

**DECLARATION OF
COVENANTS, CONDITIONS, AND RESTRICTIONS FOR
AVALON RIDGE**

After Recording Return To:

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DECLARATION OF COVENANTS, CONDITIONS, AND RESTRICTIONS FOR AVALON RIDGE

STATE OF TEXAS §
§
§
COUNTY OF MONTGOMERY §

This Declaration of Covenants, Conditions, and Restrictions for Avalon Ridge is made by 1484 Holdings I LLC, a Texas limited liability company (“**Declarant**”).

RECITALS:

Declarant is the owner of certain real property situated in Montgomery County, Texas, platted as Avalon Ridge Section 1, a subdivision of 26.536 acres and also being out of the Bennett Blake Survey, Abstract No. 4, according to the map or plat thereof, filed on the 17th day of December, 2025, under Clerk's File No. 2025129484 (the "**Section 1 Plat**") in the Plat Records of Montgomery County, Texas (the "**Property**" or "**Avalon Ridge**", which terms include additional land as same may be annexed into the Avalon Ridge Property and made subject to this Declaration).

Declarant desires to develop the Property as a single family, residential use subdivision, and to provide and adopt a general plan of development including Assessments, conditions, covenants, easements, reservations, and restrictions designed to govern the Property, as applicable.

Declarant has deemed it desirable, for the efficient administration of the amenities in the Property and the enforcement of the Dedicatory Instruments, to create an Association to which has been or will be delegated and assigned the authority to administer and enforce these Assessments, conditions, covenants, easements, reservations, and restrictions, including levying, collecting, and disbursing the Assessments.

There has been or will be incorporated one or more nonprofit corporations created under the laws of the State of Texas, including the first being Avalon Ridge Community Association, Inc. Declarant is authorized to incorporate one or more entities to provide the functions of the Association. The directors of the Association either have or will establish certain Bylaws by which the Association will be governed through its Board of Directors, for the purpose of exercising the functions of the Association and any other duties as set out in the Bylaws or in other Dedicatory Instruments.

DECLARATION:

The Property will be held, transferred, sold, conveyed, used, and occupied subject to the covenants, Assessments, restrictions, easements, charges, and liens set forth in the Dedicatory Instruments, including, but not limited to, this Declaration. The Property is subject to the jurisdiction of the Association, and will be developed, improved, sold, used, and enjoyed in accordance with, and subject to the following plan of development, including the applicable Assessments, conditions, covenants, easements, reservations, and restrictions set forth in this

Declaration, all of which are adopted for, and placed upon the Property and are covenants running with the land and are binding on all parties, now and at any time having or claiming any right, title, or interest in the Property or any part thereof, their heirs, executors, administrators, successors, and assigns, regardless of the source of, or the manner in which any such right, title, or interest is or may be acquired, and will inure to the benefit of each Owner of any part of the Property.

The Property is subject to this Declaration, which may be amended or supplemented from time to time. Additionally, the Property is subject to the Dedicatory Instruments. If any conflict exists between any portion of the Declaration and any Dedicatory Instrument, the more restrictive provision will control. Notwithstanding the foregoing, in the event of a conflict between a Dedicatory Instrument and any amendment thereto, the amendment will control.

ARTICLE I. DEFINITION OF TERMS

The following words, when used in this Declaration, have the following meanings when capitalized (unless the context requires otherwise and then the term is not capitalized):

- A. **“ARC”** means the Architectural Review Committee established for the Property as set forth in this Declaration.
- B. **“Area of Common Authority”** means all the properties and facilities for which the Association (i) has enforcement authority, (ii) may have responsibility under the Dedicatory Instruments, or (iii) otherwise elects to maintain or contribute to the cost of maintenance, repair, or replacement for the benefit of its Members, regardless of who owns such properties and facilities. The Area of Common Authority includes all the Common Area and may, by way of illustration and not limitation, also include Reserve Areas, Lots or portions of Lots and property dedicated to the public, such as rights of way. Portions of Lots affected by easements held by the Association as set forth in this Declaration are considered Area of Common Authority.
- C. **“Assessments”** means the assessments levied against all Lots pursuant to this Declaration, a Supplemental Amendment, or another Dedicatory Instrument, for the purposes set out in the applicable Dedicatory Instrument, or any other charge authorized by this Declaration or other Dedicatory Instrument.
- D. **“Association”** means one or more nonprofit corporations, including its successors, assigns, or replacements, created under the laws of the State of Texas, with the first being Avalon Ridge Community Association, Inc. Declarant is authorized to incorporate one or more entities to provide the functions of the Association. No more than one such nonprofit corporation will be in existence at any one time, provided, however, the formation of one or more sub-associations is permitted, subject to the terms set forth in this Declaration. The Association is a Texas nonprofit corporation that has jurisdiction over all properties located within Avalon Ridge, as same may be amended from time to time as additional property is annexed into Avalon Ridge as allowed under this Declaration. For purposes of clarity, when “Association” is used in this Declaration, that term includes the authority, rights, remedies, and obligations of

the nonprofit corporation, and the authority of the Board, as defined in this Declaration, to carry out the authority, rights, remedies, and obligations of the Association.

- E. ***“Board”*** means the Board of Directors of the Association, as provided in the Bylaws.
- F. ***“Builder”*** means an individual or entity that purchases a single or multiple Lots from Declarant or its affiliates for the purpose of constructing Dwellings thereon, which Dwellings will be offered for sale to purchasers. ***“Builder”*** does not include an individual or entity constructing additions onto a Dwelling already in existence, performing repairs or maintenance, or reconstructing or replacing a Dwelling after demolition or destruction, either partial or complete.
- G. ***“Bylaws”*** means the Bylaws of the Association, as they may be amended from time to time.
- H. ***“Common Area”*** means all real property owned in fee or held in easement, lease, or license by the Association and all improvements thereon, including real property in which it otherwise holds possessory or use rights, for the common use and enjoyment of the Owners, and Reserve Areas for the benefit of the Membership. Portions of Lots affected by easements held by the Association as set forth in this Declaration are not considered Common Area.
- I. ***“Community Wide Standard”*** means the standard of development, improvements, use, conduct, architecture, landscaping, maintenance, or aesthetic matters generally prevailing throughout the Property. Such standards may but are not required to be set out in the Dedicatory Instruments and Board resolutions. The Community Wide Standard may contain objective elements, such as specific maintenance requirements, and subjective elements, such as matters subject to the discretion of the Board or ARC. Such standards may be specifically determined and modified by the Board, with the approval of Declarant during the Development Period. The Community Wide Standard may evolve as development progresses and as Avalon Ridge matures.
- J. ***“Declarant”*** means 1484 Holdings I LLC, a Texas limited liability company, its successors and assigns, as same is required to be evidenced by a written instrument recorded in the Official Public Records of Montgomery County, Texas.
- K. ***“Declaration”*** means this Declaration of Covenants, Conditions, and Restrictions for Avalon Ridge, which encumbers the Property, and any other property brought under the control of this Declaration, any Supplemental Amendment, any Annexation Agreement, and any amendments thereto.
- L. ***“Dedicatory Instrument”*** means each governing instrument covering the establishment, maintenance, and operation of the Property. The term includes this Declaration, any Annexation Agreement or Supplemental Amendment to the Declaration, any instrument (including the Guidelines) subjecting the Property to covenants, conditions, restrictions, or Assessments, any Certificate of Formation,

Bylaws, or other instruments governing the administration or operation of the Association, all properly adopted policies, rules, and regulations of the Association, and any lawful amendments or modifications to the Dedicatory Instruments.

- M. ***“Deed Restriction Violation”*** means and includes (i) any damage that an Owner or Occupant has caused to the Common Area, (ii) a condition on a Lot or an improvement located upon a Lot that does not comply with the terms and conditions of the Dedicatory Instruments encumbering the Property, (iii) failure to pay all amounts due and owing on a Lot, (iv) failure to construct improvements or modifications on a Lot in accordance with plans approved by the ARC, and (v) failure to comply with any terms and conditions of a Dedicatory Instrument.
- N. ***“Development Period”*** means the period of time during which Declarant reserves the right to facilitate the development, construction, and marketing of the Property and the right to direct the size, shape, and composition of the Property, which retained rights specifically include the right of Declarant to appoint and remove all members of the ARC, as set forth in this Declaration, and which rights are vested in Declarant until the earlier of (i) such time as Declarant no longer owns any portion of the Property, or (ii) such time as Declarant assigns or relinquishes all of its retained rights created in this Declaration or in any other Dedicatory Instrument. During the Development Period, Declarant has the exclusive right to disapprove any action, policy, or program of the Association, the Board, or any committee which, in the sole judgement of Declarant, would tend to impair the rights of Declarant or interfere with the development, construction, or marketing of any portion of the Property, or diminish the level of services being provided by the Association. In the event the Development Period terminates pursuant to the above provisions and thereafter Declarant becomes record owner of any portion of the Property, the Development Period will be restored until it again terminates as specified above.
- O. ***“Dwelling”*** means a main residential structure constructed on a Lot or Homesite intended for single family residential use.
- P. ***“Grantee”*** means a person or entity acquiring title to a Lot within the Property.
- Q. ***“Guidelines”*** means general, architectural, or builder guidelines, and application and review procedures, if any, that may set forth various standards relating to the exterior harmony of any improvements placed upon or constructed on any Lot or construction types and aesthetics. There is no limitation on the scope of amendments to the Guidelines, and such amendments may remove requirements previously imposed or otherwise make the Guidelines less restrictive. Guidelines are enforceable by the Board.
- R. ***“Hardscape”*** means and includes items such as rocks, landscape timbers, railroad ties, fountains, statuary, sculptures, terracing materials, lawn swings, and yard art.
- S. ***“Homesite”*** means one or more Lots upon which a single family Dwelling may be erected subject to this Declaration.

- T. **“Lienholder”** means that certain entity that (i) has executed the Lienholder Consent and Subordination attached to this Declaration, which Lienholder Consent and Subordination is incorporated in this Declaration for all purposes, and (ii) is the sole beneficiary of a purchase money mortgage lien (as set forth in this Declaration) and other liens, assignments, and security interests encumbering all or a portion of the Property owned by Declarant.
- U. **“Limited Common Area”** means (i) portions of the Common Area which, by plat or otherwise, are restricted to the exclusive use or primary benefit of less than all Homesites within the Property, and (ii) those portions of the Common Area that are considered part of a Service Area. Limited Common Area may include, among other things, entry features, private streets, recreational facilities, lakes, landscaped medians, and cul-de-sacs.
- V. **“Lot”** means a parcel of Property defined as one Lot by the Section 1 Plat (or applicable plat as future sections may be annexed into the Property) or any replat thereof recorded in the Official Public Records of Montgomery County, Texas, encumbered by this Declaration, and restricted to single family residential use. Homesites may be comprised of more than one Lot; each such Lot will be subject to the rights and duties of Membership in the Association. No Lot may be further subdivided and separated into smaller Lots, and no portion less than all of any Lot may be transferred or conveyed. Notwithstanding anything contained in this Declaration to the contrary, this definition does not include any Lot for so long as it is being used by Declarant as a model home Lot, a sales information center, or for any other purpose.
- W. **“Member”** or **“Membership”** means an Owner, as defined in this Article, subject to the provisions set forth in this Declaration.
- X. **“Member in Good Standing”** means Declarant, as well as a Member (i) who is not delinquent in the payment of any Assessment against the Member’s Lot or any interest, late charges, costs, or reasonable attorney’s fees added to such Assessment under the provisions of the Dedicatory Instruments or as provided by law, (ii) who is not delinquent in payments made pursuant to a payment plan for Assessments, (iii) who has not failed to pay any fine levied against the Member or the Member’s Lot pursuant to the Dedicatory Instruments, (iv) who has not caused any Deed Restriction Violation which has progressed to the stage of a written notice to the Owner of the Owner’s right to request a hearing to be held by the Association, or beyond, and which remains unresolved as of the date of determination of the Member’s standing, (v) who has not failed to comply with all terms of a judgment obtained against the Member by the Association, including the payment of all sums due the Association by virtue of such judgment, and (vi) who is in compliance with all state and federal mandated requirements for directors, if the Member is elected by the Class A Members to serve on the Board, including, but not limited to, the requirements of the Corporate Transparency Act, if applicable, as set forth in the Bylaws. If one Occupant of a particular Dwelling does not qualify as a Member in Good Standing, then no Occupant of such Dwelling will be considered a Member in Good Standing.

