their mortgages;

e. the Association's Board of Directors shall be required to use reasonable efforts to secure insurance policies that will provide the following:

(i) a waiver of subrogation by the insurer as to any claims against the Association's Board of Directors, officers, employees and manager, to the Owner and occupants of Lots and their respective tenants, servants, agents, and guests;

(iii) a statement that no policy may be canceled, invalidated, suspended, or subject to non-renewal on account of anyone or more individual Owners;

(iv) a statement that no policy may be canceled, invalidated suspended, or subject to non-renewal on account of any curable defect or violation without prior demand in writing delivered to the Association to cure the defect or violation and the allowance of reasonable time thereafter within which the defect may be cured by the Association, its manager, any Owner, or Mortgagee;

(vi) a statement that the Association will be given at least thirty (30) days prior written notice of any cancellation, substantial modification, or non-renewal.

In addition to the other insurance required by this Subdivision, the Board of Directors of the Association may carry worker's compensation insurance, and directors' and officers' liability coverage..

SECTION 7.2 INDIVIDUAL INSURANCE. By virtue of taking title to a Lot subject to the terms of this Declaration, each Owner covenants and agrees with all other Owners and with the Association that such Owner shall carry homeowners insurance on the Lot(s) and structures constructed thereon. Each Owner further covenants and agrees that in the event of loss or damage to the structures comprising his Lot, the Owner shall either: (a) proceed promptly to repair or reconstruct the damaged structure in a manner consistent with the original construction or such other plans and specifications as are approved by the Architectural Control Committee; or (b) clear the Lot of all damaged structures, debris and ruins and thereafter maintain the Lot in a neat and attractive landscaped condition consistent with the requirements of the Architectural Control Committee and the Association's Board of Directors.

SECTION 7.3 DAMAGE AND DESTRUCTION.

a. Immediately after damage or destruction by fire or other casualty to all or any part of the Subdivision covered by insurance written in the name of the Association, the Board of Directors or its duly authorized agent shall proceed with the filing and adjustment for all claims arising under such insurance and obtain reliable and detailed estimates of the cost or repair or reconstruction of the damaged or destroyed Subdivision. Repair or reconstruction, as used in this paragraph, means repairing or restoring the Subdivision to substantially the same condition in which they existed prior to the fire or other casualty, allowing for any changes or improvements necessitated by changes in applicable building codes.

b. Immediately after damage or destruction by fire or other casualty to all or any part of a Lot covered by insurance written in the name of an Owner, the Owner shall proceed with the filing and adjustment for all claims arising under such insurance and obtain reliable and detailed estimates of the cost or repair or reconstruction of the damaged or destroyed Lot. Repair or reconstruction, as used in this paragraph, means repairing or restoring the Lot to substantially the same condition in which it existed prior to the fire or other casualty, allowing for any changes or improvements necessitated by changes in applicable building codes.

c. Any damage or destruction to the Common Area shall be repaired or reconstructed unless the Voting Members representing at least seventy-five percent (75%) of the votes of the Association, shall decide within sixty (60) days after the casualty not to repair or reconstruct. If for any reason either the amount of the insurance proceeds to be paid as a result of such damage or destruction, or reliable and detailed estimates of the cost of repair or reconstruction, or both, are not

made available to the Association within said period, then the period shall be extended until such funds or information shall be made available; provided, however such extension shall not exceed sixty (60) additional days. Except as expressly provided herein, no Mortgagee shall have the right to participate in the determination of whether the damage or destruction to Common Area or common property of the Association shall be repaired or reconstructed.

d. In the event that it should be determined in the manner described above that the damage or destruction to the Common Area shall not be repaired or reconstructed and no alternative improvements are authorized then and in that event the affected portion of the Subdivision shall be cleared of all debris and ruins and maintained by the Association in a neat and attractive landscaped condition.

SECTION 7.4 DISBURSEMENT OF PROCEEDS. If the damage or destruction for which the proceeds of insurance policies held by the Association are paid is to be repaired or reconstructed, the proceeds, or such portion thereof as may be required for such purpose, shall be disbursed in payment of such repairs or reconstruction as hereinafter provided. Any proceeds remaining after defraying such costs of repair or reconstruction, or if no repair or reconstruction is made, any proceeds shall be retained by and for the benefit of the Association.

SECTION 7.5 REPAIR AND RECONSTRUCTION. If the damage or destruction to the Common Area for which insurance proceeds are paid is to be repaired or reconstructed and such proceeds are not sufficient to defray the cost thereof, the Board of Directors of the Association shall, without the necessity of a vote of the Members, levy a special assessment against the Owners of Lots sufficient to raise the additional funds necessary to restore the Common amenity. Additional assessments may be made in like manner at any time during or following the completion of any repair or reconstruction.

ARTICLE VIII
NO PARTITION

Except as is permitted in this Declaration or amendments thereto, there shall be no judicial partition of the Common Area or any part thereof, nor shall any Person acquiring any interest in the Subdivision or any part thereof seek any judicial partition unless the Subdivision have been removed from the provisions of this Declaration. This Article shall not be construed to prohibit the Board of Directors of the Association from acquiring and disposing of tangible

personal property nor from acquiring title to real property which may or may not be subject to this Declaration.