Additionally, if an Owner of multiple Lots does not qualify as a Member in Good Standing as to one Lot, then such Owner will not qualify as a Member in Good Standing as to any Lot owned by the Owner.

- Y. **“Occupant”** means an Owner, resident, tenant, lessee, guest, or invitee of any Lot or Dwelling within the Property for any period of time.
- Z. **“Outbuilding”** means a structure such as (by way of example and not limitation) a storage building, shed, greenhouse, gazebo, or shade trellis.
- AA. **“Owner”** means the record Owner, whether one or more persons or entities, of fee simple title to any portion of the Property. Special purpose districts (by way of example and not limitation, special purpose districts owning one or more Reserve Areas within the Property) and persons or entities holding title only as a lienholder are not considered Owners for purposes of this Declaration.
- BB. **“Property”** or **“Avalon Ridge”** means the Avalon Ridge subdivision located in Montgomery County, Texas. As of the date of this Declaration, the Property is more particularly described on the Section 1 Plat. The Property may be supplemented as additional land is annexed into the Property by the recording of an Annexation Agreement or Supplemental Amendment.
- CC. **“Public View”** means a condition, structure, item, or improvement located on a Lot that is openly visible from or by an individual standing at ground level of (i) at least one neighboring Lot (such neighboring Lot need not be adjoining the Lot with any such condition, structure, item, or improvement), (ii) a Common Area, or (iii) a street.
- DD. **“Reserve Area”, “Reserve”, or “Restricted Reserve”** means those areas existing throughout Avalon Ridge that may be used for, by way of illustration and not limitation, landscape, open space, drill site, recreation, drainage, detention, or utility purposes. Such Reserve Areas may constitute Common Area, Limited Common Area, or Area of Common Authority.
- EE. **“Section 1”** means that property initially restricted by this Declaration and more particularly described on the Section 1 Plat.
- FF. **“Service Area”** means a designated area in which the Lots share Limited Common Areas or receive special benefits or services from the Association that the Association does not provide to all Lots within the Property.
- GG. **“Supplemental Amendment”** or **“Annexation Agreement”** means an amendment or supplement to this Declaration that subjects additional property to this Declaration or imposes, expressly or by reference, additional or different restrictions, Assessments, or obligations on the land described therein. The term also refers to the instrument recorded by Declarant or the Association pursuant to the provisions of this Declaration to subject additional property to this Declaration.

ARTICLE II. PURPOSE AND INTENT

The Property, as initially planned, is intended to be a single family, residential development that is planned to feature residential uses. This Declaration serves as the means by which design, maintenance, and use of the Property, and additional property made a part of the Property, will be established. Declarant reserves the right to change the initial development plan for residential uses to include a mix of both residential and commercial uses within the Avalon Ridge development. No Owner, save and except Declarant and its designees, may create a condominium regime within the Property.

ARTICLE III. PROPERTY SUBJECT TO RESTRICTIONS

A. Property Initially Encumbered

The Property that is initially encumbered by this Declaration and is therefore a part of Avalon Ridge is more particularly described on the Section 1 Plat.

B. Annexation of Additional Property

Without the joinder of any other Owners or Members, Declarant reserves the exclusive right during the Development Period to annex any additional property into the Property. Such annexation will be accomplished by the execution and filing for record of a Supplemental Amendment or Annexation Agreement setting forth the land being annexed or the specific restrictions relating to such property, if different. Any Supplemental Amendment or Annexation Agreement may contain Assessments, covenants, conditions, restrictions, and easements which apply only to the real property annexed or may create exceptions to, or otherwise modify, the terms of this Declaration as they may apply to the real property being annexed in order to reflect the different or unique character or intended use of such real property.

The right of Declarant to annex land under this Section will automatically pass to the Association upon the expiration of the Development Period.

C. Deannexation of Property

During the Development Period, Declarant, without the joinder of any other Owners or Members, may deannex from Avalon Ridge any property owned by Declarant. During the Development Period, property not owned by Declarant may be deannexed with the prior written consent of Declarant and the Owner thereof.

ARTICLE IV. ASSOCIATION MEMBERSHIP, VOTING RIGHTS, AND BOARD OF DIRECTORS

A. Eligibility

Eligibility to vote or serve as a director or officer of the Board after the expiration of the term(s) of the Declarant-appointed directors is predicated upon a person being a Member of the Association. Nothing contained in this Declaration creates a fiduciary duty owed by the Board to the Members of the Association.

B. Membership

Declarant and every record Owner will be a Member of the Association, excluding therefrom special purpose districts (by way of example and not limitation, special purpose districts owning one or more Reserve Areas within the Property) and persons or entities holding an interest in the land merely as security for the performance of an obligation (such as a mortgagee, or holder of any other lien against property), unless the holder of the security interest foreclosed and thereby became the Owner of the Lot(s).

Membership is appurtenant to and runs with the land. Membership is not severable as an individual right and cannot be separately conveyed to any party or entity. Each Owner has only one Membership in the Association. All duties and obligations set forth in this Declaration are the responsibility of each Member. No waiver of use of rights of enjoyment created by this Declaration relieves Members or their successors or assigns of such duties or obligations. Mandatory membership begins with the execution of this Declaration and passes with title to the land (regardless of any method of conveyance) to any subsequent grantee, successor, or assignee of a Member. Members in Good Standing have the right to the use and enjoyment of the Common Area in the Property. Owners who are not Members in Good Standing may be prohibited from utilizing Common Areas in the Property.

The creation of one or more sub-associations may take place as the Property is developed over time; provided, however, the creation or termination of any such sub-association is subject to the prior written approval of (i) Declarant, for so long as the Development Period exists, or (ii) the Association, after the termination of the Development Period. Furthermore, the merger of a sub-association with another association, the amendment to a sub-association's certificate of formation, and the adoption or amendment of any dedicatory instrument applicable to a sub-association must have the prior written approval of (i) Declarant, for so long as the Development Period exists, or (ii) the Association, after the termination of the Development Period. No sub-association is permitted within the Property and no dedicatory instrument applicable to a sub-association may be adopted or amended until and unless such sub-association or dedicatory instrument has received the prior written approval of Declarant or the Association, as set forth in this section. Members of any such sub-association will also be Members of the Association and will be subject to all of the rights and obligations of Members set forth in this Declaration and in the Dedicatory Instruments.

C. Voting Rights

The Association will initially have 2 classes of Members, being Class A Members and the Class B Member, as follows:

1. Class A Membership

Class A Members will be all Members with the exception of the Class B Member, if any. Each Class A Member's voting rights are based on the number of Lots owned by such Class A Member and are determined as follows:

One vote is granted to Class A Members for each Lot owned. Notwithstanding anything contained in this Declaration to the contrary, in the event 2 Lots are combined to create 1 Homesite and the Homesite is replatted into 1 Lot, the Owner of the Homesite will have 1 vote for each Lot in existence prior to such replat.

Multiple Owners of any single Lot must vote in agreement (under any method they devise among themselves), but in no case will such multiple Owners cast portions of votes. The vote attributable to any single Lot must be voted in the same manner (i.e., all Owners of the Lot for, or all Owners of the Lot against a particular issue), but in no event may there be more than 1 Class A vote cast per Lot.

2. Class B Membership

The Class B Member is Declarant. Declarant is entitled to 3 times the total number of votes allocated to Class A Members. Declarant's Class B Membership will terminate upon the earliest to occur of the following:

- a. When Declarant no longer owns any real property within the Avalon Ridge development; or
- b. Such time as Declarant, in its sole discretion, so determines; provided, however, that Declarant may assign its rights, in whole or in part, permanent or temporary, at any time.

3. Membership Conferral

Declarant has the continuing right, at any time prior to the termination of Declarant's Class B Membership, without the joinder or consent of any other Owner, entity, lender, or other person, to create one or more Membership class in addition to Class A Membership and Class B Membership ("Additional Membership Class"), and to confer Additional Membership Class status in the Association on any Owner (with such Owner's consent), solely with respect to voting rights or Assessments (the "Conferral"). Provided, however, any such Conferral of Additional Membership Class status need not be uniform as to all members of the Additional Membership Class. Declarant will evidence such Conferral by filing in the Official Public Records of Montgomery County, Texas, an instrument specifying the name and address of the party upon which Additional Membership Class status has been conferred, setting forth a legal description for all of the real property to which such Conferral applies, and setting forth the terms of such Conferral. Unless otherwise set forth in the Conferral, the Additional Membership Class status so conferred by Declarant will terminate and such Owner will become a Class A Member of the Association upon the earliest to occur of the following:

- a. Termination of Declarant's Class B status in the Association, as provided in this Declaration;

b. A material violation by the member of the Additional Membership Class of any terms and conditions of the Conferral, which violation has not been cured after the member has received notice of such violation and has failed to cure such violation; or

c. Expiration of the term of the Conferral, if any, provided in the Conferral.

D. Voting Procedures

Members will exercise their votes as set out in the Dedicatory Instruments.

E. Right to Appoint and Elect Board of Directors

Declarant retains the authority to appoint all members of the Board until not later than the 10th anniversary of the date this Declaration was recorded in the Official Public Records of Montgomery County, Texas, at which time 1/3 of the Board members (who must be Members of the Association) must be elected by Owners other than Declarant, as set forth in the Bylaws. After such anniversary, Declarant will retain the authority to appoint the remaining 2/3 of the members of the Board until (i) the termination of the Development Period, or (ii) Declarant releases its status as a Class B Member and its authority to appoint members of the Board, as evidenced by an instrument recorded in the Official Public Records of Montgomery County, Texas, whichever occurs first. Declarant may assign to the Association its authority to appoint some or all (as applicable) members of the Board, with such assignment evidenced by an instrument recorded in the Official Public Records of Montgomery County, Texas.

Upon termination of Declarant's authority to appoint 2/3 of the members of the Board, any remaining members of an Additional Membership Class will be converted to Class A Members and elections will be held to elect the members of the Board (who must be Members of the Association) pursuant to the provisions of the Certificate of Formation and the Bylaws of the Association. In the event Class B Membership terminates pursuant to the above provisions, and thereafter additional property is annexed into the jurisdiction of the Association, which results in Declarant owning property in Avalon Ridge, only Declarant's Class B Membership will be restored (no other previously designated Additional Membership Class will be restored), until it again terminates as specified above. Notwithstanding anything contained in this Declaration to the contrary, Declarant may assign, temporarily or permanently, all or a portion of its rights as Declarant to any person(s).

ARTICLE V. EFFECTIVE DATE OF DECLARATION

This Declaration will be effective as of the date it is recorded in the Official Public Records of Montgomery County, Texas.

ARTICLE VI. USE RESTRICTIONS

Notwithstanding anything contained in this Declaration to the contrary, the provisions of this Article apply only to Homesites unless other portions of the Property are specifically included in these provisions.

A. Single Family Residential Use Permitted; Leasing

Homesites within the Property may only be used for single family residential use. The term “single family residential use”, as used in this Declaration, refers not only to the architectural design of the Dwelling, but also to the permitted number of inhabitants, which is limited to a single family, as set forth below. Furthermore, “single family residential use” means the use of and improvement to a Homesite with no more than one building designed and used for living, sleeping, cooking, and eating therein. As used in this Declaration, the term “single family residential use” specifically prohibits, without limitation, the use of a Homesite for a duplex, apartment, multi-family dwelling, accessory dwelling unit, garage apartment or any other apartment or for any multi-family use, vacation rental by Owner, boarding house, “Airbnb” or similar short term rental use, bed and breakfast, any business or activity requiring a Federal Firearms License, or for any business, professional, or other commercial activity. In no case may a Homesite contain more than one Dwelling. No building, improvement, Outbuilding, or portion thereof may be constructed for income property or such that Occupants would occupy less than the entire Homesite.

No Dwelling may be occupied by more than one single family. By way of illustration, the following is an example of an approved single family:

RESIDENT 1 AND RESIDENT 2 RESIDE IN DWELLING.

Additional approved residents are:

- a) children of either or both residents;
- b) no more than a total of 2 parents of the residents;
- c) 1 unrelated person; and
- d) 1 household employee.

Leasing a Homesite for single family residential use will not be considered a prohibited “business” use as set forth in Section B, below, provided that the Owner and any other Owner(s) with whom such Owner is affiliated do not collectively (i) lease or offer for lease more than one Homesite within the Property at any time, or (ii) lease or offer for lease a Homesite within one year of taking title to such Homesite. For purposes of this provision and by way of illustration and not limitation, “affiliated” means Owners who are: (i) reflected on the deed for the Homesite, (ii) reflected on a deed of trust related to the Homesite, (iii) related by blood or marriage within the second degree of relationship, (iv) shareholders, partners, or members of an entity that owns a Homesite, or (v) associated with each other for other business purposes. The Board has the sole and absolute discretion to determine who is affiliated with an Owner. This provision does not preclude the Association or an institutional lender from leasing one or more Homesites upon taking title following foreclosure of its security interest in the Homesites or upon acceptance of a deed in lieu of foreclosure.

The Occupants of a leased Dwelling must lease the entire land and improvements comprising the Homesite. No fraction or portion of any Homesite may be leased or rented or offered for lease or rent. “Leasing”, for purposes of this Declaration, is defined as occupancy of a Dwelling and the Homesite on which the Dwelling is located for single family residential use by any person other than the Owner, for which the Owner receives any consideration or benefit, including a fee, service, gratuity, or emolument. Provided, however, “leasing”, for purposes of

this Declaration, does not include leases such as, by way of illustration and not limitation, “VRBO”, boarding house rentals, backyard rentals, swimming pool rentals, “Swimply”, “Airbnb”, “Vacasa”, party venue rentals, bed and breakfasts, or other short-term rental uses, and such uses are strictly prohibited and are considered to be a prohibited business use.

All leases must be in writing and will contain such terms as the Board may prescribe from time to time. All leases will provide that they may be terminated in the event of a violation of the Declaration or the Dedicatory Instruments by an Occupant or Occupant’s family, and the Board, in its sole discretion, may require termination by the Owner and eviction of the Occupant in such event. Rental or lease of the Homesite will not relieve the Owner from compliance with this Declaration or the Dedicatory Instruments. No Homesite may be leased for a term of less than 6 full consecutive calendar months to the same lessee, nor may any lease be for less than the entire Homesite; provided, however, the Board may adopt rules that require a longer minimum lease term than that set forth in this Declaration, and any such term will control over the minimum term set forth in this Declaration and will not be considered a conflict with this Declaration. Single family residential use does not include a lease to tenants temporarily (less than 6 months) or a lease in which the tenants do not intend to make the Homesite their primary residence. An Owner who leases his or her Homesite assigns to the lessee for the period of the lease all the Owner’s rights to use the Common Areas and amenities located thereon.

The provisions in this section regarding leasing do not prohibit Declarant or its designees from developing a portion of the Property for build-to-rent purposes, and Declarant is expressly authorized to develop the Property as it deems appropriate.

It is not the intent of this provision to exclude from a Homesite any individual who is authorized to so remain by any state or federal law. If it is found that this provision is in violation of any law, then this provision must be interpreted to be as restrictive as possible to preserve as much of the original provision as allowed by law.

B. Non-Permitted Uses

1. No trade or business may be conducted in or from any Dwelling, Lot, or Homesite, except such use within a Dwelling where (i) the existence or operation of the business activity is not apparent or detectable by sight, sound, or smell from outside the Dwelling; (ii) the business activity conforms to all governmental requirements and other Dedicatory Instruments applicable to the Property; (iii) the business activity does not involve visitation to the Dwelling or Homesite by clients, customers, suppliers, or other business invitees or door-to-door solicitation of Occupants of the Property; and (iv) the business activity is consistent with the residential character and use of the Property, does not constitute a nuisance or a hazardous or offensive use, and does not threaten the security or safety of other residents of the Property, as may be determined in the sole discretion of the Board. The uses set out in this Section 1 (i) through (iv) are referred to singularly or collectively as an **“Incidental Business Use”**. At no time may an Incidental Business Use cause increased parking or traffic within the Property. Any increased parking or traffic within the Property as a result of an Incidental Business Use will be deemed to be a Deed Restriction Violation. By way of illustration and not limitation, a day-care facility, home day-care facility, church, nursery, pre-school, beauty parlor,

barber shop, spa service, “VRBO”, boarding house, “Airbnb”, “Vacasa”, backyard rental, swimming pool rental, “Swimply”, party venue rental, pet boarding service, bed and breakfast, or any business or activity requiring a Federal Firearms License are expressly prohibited and are not considered to be an Incidental Business Use.

The terms “business” and “trade”, as used in this provision, are construed to have their ordinary, generally accepted meanings and include any occupation, work, or activity undertaken on an ongoing basis that involves the manufacture or provision of goods or services for or to persons other than the Occupant’s family, regardless of whether: (i) such activity is engaged in full or part-time; (ii) such activity is intended to or does not generate a profit; or (iii) a license is required therefor. This Section does not apply to any activity conducted by Declarant, or by a Builder with the approval of Declarant, with respect to its development and sale of the Property. Garage sales, attic sales, moving sales, and yard sales (or any similar vending of merchandise) conducted on any Homesite separate from an Association-directed community wide garage sale will be considered business activity and are therefore prohibited. Owners are advised that gated entries, if any, may be set to their open positions during any such community wide garage sale at the discretion of the Board. The Association may, but is not required to, adopt rules and regulations regarding such community wide garage sales. Notwithstanding anything contained in this Declaration to the contrary, estate sales are expressly prohibited.

2. No livestock, domestic or wild animals, or plants or crops may be raised on any Homesite, Lot, or any portion of the Property for the purpose of breeding or selling same, whether for profit or not. Exchange of such animals, plants, or produce for anything of value to the seller will constitute a sale of merchandise and is therefore prohibited under this provision.

C. Animals and Pets

No animals (including swine, poultry, and livestock) may be raised, bred, or kept on any portion of the Property, except that dogs, cats, and other common household pets, not to exceed a total of 2 pets, may be permitted on a Homesite or in a Dwelling. The foregoing limitation on number of pets does not apply to constantly caged small pets such as hamsters, small birds, fish, or other similar common household pets kept inside the Dwelling, nor does it apply to require the removal of any litter born to a permitted pet prior to the time that the animals in such litter are 3 months old. No animals or pets may be kept, bred, or maintained for any commercial purpose. No pets are permitted to roam freely outside the fenced portion of a Lot. Whenever they are outside the fenced portion of a Lot, dogs and cats must at all times be confined on a leash or in a carrier, which must be held or controlled by a responsible person. Provided, however, in the event an enclosed dog park is developed within the Property, dogs are permitted to roam freely within the confines of the dog park.

This provision is not intended to exclude from the Property any animal that is authorized to so remain by any state or federal law. If it is found that this provision is in violation of any law, then this provision must be interpreted to be as restrictive as possible to preserve as much of the original provision as allowed by law.

D. Antennas

No exterior antenna, aerial, satellite dish, or other apparatus for the reception of television, radio, satellite, or other signals of any kind may be placed, erected, or maintained on a Lot if visible from Public View, 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 may be received. The Board may require painting or screening of the receiving device if 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 1 meter in diameter; (ii) broadcast antenna masts which exceed the height of the center ridge of the roofline; and (iii) MMDS antenna masts which exceed the height of 12 feet above the center ridge of the roofline. No exterior antenna, aerial, satellite dish, or other apparatus which transmits television, radio, satellite, or other signals of any kind is permitted on a Lot. This section is intended to comply with the Telecommunications Act of 1996 (the “*Act*”), as the Act may be amended from time to time, and FCC regulations promulgated under the Act. This section must be interpreted to be as restrictive as possible while not violating the Act or FCC regulations. The Board may promulgate Guidelines which further define, restrict, or address the placement and screening of receiving devices and masts, provided such Guidelines comply with the Act and applicable FCC regulations.

Declarant and the Association have the right, without the obligation, to erect an aerial, satellite dish, or other apparatus (of any size) for a master antenna, cable, or other communication system for the benefit of all or any portion of the Property, should any master system or systems require such exterior apparatus.

E. Basketball Goals and Backboards

No basketball goal, net, or backboard may be kept, placed, or mounted upon any Lot or kept, placed, attached, or mounted to any fence or Dwelling without prior written approval by the ARC. Basketball goals and backboards are subject to Guidelines as to type, location, and hours of use. Basketball goals and backboards must at all times be maintained and kept in good condition.

F. Drilling

No drilling or related operations of any kind are permitted upon, under, on, or in any Lot. No wells, tanks, tunnels, mineral excavations, or shafts are permitted upon or in any Lot, including water wells for potable or non-potable uses. Provided, however, Declarant, the Association, or the special purpose district (or other entity owning such land) has the right to drill water wells for non-potable uses upon the Common Area and Area of Common Authority (with any such landowner’s approval) for purposes including irrigation of recreational fields, parks, and other open areas.

G. Exterior Seasonal Decorations

The Board may promulgate rules regarding the display of exterior seasonal decorations, including lights, banners, flags, and wreaths. Such rules may address the appearance and length of time of such display. Any display of exterior seasonal decorations must be maintained and kept in good condition at all times.

H. Flags and Flagpoles

The size, number, and placement of flagpoles, and the display of flags within the Property, are subject to Guidelines, rules, and policies. It is not intended for this Section to violate any local, state, or federal law. This Section must be interpreted to be as restrictive as possible while not violating any laws of the State of Texas or the United States of America.