ARTICLE IX

GENERAL PROVISIONS

SECTION 9.1 ENFORCEMENT. The Association, or any Owner, shall have the right to enforce, by any proceeding at law or in equity, all restrictions, conditions, covenants, reservations, liens and charges now or hereafter imposed by the provisions of this Declaration. Failure by the Association or by any Owner to enforce any covenant or restriction herein contained shall in no event be deemed a waiver of the right to do so thereafter, nor shall the right to enforce be construed as an obligation to enforce any provision contained herein.

SECTION 9.2 SEVERABILITY. Invalidation of any one of these covenants or restrictions by judgment or court order shall in nowise affect any other provisions, which shall remain in full force and effect.

SECTION 9.3. TEXAS PROPERTY CODE. The Association shall have all of the rights provided under Chapter 202 and Chapter 204 of the Texas Property Code or any amended or successor statute and shall comply with all requirements set forth in Chapter 209 of the Texas Property Code.

SECTION 9.4 OWNER'S EASEMENT OF ENJOYMENT. Every Owner shall have a right of easement of enjoyment in and to the Common Areas, which shall be appurtenant to and shall pass with the title to every Lot subject to the following provisions:

a. The right of the Association to charge reasonable admission and other fees for the use of any recreational facility situated upon the Common Areas.

b. The right of the Association to suspend the voting rights and right to use of the recreational facilities by an Owner for any period during which any assessment against his Lot remains unpaid; and for a period not to exceed sixty (60) days for each infraction of its published rules and regulations.

c. The right of the Association or the 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 such conditions as may be agreed to by the members.

d. The right of the Association to collect and disburse those funds as set forth in Article IV.

SECTION 9.5 DELEGATION OF USE. Any Owner may delegate in accordance with the By-Laws of the PECAN GROVE PLANTATION Property Owners Association, Inc. his right of enjoyment to the Common Area and facilities to the members of his family, his tenants or contract purchasers who reside on the Lot.

SECTION 9.6 AMENDMENT. The covenants and restrictions of this Declaration shall run with and bind the land, for a term of forty (40) years from the date this Declaration is recorded, after which time they shall be automatically extended for successive periods of ten (10) years. This Declaration may be amended during the first three (3) year period by an instrument signed by the Developer to modify and clarify any provisions of this Declaration in any manner not inconsistent with the residential character of the Subdivision and/or the purpose of the Declaration. This Declaration may be amended during the first twenty (20) year period by an instrument signed by those Owners owning not less than seventy-five percent (75%) of the Lots within the Subdivision, and thereafter by an instrument signed by those Owners owning not less than sixty-seven percent (67%) of the Lots within the Subdivision. No person shall be charged with notice of or inquiry with respect to any amendment until and unless it has been filed for record in the Official Public Records of Real Property of Fort Bend County, Texas.

SECTION 9.9 BOOKS AND RECORDS. The books, records and papers of the Association shall, during reasonable business hours, be subject to inspection by any member. The Articles of Incorporation, By-Laws of the Association, and Covenants, Conditions and Restrictions shall be available for inspection by any member at the principal office of the Association where copies may be purchased at a reasonable cost. The policies regarding books and records are more particularly enumerated in the Association's Records policy, on file with the Fort Bend County Real Property Records office.

SECTION 9.10 INTERPRETATION. If this Declaration or any word, clause, sentence, paragraph or other part thereof shall be susceptible of more than one or conflicting interpretations, then the interpretation which is most nearly in accordance with the general purposes and objectives of this Declaration shall govern.

SECTION 9.11 OMISSIONS. If any punctuation, word, clause, sentence or provision necessary to give meaning, validity or effect to any other word, clause, sentence or

provision appearing in this Declaration shall be omitted here from, then it is hereby declared that such omission was unintentional and that the omitted punctuation, word, clause, sentence or provisions shall be supplied by inference.

SECTION 9.12 ADDITIONAL REQUIREMENTS. So long as required by the Federal Home Mortgage Corporation, the following provisions apply in addition to and not in lieu of the foregoing. Unless at least sixty-seven percent (67%) of the first Mortgagees or Members representing at least sixty-seven percent (67%) of the total Association vote entitled to be cast thereon consent, the Association shall not:

a. by act or omission seek to abandon, partition, subdivide, encumber, sell, or transfer all or any portion of the real property comprising the Common Area which the Association owns, directly or indirectly (the granting of easements for public utilities or other similar purposes consistent with the intended use of the Common Area shall not be deemed a transfer within the meaning of this Subdivision);

b. change the method of determining the obligations, assessments, dues, or other charges which may be levied against an Owner of a Lot (a decision, including contracts, by the Board of Directors of the Association or provisions of any declaration subsequently recorded on any portion of the Subdivision regarding assessments annexed or other similar areas shall not be subject to this provision where such decision or subsequent declaration is otherwise authorized by this declaration.);

c. by act or omission change, waive, or abandon any scheme or regulations or enforcement thereof pertaining to the architectural design or the exterior appearance and maintenance of Lots and of the Common Areas (the issuance and amendment of architectural standards, procedures, rules and regulations, or use restrictions shall not constitute a change, waiver, or abandonment within the meaning of this provision);

d. fail to maintain insurance, as required by this Declaration; or

e. use hazard insurance proceeds for any Common Area losses for other than the repair, replacement, or reconstruction of such property, or to add to reserves.