I. General Nuisances

No portion of the Property may be used, in whole or in part, for the storage of any property or thing that will cause it to appear to be in an unclean or untidy condition or that will be obnoxious to the eye; nor may any substance, thing, animal, or material be kept upon any portion of the Property that will emit foul or obnoxious odors or that will cause any noise or other condition that will or might disturb the peace, quiet, comfort, or serenity of the Owners or Occupants of surrounding Homesites and users of the Common Areas.

No noxious, illegal, or offensive activity may take place or exist upon any portion of the Property, nor may anything be done thereon tending to cause embarrassment, discomfort, annoyance, or nuisance to any person using any portion of the Property. No plant, animal, device, or thing of any sort whose activities or existence in any way is noxious, dangerous, unsightly, unpleasant, or of a nature as may diminish or destroy the enjoyment of the Property may be kept within the Property. Outside burning of wood (except for wood burned in approved outdoor fire pits and fireplaces), leaves, trash, garbage, or household refuse is prohibited within the Property. No speaker, horn, whistle, bell, or other sound device, except alarm devices used exclusively for residential monitoring purposes, may be installed or operated on the Property, unless required by federal, state, or local regulation. The use and discharge of firecrackers and other fireworks is prohibited within the Property.

Each Owner has the obligation to prevent the development of any unclean, unhealthy, unsightly, or unkempt condition on his or her Lot or Homesite. The pursuit of hobbies or other visible activities, including specifically, without limiting the generality of the foregoing, the assembly and disassembly of motor vehicles and other mechanical devices that might tend to cause disorderly, unsightly, or unkempt conditions, may not be pursued or undertaken on any part of the Property. Notwithstanding the above, the disassembly and assembly of motor vehicles to perform repair work may be permitted provided such activities are not conducted on a regular or frequent basis and are either conducted entirely within an enclosed garage or, if conducted outside, are begun and completed within 12 hours.

Notwithstanding anything contained in this Declaration to the contrary, the Association has the right, but not the obligation, to enter upon any Common Area, Area of Common Authority, or street right of way to remove signs not authorized by the Board in advance, and to regulate (including the prohibition of) street vending and similar non-approved activities that are not in compliance with Texas law.

No portion of the Property may be used, in whole or in part, in a way that creates a nuisance within the Property. Activities or conditions constituting a nuisance are incapable of exhaustive definition which will fit all cases, but they may include those activities and conditions that endanger life or health, give unreasonable offense to senses, or obstruct reasonable use of property. Those activities or conditions that cause minor or infrequent disturbances resulting from ordinary life activities within a deed restricted community are not intended to constitute a nuisance. Whether such activity or condition constitutes a nuisance will be determined by the Board. The Board may adopt rules or policies to further define what constitutes a nuisance, as warranted.

J. Generators

The size, number, placement, and other characteristics of standby electric generators within the Property are subject to any applicable Guidelines, rules, or policies adopted by the Board.

K. Monuments and Fences

1. Monuments and Shared Fencing

Declarant and the Association, including their respective designees, are granted an easement to place, maintain, and repair a monument or marker within the Property.

Fencing requirements for Lots within the Property are set forth in the Guidelines or other Dedicatory Instrument and fencing is subject to prior written approval by the ARC. Unless otherwise set forth in this Declaration or in another Dedicatory Instrument, Owners are responsible for the ongoing maintenance, repair, and replacement of all fences in existence at the time of their purchase of the Lot. Replacement fences must be of a similar material and design as originally constructed unless otherwise approved in writing by the ARC prior to construction of the replacement fence. The maintenance of any portion of a fence which lies between Lots ("**Shared Fencing**") is the joint responsibility of the Lot Owners on whose property the fence lies between. Owners are advised that, while Shared Fencing is typically installed directly on the shared Lot line, there may be minimal deviations in the location of the Shared Fencing that cause some or all of the Shared Fencing to be located within the platted boundaries of only one Lot. Regardless of these possible deviations, the Shared Fencing will remain the joint responsibility of the Lot Owners on whose Lots the Shared Fencing lies between. In the event an Owner fails to repair, replace, or maintain any fence in a manner consistent with the Community Wide Standard in the sole discretion of the Board, the Board may exercise its Self Help remedy pursuant to the terms set forth in this Declaration, and has the right, but not the obligation, through its agents, contractors, or employees to enter

such Lot for the repair or replacement of such fence after notice to the Owner. Any expense incurred by the Association in effectuating such repair or replacement is the responsibility of the Owner(s) having such obligation to maintain or will be split evenly between adjoining Lot Owners if Shared Fencing is involved, and such expense is secured by the continuing lien on the Lot.

2. Location of Fencing in Relation to Front Building Line

The installation of fencing closer to a street than the building setback line of the appurtenant Dwelling is prohibited unless (i) the address of the Dwelling is exempt from public disclosure under state or federal law, (ii) the Dwelling Owner provides to the Association documentation of the Owner's need for enhanced security measures from a law enforcement agency, or (iii) state or federal law allows for such fencing.

3. Community Fences

Owners are advised that there may be "**Community Fences**" located upon land adjacent to Lots, including within various Reserve Areas throughout the Property. In some instances, a Community Fence may be located within the platted boundary of a particular Lot. During the Development Period (and with the joinder of the Owner, if not Declarant, as applicable) the Community Fences may be designated by Declarant in this Declaration, in a Supplemental Amendment, or in another Dedicatory Instrument, including, by way of illustration and not limitation, a "**Designation of Community Fences**", which Designation of Community Fences must be recorded in the Official Public Records of Montgomery County, Texas. After the expiration of the Development Period, the Association may designate Community Fences, with the joinder of the Owner of the Adjacent Lot, in a Designation of Community Fences or in another Dedicatory Instrument. The Community Fences may serve as side or rear fencing to various Lots that are adjacent to such Community Fences ("**Adjacent Lots**"). The Community Fences will not be owned by Adjacent Lot Owners and may be owned by the Association or another entity. In instances where a Reserve Area containing a Community Fence is owned by an entity other than the Association, the Community Fence located therein may be maintained by such entity or the Association. In instances where a Reserve Area containing a Community Fence is owned by the Association, the Community Fence located therein will be owned and maintained by the Association, with such maintenance to be at the Board's sole discretion. There is no requirement that a Community Fence be replaced with the materials as originally constructed, and the replacement Community Fence materials will be determined at the discretion of the ARC.

Where applicable, Adjacent Lot Owners may abut (but not mechanically attach) their fencing to the adjacent Community Fence. Portions of the Reserve Areas located within the fenced area of an Adjacent Lot (the "**Community Fence Reserve Area**"), if any, are made available by the Association or an entity owning such Reserve Area for the benefit and use of the Adjacent Lot Owners, but such Adjacent Lot Owners are not vested with title to the Community Fence Reserve Area. Adjacent Lot Owners are not permitted to place or construct, either temporarily or permanently, any structures or improvements within the Community Fence Reserve Area unless the Adjacent Lot Owners have first

obtained approval in writing from the ARC. Adjacent Lot Owners have the right to use their respective Community Fence Reserve Area subject to the following:

- Adjacent Lot Owners may not attach anything, temporarily or permanently, to the Community Fence, including any fencing abutting the Community Fence.
- Adjacent Lot Owners must maintain any landscaping located in the Community Fence Reserve Area, including trimming and spraying for insects.
- Adjacent Lot Owners may not alter the drainage pattern that has been established for the Community Fence or Community Fence Reserve Area.
- Adjacent Lot Owners may not place or construct, either temporarily or permanently, any structures or improvements within the Community Fence Reserve Area unless the Adjacent Lot Owners have first obtained approval in writing from the Association.
- Adjacent Lot Owners must maintain the Community Fence Reserve Area in a clean and neat condition and in compliance with the Dedicatory Instruments of the Property at all times.

The Adjacent Lot Owners and Declarant grant an easement to the Association, its designees, and to the Community Fence owner, as applicable, over and across each Adjacent Lot to the extent necessary for the construction, maintenance, reconstruction, and inspection of the Community Fence and inspection of the Community Fence Reserve Area. Declarant reserves unto itself and its designees an easement over and across each Adjacent Lot to the extent necessary for the construction, maintenance, reconstruction, and inspection of the Community Fence and inspection of the Community Fence Reserve Area. Declarant, the Association, or the Community Fence owner, as applicable, must give the Adjacent Lot Owners at least 24 hours written notice prior to exercising its right of entry as set out in this Declaration. Notwithstanding anything contained in this Declaration to the contrary, written notice of Declarant's, the Association's, or the Community Fence owner's (as applicable) intent to enter upon the Adjacent Lot is not required in the event of an emergency. Adjacent Lot Owners agree to hold harmless Declarant and the Association, including their respective directors and officers, and release them from any liability for the placement, construction, design, repair, maintenance, and replacement of Community Fences and Community Fence Reserve Areas, and agree to indemnify the parties released from any damages they may sustain. Owners further grant an easement to Declarant and the Association for any incidental noise, lighting, odors, parking, and traffic which may occur due to the existence, installation, maintenance, repair, or replacement of Community Fences and Community Fence Reserve Areas.

The Association's maintenance obligation of the Community Fences extends only to normal wear and tear of such fencing. Any damage caused to a Community Fence by an Owner or Occupant that is beyond normal wear and tear will be repaired by the Association or the Community Fence owner, as applicable, at the Lot Owner's expense. The Board has the sole discretion to determine what constitutes normal wear and tear. In exercising its obligations set forth in this Declaration, the Association is not subject to any liability for trespass, other tort, or damages in connection with or arising from such exercise of its obligations set forth in this Declaration, nor in any way is the Association or the ARC, or their agents, liable for any accounting or other claim for such action. Further, in exercising its obligations set forth in this Declaration, the Association is not liable for any loss or damage to landscaping (soft or Hardscape) that encroaches upon a Community Fence or any existing materials that are affixed to the Community Fence in violation of this provision, including any Owner fencing that is connected to a Community Fence and any Owner's decorations or other personal items.

4. Section 1 Community Fences:

Community Fences have been or will be constructed on or adjacent to those portions of the following Lots within Section 1:

- Lot 1, Block 1, common to Restricted Reserve F;
- Lots 1 – 20, Block 1, common to Restricted Reserve A;
- The rear Lot line and portion of the most southeasterly side Lot line of Lot 21, Block 1;
- Lots 1 – 37, Block 2, common to Restricted Reserve B;
- Lot 1, Block 3, common to Restricted Reserve D;
- Lots 6 – 7, Block 3, common to Restricted Reserve C; and
- Lots 1 – 21 and 25 – 32, Block 3, common to Restricted Reserve E.

Such Lots are considered Adjacent Lots and are subject to the provisions above pertaining to Community Fences. Declarant, the Association, and the Community Fence owner, as applicable, have an easement on such Adjacent Lots for the installation, maintenance, repair, and replacement of the Community Fences, as more particularly described in this Declaration. Save and except the fencing noted in this subsection, all other fencing located upon the Lots within Section 1 must be installed, maintained, repaired, and replaced in accordance with the Dedicatory Instruments.

L. Outbuildings

Outbuildings may not be constructed or placed on a Lot within the Property without the prior written approval of the ARC. Guidelines may be established from time to time addressing factors including the appearance, type, size, quality, and location of Outbuildings on a Lot.

M. Outside Storage and Trash Collection

No equipment, machinery, or materials of any kind or nature may be stored on any Homesite forward of the fence at the front wall of the Dwelling situated thereon, unless the equipment, machinery, or materials are being used temporarily (not more than 1 week) and are incident to repair or construction of the Dwelling or Homesite. Equipment, machinery, and materials must be stored out of sight of every other Homesite immediately after use of such item, and all trash, debris, excess, or unused materials or supplies must be disposed of immediately off of the Homesite or stored out of view until trash collection occurs.

Trash may only be placed outside for collection the evening before collection. Trash must be contained in trashcans to protect from animals or spillage and trashcans must be removed from Public View the same evening of collection. No outdoor incinerators may be kept or maintained on any Lot.

Notwithstanding the foregoing, the outside storage of equipment, machinery, materials, and trash receptacles on a Lot that is associated with the construction of a Dwelling by a Builder is permitted during the time of construction of the Dwelling.

N. Parking

Parking restrictions specific to certain sections of the Property that are serviced by private streets may be set forth in the applicable Supplemental Amendments for such sections or in another Dedicatory Instrument. The following provisions apply to all Lots located within the Property that are serviced by public streets:

1. Permitted Vehicles:

“Permitted Vehicles” may include passenger automobiles, passenger vans, pick-up trucks (each of the foregoing having no more than 2 axles) and motorcycles that: (i) are in operating condition; (ii) are qualified by current vehicle registration and inspection stickers; and (iii) are in regular use as motor vehicles on the streets and highways of the State of Texas. The Board has the sole discretion to determine whether a particular vehicle is a Permitted Vehicle.

Permitted Vehicles may be parked on the driveway of a Lot or inside a garage or enclosure approved by the ARC. Any vehicle that does not satisfy the foregoing requirements must be completely concealed from Public View inside a garage or enclosure approved by the ARC, with the exception of temporary parking of Commercial Vehicles and Recreational Vehicles.

2. Commercial Vehicles:

“**Commercial Vehicles**” may include vehicles and any associated machinery, trailers, and equipment that are used in a business enterprise and may be identified as being affiliated with a business (for example, by way of signage on the vehicle, design of the vehicle, or equipment on the vehicle). For illustrative purposes only, Commercial Vehicles may include cars, vans, or pick-up trucks with commercial signage on the vehicle, tow trucks, dump trucks, cement-mixer trucks, oil or gas trucks, delivery trucks, tractors, or tractor trailers. The Board has the sole discretion to determine whether a particular vehicle, associated machinery, or any signage related thereto is a Commercial Vehicle.

Commercial Vehicles may be temporarily parked on the driveway of a Lot for the purposes of construction, repair, or maintenance related to a Dwelling or Lot, or for delivery services, but only for the time necessary for such purpose, unless a prior written request is received by the Board and a temporary parking permit has been issued by the Board.

The parking of any other Commercial Vehicle on a Lot will be permitted only if such Commercial Vehicle is completely concealed from Public View inside a garage or enclosure approved by the ARC.

3. Recreational Vehicles:

“**Recreational Vehicles**” may include trailers, side-by-sides, all-terrain vehicles, utility terrain vehicles, motor homes, campers, golf carts, four-wheelers, mini-bikes, go-carts, buses, dirt motorcycles, neighborhood electric vehicles, jet skis, and boats. The Board has the sole discretion to determine whether a particular vehicle is a Recreational Vehicle.

One Recreational Vehicle with not more than 2 axles may be temporarily parked on the driveway of a Lot for up to 48 consecutive hours for loading and unloading purposes only, unless a prior written request is received by the Board and a temporary parking permit has been issued by the Board. A Recreational Vehicle may be stored on a Lot as long as the Recreational Vehicle is completely concealed from Public View inside a garage or enclosure approved by the ARC.

4. Vehicles in General:

This subsection applies to all vehicles, including Permitted Vehicles, Commercial Vehicles, and Recreational Vehicles, as same are described in this Section. No vehicle may be parked on a grassy area or landscaped area on a Lot or a Common Area that has not been designated for parking. Provided, however, this provision does not apply to vehicles that may be parked on a landscaped Common Area at the direction of the Association, Declarant, or their designees. Driveways may not be used to rebuild or repaint vehicles.

5. Enforcement:

The Board has sole discretion to enforce the foregoing parking provisions. The Association has the right without the obligation to enforce the limitations on parking set forth in this Declaration or in another Dedicatory Instrument.

Notwithstanding anything contained in this Declaration to the contrary, the Board may promulgate additional parking rules regarding items including the use, maintenance, and parking of vehicles on Lots, private streets, and Common Areas restricted to parking purposes. The Board has discretion to determine the various types of vehicles that fall within the scope of any such rules. If there is a conflict between this Section and parking rules promulgated by the Board, the parking rules control.

O. Play Structures

Play Structures may not be constructed or placed on a Lot within the Property without the prior written approval of the ARC. Guidelines may be established from time to time regarding play forts, playhouses, swing sets, and other recreational equipment (collectively referred to as "*Play Structures*"), considering such factors including the overall height, size, location, and number of Play Structures placed on a Lot. In setting the Guidelines, factors including the size and configuration of the Lot, the location of the Lot in the Property, the location of the Play Structure on the Lot, the type of fencing on the Lot, and the visibility of the Play Structure from streets, other Lots, or the Common Areas may be considered.

P. Screening

No Owner or Occupant of any portion of the Property may permit the keeping of articles, goods, materials, utility boxes, refuse, trash, storage tanks, or like equipment on the Property which may be considered a nuisance or hazard in the sole discretion of the Board. Air conditioners, utility boxes, garbage containers, antennas to the extent reasonably possible and pursuant to the terms set forth in this Declaration, or like equipment, may not be kept in Public View and must be placed in a location first approved in writing by the ARC. Added screening must also be provided to shield such stored materials and equipment from grade view from adjacent Dwellings or the Common Area. Utility boxes must be screened so that they are not visible from the street and as may be set out in the Guidelines. Such screens must be of a height at least equal to that of the materials or equipment being stored, but in no event may such screen be more than 6 feet in height. A combination of trees, hedges, shrubs, or fences should be used as screening material, as may be set out in the Guidelines. All screening designs, locations, and materials are subject to prior written ARC approval. Any such screening installed must be maintained in a clean and neat manner at all times and may not detract from the appearance of the Property.

Q. Signs

The following signs and emblems may be kept or placed upon a Homesite without the prior written approval of the ARC:

1. For Sale and For Lease Signs. An Owner may erect 1 “For Sale” or “For Lease” sign on his Homesite. The overall dimensions for the sign, including posts, may not exceed 3 feet wide by 5 feet tall (overall height is measured from the ground level of the Homesite). The sign may have a maximum of 2 ground-mounted posts.

2. Political Signs. Political signs are prohibited on any Common Area, Area of Common Authority, or facility owned by the Association or by Declarant, including any public or private street right of way or utility easement. Pursuant to Texas Election Code §259.002 or its successor statute, political signs are approved as temporary signage on Homesites for all local, state, or federal election purposes, provided that they meet the following criteria:

- a. Only 1 sign per candidate or measure is allowed.
- b. Maximum sign size may not exceed 4 feet by 6 feet.
- c. Signs must be ground-mounted. No sign may be mounted on any exterior part of the Dwelling, garages, patios, fences, or walls.
- d. Signs may be posted not more than 90 days prior to the election date and must be removed within 10 days after the election date.
- e. Signs may not contain roofing material, siding, paving material, flora, one or more balloons or lights, or any other similar building, landscaping, or nonstandard decorative component.
- f. No sign may be attached in any way to plant material, a traffic control device, a light, a trailer, a vehicle, or any other existing structure or object.
- g. No sign may involve the painting of architectural surfaces.
- h. No sign may threaten public health or safety or violate a law.
- i. No sign may contain language, graphics, or any display that would be offensive to the ordinary person.
- j. No sign may be accompanied by music or other sounds or by streamers or be otherwise distracting to motorists.

3. School Spirit and Activity Signs. Signs containing information about one or more students residing in a Dwelling and the school they attend are permitted on Homesites so long as the sign is not larger than 36 inches by 36 inches and is fastened only to a stake in the ground. By way of illustration and not limitation, these signs may contain information such as the name of the school attended by the student residing in the Dwelling or a sport or activity in which the student participates in connection with their attendance at their school. There may be no more than 1 sign on a Homesite for each student residing in the Dwelling.

4. Security Signs and Stickers. Signs or stickers provided to an Owner by a commercial security or alarm company providing service to the Dwelling are permitted on a Homesite so long as the sign is no larger than 8 inches by 8 inches, or the sticker is no larger than 4 inches by 4 inches. Stickers are permitted upon windows and doors for pet notification purposes, a “Child Find” program, or a similar program sponsored by a local police or fire department. There may be no more than 1 sign on a Homesite and no more than 6 stickers located on the windows or doors of a Dwelling.

Save and except the signs and emblems noted above, all other signs, emblems, decorative flags, or other decorative embellishments displayed on a Homesite must have the prior written approval of the ARC. Any sign or emblem placed or kept within the Property must be kept in good condition and must be removed if it becomes faded, cracked, chipped, or otherwise is no longer in keeping with the Community Wide Standard. The Board has the discretion to determine whether a displayed item constitutes a sign or emblem and whether such sign or emblem falls within one of the above-permitted categories. It is recognized that trends change over time. As such, Guidelines may be established from time to time addressing the display of signs, emblems, decorative flags, and other decorative embellishments on Homesites and other portions of the Property. In the event of a conflict between the provisions in this section of the Declaration and the Guidelines, the Guidelines will control.

Save and except Declarant and the Association, no Owner or Occupant may place any type of sign within the Common Area or Area of Common Authority without the prior written approval of the Board or Declarant (as addressed below). The Board and Declarant have the discretion to determine if an item placed by an Owner or Occupant in a Common Area or Area of Common Authority constitutes a sign under this provision.

If any sign is placed within the Property, including Areas of Common Authority, the streets, street rights of way, and Common Areas, in violation of this Declaration or the Dedicatory Instruments, the Board or its agents have the right, but not the obligation, to enter upon any Lot, Homesite, street, street right of way, Common Area, or Area of Common Authority, to remove or dispose of any such sign violation and, in doing so, are not subject to any liability for trespass, other tort, or damages in connection with or arising from such entry, removal, or disposal, nor in any way is the Association or its agent liable for any accounting or other claim for such action.

A Builder or Declarant may place certain information and advertising signs on Homesites without the prior permission of the ARC, so long as (i) such signs are similar to those listed as acceptable for Builder use in the Guidelines, and (ii) such signs do not otherwise violate this Declaration. Additionally, Declarant (and Builders, with the permission of Declarant) may construct and maintain signs and other advertising devices on land owned by Declarant and on the Common Area as is customary in connection with the sale of developed tracts and newly constructed residential Dwellings. In addition, Declarant and the Association have the right to erect and maintain directional and informational signs along the streets within the Property and identification signs and monuments at entrances to the Property.

R. Swimming Pools and Spas

No above ground swimming pools are permitted. All swimming pools and spas require prior written approval by the ARC.

S. Tree Removal

No trees greater than 3 inches caliper to be measured at a point 6 inches above grade may be removed, except for diseased or dead trees and trees needing to be removed to promote the growth of other trees or for safety reasons, unless approved in writing by the ARC. In the event of an intentional or unintentional violation of this Section, the violator may be required to replace the removed tree with 1 or more comparable trees of such size and number and in such locations as the Board, in its sole discretion, may determine necessary to mitigate the damage.