First Mortgagees may, jointly or singly, after thirty (30) days written notice to the Association, pay taxes or other charges which are in default and which may or have become a charge against the Common Area and may pay overdue premiums on casualty insurance policies or secure new casualty insurance coverage upon the lapse of an Association policy, and first Mortgagees making such payments shall be entitled to immediate reimbursement from the Association.

SECTION 9.13 NO PRIORITY. No provision of this Declaration or the By-Laws gives or shall be construed as giving any Owner or other party priority over any rights of the first mortgagee of any Lot in the case of distribution to such Owner of insurance proceeds or condemnation awards for losses to or a taking of the Common Areas.

SECTION 9.14 NOTICE TO ASSOCIATION. Upon request, each Owner shall be obligated to furnish to the Association the name and address of the holder of any Mortgage encumbering such Owner's Lot.

SECTION 9.15 AMENDMENT BY BOARD OF DIRECTORS OF THE ASSOCIATION. Should the Federal National Mortgage Association or the Federal Home Loan Mortgage Corporation subsequently delete any of their respective requirements which necessitate the provisions of this Article or make any such requirements less stringent, the Board of Directors of the Association, without approval of the Owners, may cause an amendment to this Article to be recorded to reflect such changes.

SECTION 9.16 APPLICABILITY OF ARTICLE IX. Nothing contained in this Article shall be construed to reduce the percentage vote that must otherwise be obtained under this Declaration, By- Laws, or Texas law for any of the acts set out in this Article.

SECTION 9.17 FAILURE OF MORTGAGEE TO RESPOND. Any Mortgagee who receives a written request from the Board of Directors of the Association to respond to or consent to any action shall be deemed to have approved such action if the Association does not receive a written response from the Mortgagee within thirty (30) days of the date of the Association's request, provided such request is delivered to the Mortgagee by certified or registered mail, return receipt requested.

SECTION 9.18 ANNEXATION. ADDITIONAL RESIDENTIAL PROPERTY AND COMMON AREA MAY BE ANNEXED TO THE PROPERTIES OR INCORPORATED

INTO THE ASSOCIATION WITH THE CONSENT OF PECAN GROVE PLANTATION PROPERTY OWNERS ASSOCIATION, INC., BOARD OF DIRECTORS.

(SIGNATURE PAGES TO FOLLOW)

EXECUTED this the 28th day of July, 2015.

DEVELOPER:

ARENOSA DEVELOPMENT PITTS ROAD, LTD., a Texas limited partnership

By: **ARENOSA DEVELOPMENT, LLC,** a Texas limited liability company, it's General Partner

By: _____, PRESIDENT
Ryan Niles, President

THE STATE OF TEXAS §
§
COUNTY OF ~~HARRIS~~ Ft. Bend §

BEFORE ME, the undersigned authority, on this day personally appeared Ryan Niles, known to me to be the person and officer whose name is subscribed to the foregoing instrument, and acknowledged to me that he executed the same for the purposes and consideration therein expressed, as the act and deed of said company and in the capacity therein stated.

GIVEN UNDER MY HAND AND SEAL OF OFFICE, this the 28 day of July, 2015.

NOTARY PUBLIC STATE OF TEXAS
BETH SHELTON
My Commission Expires
April 23, 2018

_____
Notary Public in and for the State of Texas

CONSENT OF LIENHOLDER

to

DECLARATION OF
COVENANTS, CONDITIONS AND RESTRICTIONS
THE TERRACE AT PECAN GROVE
A SUBDIVISION IN FORT BEND COUNTY, TEXAS

The undersigned, being a lienholder against The Terrace at Pecan Grove, a Subdivision in Fort Bend County, Texas, does hereby consent and agree to the foregoing "Declaration of Covenants, Conditions, and Restrictions of The Terrace at Pecan Grove, a Subdivision in Fort Bend County, Texas" to which this instrument is attached.

TEXAS CAPITAL BANK

Date: 7/29/15

By: Texas Capital Bank, N.A

By: _____

Name: Jerry Schillaci
Senior Vice President

Title: _____

THE STATE OF TEXAS §
§
COUNTY OF FORT BEND §

BEFORE ME, the undersigned notary public, on this day personally appeared Jerry Schillaci, known to me to be the person whose name is subscribed to the foregoing instrument, and acknowledged to me that he executed the same for the purpose and consideration therein expressed.

SUBSCRIBED AND SWORN TO BEFORE ME on this the 29 day of July, 2015. to certify which witness my hand and official seal.

CHERYL SHELBY
Notary Public, State of Texas
My Commission Expires
April 08, 2018

Notary Public in and for the State of Texas

EXHIBIT "A"

PLAT