T. Window Air Conditioning Units

No window or wall type air conditioners may be used, placed, or maintained on or in any building on the Lots, with the exception that a window or wall type air conditioner may be permitted for the benefit of a garage if such air conditioning unit is located at the rear of the garage unit and is screened from Public View. Window and wall type air conditioning units require prior written ARC approval.

All living areas within the Dwelling, including any room additions, must be centrally air-conditioned, unless otherwise approved by the ARC. Units that are alternatives to centrally air-conditioned units must be screened from Public View and will require prior written ARC approval.

U. Wind Turbines

No device used to convert wind into energy, including wind turbines, wind pumps, wind chargers, and windmills, is permitted to be used, placed, or maintained in any location within the Property; provided, however, this provision does not apply to Common Areas within the Property. The Board has the sole discretion to determine what devices are prohibited pursuant to this provision.

V. Window Treatments

An Owner may install window treatments on the windows of the Owner's Dwelling provided that such window treatments are in keeping with the Community Wide Standard, as determined in the discretion of the Board and approved by Declarant during the Development Period. Appropriate permanent window treatments may include curtains and draperies with backing material of white, light beige, cream, light tan, or light gray; blinds or miniblinds of the same colors or natural wood; or shutters of the same colors or natural wood. No other window treatment color may be visible from the exterior of the Dwelling. Temporary or disposable window coverings may be installed on a Dwelling provided that the temporary or disposable window covering (i) is white, light beige, cream, light tan, or light gray in color, (ii) is in keeping with the Community Wide Standard, and (iii) is only used on a temporary basis (generally, no longer than 3 months), as determined in the sole discretion of the Board. Reflective materials,

newspapers, shower curtains, fabric not sewn into finished curtains or draperies, other paper, plastic, cardboard, or other materials not expressly made for or commonly used for window coverings in a residential subdivision of the same caliber as the Property are not considered to be window coverings in keeping with the Community Wide Standard and may not be installed on any Dwelling.

The Community Wide Standard may change with the latest products and trends in design, and, in some circumstances, no window treatments may be called for. The Board has the discretion to determine what type of and under what circumstances window treatments are appropriate. In making its determination, the Board may consider factors including the configuration of the Lot, the location of the Lot in the Property, the location of the Dwelling on the Lot, and the visibility of the window covering from streets, other Lots, or the Common Areas. Declarant or the Board may opt to address window treatments in Guidelines. In the event of any conflict between the Guidelines and this provision addressing window treatments, the Guidelines will control.

ARTICLE VII. COMMON AREA AND AREA OF COMMON AUTHORITY

The Association, subject to the rights of the Members set forth in this Declaration and any amendments or Supplemental Amendments thereto, is responsible for the exclusive management and control of the Common Area and all improvements thereon and will keep it in good, clean, attractive, and sanitary condition. No Owner or Occupant may appropriate any portion of the Common Area or any improvement thereon for his or her own exclusive use. Any Owner or Occupant that causes damage to the Common Area is financially responsible for the damage. The cost of repair, if not timely paid by the Owner (subject to any notice that may be required by law), will be assessed against the Owner's Lot and secured by the continuing lien set forth in this Declaration. The Association may permit use of Common Area facilities by persons other than Owners and Occupants of Lots and may charge use fees in such amounts as the Board may establish from time to time for such use. The Association may charge use, consumption, and activity fees to any person using Association services or facilities or participating in Association-sponsored activities. The Board may determine the amount and method of determining such fees. Different fees may be charged to different classes of users (e.g., Owners and non-Owners).

Declarant, and its designees, may transfer or convey interests in real or personal property within or for the benefit of the Property at any time to the Association, and the Association must accept such transfers and conveyances, even if such transfer or conveyance occurs after the termination of the Development Period. Such property may be improved or unimproved and may consist of fee simple title, easements, leases, licenses, or other real or personal property interests. Real property transferred to the Association by Declarant, or its designees, may be transferred via a deed without warranty; provided, however, the property must be transferred free and clear of all liens and mortgages at the time of such transfer. Upon Declarant's written request, the Association must reconvey to Declarant any real property that Declarant originally conveyed to the Association for no payment, to the extent conveyed in error or needed to make minor adjustments in property lines or to accommodate changes in the development plan.

Declarant (during the Development Period) or the Association (after the expiration of the Development Period) reserves the sole and exclusive right to amend existing Common Areas, add new Common Areas, and amend any permissible activities within or rights to access the Common Areas. Declarant and Association make no representations, guarantees, or warranties of any nature as to the longevity and mortality of habitats found throughout the Property.

During the Development Period, Declarant may convey record title or easements to some or all of the Common Areas to the Association if, as, and when deemed appropriate by Declarant or as may be required by governmental officials, and Declarant has at all times during the Development Period the right (i) to effect redesigns or reconfigurations of the Common Areas (particularly along the edges), (ii) to execute any rules or restrictions applicable to the Common Areas which may be permitted in order to reduce property taxes, and (iii) to take whatever steps may be appropriate to lawfully avoid or minimize the imposition of federal and state ad valorem or income taxes.

Owners covenant (i) not to possess any Common Area in any manner adverse to the Association, and (ii) not to claim or assert any interest or title in any Common Area. Owners waive their right to adversely possess any Common Area and acknowledge and agree that any claim of adverse possession by an Owner of any Common Area is void.

Subject to (i) anything to the contrary in a Dedicatory Instrument, (ii) an agreement with the owner of the relevant Area of Common Authority, or (iii) any covenant set forth in the deed or other instrument transferring the property to the Association, the Association may manage, operate, and control the Area of Common Authority. The Association may adopt rules and policies and enter into leases, licenses, and operating agreements with respect to portions of the Area of Common Authority and Common Area, for payment or no payment, as the Board deems appropriate. For purposes of clarity, the Area of Common Authority may include areas that are subject to the Association's rule making authority and enforcement rights set forth in the Dedicatory Instruments, such as the sidewalks within rights of way, even though persons or entities other than the Association may have the obligation to maintain such areas. The Area of Common Authority may include:

- (a) the Common Area;
- (b) any sidewalks, walking paths, or trail systems located within or in proximity to Avalon Ridge;
- (c) landscaping within rights of way within or in proximity to Avalon Ridge (save and except those rights of way abutting Lots within the Property) to the extent that governmental authorities do not maintain it to the Community Wide Standard;
- (d) such portions of any additional property as set forth by Declarant, this Declaration, any Dedicatory Instrument, or any covenants or agreements for maintenance entered into by, or otherwise binding on the Association; and
- (e) any property and facilities that Declarant owns and makes available, on a temporary or permanent basis, for the primary use and enjoyment of the Association and its Members. Declarant must identify any such property and facilities by written notice to the Association, and such property and facilities will

remain part of the Area of Common Authority until Declarant revokes such privilege of use and enjoyment by written notice to the Association.

The Association may maintain other property it does not own, including Lots, property dedicated to the public, and property owned or maintained by another association, if the Board determines that such maintenance is necessary or desirable to maintain the Community Wide Standard. To the extent permitted by Texas law, the Association is not liable for any damage or injury occurring on or arising out of the condition of, property it does not own.

ARTICLE VIII. SERVICE AREAS

Lots may be part of one or more Service Areas in which the Lots share Limited Common Areas or receive special benefits or services from the Association that the Association does not provide to all Lots within the Property. A Lot may be assigned to more than one Service Area, depending on the number and types of special benefits or services it receives. A Service Area may be comprised of Lots of more than one housing type and may include Lots that are not contiguous.

A. Designation of Service Areas

During the Development Period, Declarant may designate Service Areas (by name or other identifying designation) and assign Lots to a new Service Area or to a prior-existing Service Area via a Supplemental Amendment or other Dedicatory Instrument. After the expiration of the Development Period, the Board may, by written resolution, designate new Service Areas and assign Lots to new Service Areas with the written approval of at least 67% of the Lots affected by the proposed designation.

During the Development Period, Declarant may unilaterally amend this Declaration, any Supplemental Amendment, or any other Dedicatory Instrument to terminate a Service Area or revise the Service Area's services or boundaries. Additionally, both during and after the expiration of the Development Period, the Board may, by written resolution and with the written approval of at least 67% of the Lots located within the Service Area affected by the proposed termination or revision, terminate an existing Service Area or revise the Service Area's services or boundaries.

The Association is responsible for providing services to Lots within any Service Area designated by Declarant or the Board as required by the terms of any Supplemental Amendment, Board resolution, or other Dedicatory Instrument applicable to the Service Area.

B. Service Area Expenses

All expenses that the Association incurs or expects to incur in connection with the ownership, maintenance, and operation of Limited Common Areas within a Service Area, or in providing other benefits and services to a Service Area, including any operating reserve or reserve for repair and replacement of capital items maintained for the benefit of the Service Area, are considered "**Service Area Expenses**". Service Area Expenses may include a reasonable administrative charge in such amount as the Board deems appropriate, provided that any such administrative charge is applied as a uniform rate per Lot among all Service Areas receiving the

same service. Service Area Expenses will be covered by Service Area Assessments in accordance with this Declaration and any applicable Board resolution or Dedicatory Instrument.

ARTICLE IX. NOTICES AND EASEMENTS

A. Easements for Green Belt, Pond Maintenance, Flood Water, and Other Landscape Reserve Areas

Declarant and the Association reserve for themselves and their designees the non-exclusive right and easement, but not the obligation, to enter upon the green belts, landscape Reserve Areas, ponds, and other bodies of water located within the Property (i) to install, keep, maintain, and replace pumps in order to obtain water for the irrigation of any of the Common Area, (ii) to construct, maintain, and repair any fountain, wall, dam, hardscape, canal, or other structure retaining water therein, and (iii) to remove trash and other debris and to fulfill their maintenance responsibilities as provided in this Declaration. Declarant's rights and easements set forth in this provision automatically terminate at such time as Declarant ceases to own any portion of the Property subject to the Declaration. Declarant, the Association, and their designees have an access easement over and across any portion of the Property abutting or containing any portion of any of the green belts and landscape Reserve Areas to the extent reasonably necessary to exercise their rights and responsibilities under this Declaration.

There is further reserved, for the benefit of Declarant, the Association, and their designees, a perpetual, non-exclusive right and easement of access and encroachment over the Common Areas in order to enter upon and across such portions of the Property for the purpose of exercising rights and performing obligations under this Declaration. Each person entitled to exercise these easements must use care in, and repair any damage resulting from, the intentional exercise of such easements. Nothing in this Declaration may be construed to make Declarant, the Association, or any other person or entity liable for damage resulting from flood due to hurricanes, heavy rainfall, or other natural disasters.

There is further reserved for Declarant, the Association, and their designees an easement for the overspray of herbicides, fungicides, pesticides, fertilizers, and water over portions of the Property located in proximity to the Common Area, any landscape or open space Reserve Areas, greenbelts, canals, ponds, or other bodies of water.

B. Easements to Serve Additional Property

Declarant and the Association, including their duly authorized agents, representatives, employees, designees, successors, assignees, licensees, and mortgagees, have and there is reserved an easement over the Common Areas for the purposes of enjoyment, use, access, and development of any annexed Property made subject to this Declaration. This easement includes, but is not limited to, a right of ingress and egress over the Common Areas for construction of roads and for tying in and installation of utilities on any annexed Property.

Declarant and the Association may enter into an agreement with regard to adjacent land owned by Declarant that has not been annexed into this Declaration for the purposes of providing access to any such adjacent land and sharing the cost of maintenance to any access roadway

serving the property. During the Development Period, Declarant may enter into an agreement with an adjacent owner of land not annexed into this Declaration for the purposes of providing access to any such adjacent land and sharing the cost of maintenance to any access roadway serving the property. After the expiration of the Development Period, the Association may enter into an agreement with an adjacent owner of land not annexed into this Declaration for the purposes of providing access to any such adjacent land and sharing the cost of maintenance to any access roadway serving the property. Any such agreement must provide for sharing of costs based on the ratio that the number of Dwellings or buildings on that portion of the property that is served by the easement and is not made subject to this Declaration bears to the total number of Dwellings and buildings within the Property.

C. Utilities and General

There are reserved in favor of Declarant, so long as Declarant owns any Property, the Association, and the designees of each (which may include Montgomery County, special purpose districts, and any utility companies) access and maintenance easements (collectively referred to as the “**Access Easements**”) upon, across, over, and under the Property to the extent reasonably necessary for the purpose of replacing, repairing, and maintaining any of the following which may exist now or in the future: cable television systems, Wi-Fi systems, fiber systems, master television antenna systems, monitoring and similar systems, roads, walkways, bicycle pathways, trail systems, wetlands, drainage systems, street lights, signage, and all utilities, including water, sewers, meter boxes, telephone, gas, and electricity (collectively the “**Systems**”). There is additionally reserved unto Declarant, so long as Declarant owns any Property, the Association, and the designees of each (which may include Montgomery County, special purpose districts, and any utility companies) an easement for the installation of the foregoing Systems (referred to as the “**Installation Easements**”). Such Installation Easements are restricted in location to the Property that Declarant and the Association own or within easements designated for such purposes on applicable recorded plats of the Property or in other Dedicatory Instruments.

Notwithstanding anything contained in this Declaration to the contrary, driveways and sidewalks are not an encroachment into the Access Easements or Installation Easements; however, Owners, including Builders, must verify all easements affecting their Lot and obtain any necessary approval from the easement holder prior to submission of plans to the ARC. Upon the transfer of title of a Lot from Declarant to an Owner, including Builders, the Access Easement covering the entirety of such Lot automatically reduces in size to the width of the Installation Easements on the Lot.

Notwithstanding anything to the contrary in this Declaration, the Access Easements and Installation Easements do not entitle the holders of such easements to access, construct, or install any of the foregoing Systems over, under, or through any existing Dwelling. Any damage to a Homesite resulting from the exercise of the Access Easements or Installation Easements must be promptly repaired by, and at the expense of, the person or entity exercising the Access Easements or Installation Easements. The exercise of the Access Easements and Installation Easements may not unreasonably interfere with the use of any Homesite.

Without limiting the generality of the foregoing, the Board may, in its sole discretion, grant easements to the local water supplier, electric company, internet provider, cable company, fiber company, and natural gas supplier (“**Utility Provider**”) across all the Common Areas for ingress, egress, installation, reading, replacing, repairing, and maintaining all utilities, including utility meters boxes, installation equipment, water, sewers, telephone, gas, electricity, internet, fiber, service equipment, and any other device, machinery, or equipment necessary for the proper functioning of the utility. No Utility Provider may access the Common Area for any of the foregoing purposes unless and until such easement is granted to the Utility Provider by the Board. If granted by the Board, the exercise of this easement by a Utility Provider does not extend to the unauthorized entry by the Utility Provider into the Dwelling on any Homesite, except in an emergency. Notwithstanding anything to the contrary contained in this Section, no sewers, electrical lines, water lines, or other utilities may be installed or relocated on the Property, except as may be approved by the Board or Declarant.

D. Conditions

Owners and Occupants of Lots within the Property are advised that various conditions exist or may exist within or in proximity to the Property, which include the following (collectively, the “**Conditions**”):

1. A number of manmade, natural, environmentally sensitive, and potentially dangerous areas and conditions that may serve as habitats for a variety of native plants and wildlife, including holes, streams, roots, stumps, ditches, gullies, flooding, standing water, murky water, erosion, and instability of natural topography;
2. Insects and animals, including alligators, venomous and non-venomous snakes and other reptiles, bobcats, coyotes, wild hogs, deer, armadillos, and nutria, some of which may pose hazards to persons or pets coming in contact with them;
3. A channel and several lakes and detention areas; one or more fountains have been or may be installed in the channel, lakes, and detention areas;
4. Reserve Areas that may be restricted to uses such as, by way of illustration and not limitation, landscape, open space, drainage, or utility purposes, including the following Restricted Reserves in Section 1: Restricted Reserves A and F, restricted in their use to drainage, open space, and landscaping purposes; Restricted Reserves B and C, restricted in their use to drainage, open space, landscaping, and miscellaneous utilities purposes; Restricted Reserve D, restricted in its use to sanitary sewer lift station purposes; and Restricted Reserve E, restricted in its use to detention, drainage, open space, landscaping, and miscellaneous utilities purposes;
5. A recreation center and one or more parks (collectively, the “**Recreational Facilities**”);

6. A community trail system which may extend through Reserve Areas owned by the Association, by a special purpose district, or by another entity, and which may be maintained by the Association or another entity;
7. Surrounding uses and conditions, including drill sites, residential subdivisions, elevated powerlines, and commercial uses (which may include, but are not limited to, schools, fire stations, police stations, hotels, conference centers, restaurants, urban shopping centers and markets, medical and institutional facilities, large corporate campuses, and multifamily uses), as well as land that is not owned by Declarant or the Association;
8. A water plant;
9. One or more utility easements; and
10. A powerline easement; easement overhead powerlines exist or may exist within such easement.

It is possible for some or all of these Conditions to extend into or otherwise affect the Lots, Owners, and Occupants within the Property. Each Owner and Occupant, and every person entering the Property (i) acknowledges that there are plants and wildlife that are indigenous to the area and are not restrained or restricted in their movements within or throughout the Property; and (ii) assumes all risk of personal injury arising from the presence of such plants and wildlife within the Property. Neither the Association, Declarant, any successor declarant, nor the partners, affiliates, officers, directors, agents, or employees of any of the foregoing, have any duty to take action to control, remove, or eradicate any plant or wildlife in the Property, nor do they have any liability for any injury resulting from the presence, movement, or propagation of any plant or wildlife within or throughout the Property.

Each Owner and Occupant acknowledges and understands that the Association, its Board, and Declarant are not insurers and that each Owner and Occupant assumes any risks for loss or damage to persons and property. Each Owner and Occupant of a Lot within the Property further acknowledges that the Association, its directors, officers, managers, agents, and employees, Declarant, and any successor declarant have made no representations or warranties, nor has any Owner or Occupant relied upon any representations or warranties, expressed or implied, relative to water levels, water clarity, safety, any use, or any future change in use of the Conditions. Declarant and the Association are not responsible for any loss, damage, or injury to any person or property arising out of the authorized or unauthorized use of the Conditions within the Property.

Owners grant an easement to Declarant and the Association, including their respective designees, for any incidental noise, water, lighting, odors, parking, overspray from fountains, electromagnetic field, and visibility of the Conditions, as well as traffic that may occur due to the Conditions. There is further reserved for Declarant, the Association, and their designees an easement to the extent necessary over portions of Lots located in proximity to the Conditions for water and overspray of any products used to control vegetation within the Conditions.

Each Owner and Occupant must take care and may not permit any trash, fertilizers, chemicals, petroleum products, environmental hazards, or any other foreign matters to infiltrate the Property. **ANY OWNER OR OCCUPANT PERMITTING OR CAUSING SUCH INFILTRATION IS RESPONSIBLE FOR ALL COSTS OF CLEAN UP AND REMEDIATION NECESSARY TO RESTORE THE PROPERTY TO ITS CONDITION IMMEDIATELY PRIOR TO ANY SUCH INFILTRATION.**

Owners of Lots located in proximity to the Recreational Facilities (the “*Recreational Facilities Lots*”) are subject to the risk of damage or injury due to errant sports balls and the use of improvements (if any) existing within the Recreational Facilities. Owners of Recreational Facilities Lots, their successors, and assigns, assume the risk of damage and injury and release the Association and Declarant, their agents, employees, officers, directors, successors, and assigns, from any liability for damage or injury caused by errant sports balls in, on, or around the Recreational Facilities and the use and improvements (if any) of the Recreational Facilities. There is reserved and granted to Declarant and the Association, as to the Recreational Facilities Lots, along with Declarant’s and the Association’s independent contractors, agents, members, guests, and invitees, a nonexclusive easement over and across the Recreational Facilities Lots, or portions thereof as provided below, for the following purposes:

- (i) Flight of sports balls over, across, and upon the Recreational Facilities Lots;
- (ii) Doing of every act necessary and incident to the use of and playing of recreational activities on or within the Recreational Facilities, including, lighting of parking facilities and lighting within the Recreational Facilities; and
- (iii) Creation of noise related to the normal maintenance, operation, use and recreational activities of the Recreational Facilities, including, but not limited to, the operation of mowing and spraying equipment. Such noise may occur from early morning until late evening.

E. Commercial Uses

While the initial development plan for the Property features a residential community, this plan is subject to change and may be expanded to include commercial uses. Any additional land that may be annexed into the Property for commercial purposes may be subject to the jurisdiction of the Association.

F. Reclaimed Water

Declarant discloses to each Owner, and each Owner, by acceptance of title to his or her Lot, acknowledges, that Declarant or the Association may use: (i) water from water wells drilled on the Common Area, or (ii) reclaimed water for irrigation of the Common Areas. **THIS WATER IS NOT INTENDED FOR HUMAN CONSUMPTION AND SHOULD NOT BE CONSUMED BY HUMANS.**

ARTICLE X. DEED RESTRICTION ENFORCEMENT

A. Authority to Promulgate Rules, Policies, and Guidelines

The Board has the authority, without the obligation, to promulgate, amend, cancel, limit, create exceptions to, and enforce rules, policies, and Guidelines, including rules and policies concerning the administration of the Property, the enforcement of the Dedicatory Instruments, the use and enjoyment of the Property, limitations on the use of the Common Area, and establishing and setting the amount of fines for violations of the Dedicatory Instruments and all fees and costs generated in the enforcement of the Dedicatory Instruments. Such rules, policies, and Guidelines are binding upon all Owners and Occupants. The rights and remedies contained in this Article are cumulative and supplement all other rights of enforcement under applicable law.

B. Attorney's Fees and Fines

In addition to all other remedies that may be available, after giving notice and an opportunity to be heard as may be required by §209 of the Texas Property Code, as same may be amended, the Association has the right to collect attorney's fees and fines as set by the Board from any Owner that is in violation of the Dedicatory Instruments, any applicable Supplemental Amendment or amendments, any Guidelines, or any other rule or regulation promulgated by the Board pursuant to the provisions set forth in this Declaration. The attorney's fees and fines will be added to the violating Owner's Assessment account and are secured by the continuing lien on the Lot.

C. Remedies

Each Owner must comply with all provisions of the Dedicatory Instruments. Failure to comply is grounds for an action to recover sums due, for damages or injunctive relief, or for any other remedy available at law or in equity, maintainable by the Association. In addition, the Board has the authority, but not the obligation, to enforce the covenants, conditions, and restrictions contained in the Dedicatory Instruments, and to regulate the use, maintenance, repair replacement, modification, and appearance of the Property, and may avail itself of any remedy provided in the Dedicatory Instruments and local, state, and federal law. Notwithstanding anything contained in this Declaration to the contrary, the Board has no duty to institute legal or other proceedings on behalf of or in the name of an Owner.

The Board has the sole discretion to determine whether to pursue enforcement action in any particular case. Without limiting the generality of the foregoing sentence, the Board may determine that, under the circumstances of a particular case:

- (i) the Association's position is not strong enough to justify taking any or further action;
- (ii) although a technical violation may exist or may have occurred, it is not of such a material nature as to be objectionable to a reasonable person or to justify expending the Association's resources; or

- (iii) that it is not in the Association's best interests, based upon hardship, expense, or other criteria, to pursue enforcement action.

Such a decision is not a waiver of the Association's right to enforce such provision at a later time under other circumstances and does not preclude the Association from enforcing any Dedicatory Instrument.

D. Enforcement by Owners

Each Lot Owner, at his or her own expense, is empowered to enforce the covenants, conditions, and restrictions contained in this Declaration, any amendment to this Declaration, any Supplemental Amendment to this Declaration, and any amendment to any Supplemental Amendment; provided, however, no Owner has the right to enforce the lien rights retained in this Declaration or any Supplemental Amendment in favor of the Association or other rights, regarding Assessments, fines, or other charges retained by the Association.

E. Self Help

"Self Help" means the authority, but not the obligation, of the Association, upon approval of not less than a majority of the Board members, to enter upon a Lot, Homesite, or other area that is an Owner's responsibility to maintain (such as sidewalks that may be adjacent to an Owner's Lot) and to cause to be performed any of the Owner's maintenance and repair obligations, or acts required by that Owner to bring his/her Lot, Homesite, or other area into compliance with the Dedicatory Instruments, if the Owner fails to perform same after written demand from the Board. Except in the case of emergency situations, the Association must give the violating Owner a minimum of 5 days written notice (calculated using the date reflected on such notice) of its intent to exercise Self Help. The Board has the sole discretion to determine whether any given situation constitutes an emergency.

Self Help also includes the authority, but not the obligation, of the Association, upon approval of not less than a majority of the Board members, to cause the removal of any unapproved item placed upon the Common Area or Area of Common Authority by an Owner or Occupant, including, by way of illustration and not limitation, storage pods, trailers, recreational vehicles, boats, or construction materials. Notwithstanding the 5-day written notice provision set forth above, the Association may, but is not required to, provide written notice to a violating Owner or Occupant prior to the exercise of Self Help to remove an unapproved item placed upon the Common Area or Area of Common Authority by an Owner or an Occupant.

There is a perpetual, non-exclusive easement over the Property in favor of the Association for the purpose of allowing it to exercise its Self Help remedy.

In exercising its Self Help remedy, the Association is not subject to any liability for trespass, other tort, or damages in connection with or arising from such exercise of Self Help, nor in any way is the Association or its agent liable for any accounting or other claim for such action. The Association has the right, but not the obligation, to enter into any Lot, Homesite, or other area for emergency, security, and safety reasons, and to inspect for the purpose of ensuring compliance with the Dedicatory Instruments, which right may be exercised by the Board,

officers, agents, employees, managers, and all policemen, firemen, ambulance personnel, and similar emergency personnel in the performance of their respective duties.

Any costs incurred by the Association in connection with its Self Help remedy are the personal obligation of the person or entity who was the Owner of the Lot at the time when the Self Help costs were incurred. Regardless of whether the Association ultimately takes any Self Help action, all costs and fees incurred by the Association in connection with its Self Help remedy, including any costs and fees related to sending letters to the violating Owner and an administrative fee set by the Board, may be charged to the subject Owner's Assessment account and are supported by the continuing lien created in this Declaration.

ARTICLE XI. ARCHITECTURAL RESTRICTIONS

NOTE WELL: The provisions of this Article are broad and sweeping and regulate an extremely wide range of activities. Owners are advised to review this Article and the Guidelines carefully before commencing any work or engaging in any activity on or in connection with their Lot or Dwelling to ensure they comply with all of the provisions set forth in this Declaration and in the Guidelines. Work commenced, performed, or completed without prior approval as required in this Declaration, in the Guidelines, or otherwise in violation of plans approved by the ARC, the terms of the Dedicatory Instruments, or applicable law may subject the Owner of the Lot to substantial costs, expenses, fees, and penalties, which may be in addition to a requirement that the Lot or Dwelling be restored to its original condition. References in this Declaration to ARC approval mean the prior written approval of the ARC.

A. Architectural Review Committee - "ARC"

The ARC is a committee of the Board. In the absence of a designation by Declarant, the initial ARC is composed of the individuals designated as the initial members of the Board as set forth in the Association's Certificate of Formation; provided, however, Declarant has the sole authority to designate all members of the ARC prior to ARC Turnover, which members need not be members of the Board. One member of the ARC may be designated as the representative to act on behalf of the ARC. During the Development Period, Declarant reserves the right to appoint replacements as necessary by reason of resignation, removal, or incapacity. At any time prior to the happening of the ARC Turnover (defined below), Declarant may, without obligation, assign to the Board, or to such other person Declarant deems appropriate, all or a portion of Declarant's ARC rights or the responsibility for review and approval of modifications to existing Dwellings.

Declarant has the right of ARC appointment and removal until the first to occur of the following (the "***ARC Turnover***"):

1. The termination of the Development Period, or
2. Declarant relinquishes its authority over ARC appointment by a written instrument recorded in the Official Public Records of Montgomery County, Texas.

Upon ARC Turnover, the Board has the right to replace the Declarant-appointed ARC members by duly appointing Owners who are Members in Good Standing. Thereafter, the Board has the continuing right to remove and appoint the ARC members (who must be Members in Good Standing) as deemed necessary in the sole and absolute discretion of the Board. Any removal or appointment of an ARC member must be made in accordance with Texas law and the Dedicatory Instruments.

The Board has the right to review any action or non-action taken by the ARC and is the final authority as to all ARC matters, including aesthetics and determination of the Community Wide Standard. Notwithstanding the foregoing, in the event that Class B Membership terminates prior to the ARC Turnover, the ARC (at the discretion of Declarant) is the final authority as to all ARC matters, including aesthetics and determination of the Community Wide Standard, until the ARC Turnover occurs.

The ARC has the authority, but not the obligation, to delegate review and approval or denial of plans for modifications of existing improvements within the Property to a Modifications Committee. The members of the Modifications Committee may be appointed and removed by Declarant during the Development Period, and thereafter by the Board. A denial by the Modifications Committee, if it is created, may be appealed to the ARC.

The provisions in this Section pertaining to Declarant's authority regarding the ARC during the Development Period control over any other provision in a Dedicatory Instrument to the contrary. Notwithstanding anything contained in this Declaration to the contrary, this Section may not be amended by the Members or by the Board during the Development Period without the consent and joinder of Declarant.

B. ARC Approval Required; Guidelines

No building, Hardscape, addition, modification (including tree removal), or improvement may be erected, placed, or performed on any Lot or Homesite until the construction plans and specifications, including the site plan, design development plan, and exterior plan, have been submitted to and approved in writing by the ARC. Further, the ARC may review, approve, or deny applications for improvements within right of way areas that are adjacent to a Lot; provided, however, the Association, the Board, and the ARC are not liable for any injuries or damages that may arise from or may be related to any approved improvements located within a right of way area adjacent to a Lot.

The failure of the ARC to approve submitted applications for the construction of improvements within 30 days after the receipt thereof will be deemed to be a decision by the ARC denying the application. After the ARC Turnover, a decision by the ARC to deny an application by an Owner for the construction of improvements may be appealed to the Board. The ARC will provide written notice of the denial to the Owner and the Board will hold a hearing in accordance with the Dedicatory Instruments and Texas law.

In no case may construction begin prior to approval of plans by the ARC. If plans are disapproved, no construction may commence until revised plans are submitted and approved by the ARC. The Board has the right to establish and charge fees related to ARC review.

Additionally, the Board has the right to establish payment methods and timing for payment of such fees. Any such fees and payment methods, along with any other information related to the ARC review process, may be established by the Board via Board resolution. If a fee is set and not paid, the 30-day time period set out in this Declaration will not begin to run until the fee is paid.

Guidelines may be promulgated and amended by Declarant during the Development Period. After the expiration of the Development Period, Guidelines may be promulgated and amended by the Board; provided, however, any such amendments may not be applied retroactively to reverse a prior approval granted by the ARC or the Board to any Owner. Guidelines may be modified or amended as deemed necessary and appropriate for the orderly development of the Property, including those portions of the Guidelines regarding workmanship, materials, building methods, observance of requirements concerning installation and maintenance of public utility facilities and services, and compliance with governmental regulations. Subject to the provisions in this Declaration, there is no limitation on the scope of amendments to the Guidelines, and such amendments may remove requirements previously imposed or otherwise make the Guidelines less restrictive. The rules, standards, and procedures set forth in the Guidelines, as same may be amended from time to time, are binding and enforceable against each Owner in the same manner as any Dedicatory Instrument. Further, different Guidelines for additional property that may be annexed into the Property may be promulgated.

Each Owner acknowledges and agrees that the Guidelines serve as a minimum set of standards for the Lots within the Property and are intended to provide a general framework to illustrate common design objectives for a harmonious setting within the Property. Each Owner acknowledges and agrees that the Guidelines are incapable of providing exhaustive parameters and specifications for every improvement or modification that may be submitted to the ARC for review, and, in some cases, there may be no parameters or specifications in the Guidelines addressing a particular improvement or modification submitted to the ARC for review. Each Owner acknowledges and agrees that the ARC has the discretion to make conclusive determinations as to improvements and modifications submitted to it for review, regardless of whether a particular improvement or modification is specifically addressed in the Guidelines.

In reviewing each application, the ARC may consider any factors it deems relevant, including harmony of the proposed external design with surrounding structures and the environment. Decisions may be based on purely aesthetic considerations. Each Owner acknowledges that such determinations are purely subjective and that opinions may vary as to the desirability or attractiveness of particular improvements. Subject to the Board's authority in this Declaration, the ARC has the discretion to make final, conclusive, and binding determinations on matters of aesthetic judgment, and such determinations are not subject to the alternative dispute resolution procedures set forth in this Declaration or to judicial review so long as they are made in good faith and in accordance with required procedures.

The ARC is vested with the right, but not the obligation, to refuse to review a request for an improvement or modification, or to deny such a request, if the Owner requesting same is not a Member in Good Standing. The Board, on behalf of the ARC, may retain or delegate review of plans and specifications to a designated AIA architect or to such other person or firm as may be

designated by the Board, experienced and qualified to review same, who may then render an opinion to the ARC or the Board. Approval of plans and specifications does not cover or include approval for any other purpose and specifically, but without limitation, may not be construed as any representation as to or responsibility for the structural design or engineering of the improvement or the ultimate construction thereof.

The Board has the authority to require any Owner or an Owner's agents or contractors to cease and desist in constructing or altering any improvements on any Homesite where such improvements have not first been reviewed and approved by the ARC or constitute a violation of plans previously approved by the ARC, the Dedicatory Instruments, or any other documents promulgated by the Board pursuant to the provisions set forth in this Declaration. Written notice may be delivered to an Owner or any agent or contractor with apparent authority to accept same, and such notice is binding on the Owner as if actually delivered to the Owner. The violating Owner must remove such violating improvements or sitework at its sole expense and without delay, returning same to its original condition or bringing the Homesite into compliance with the Dedicatory Instruments and any plans and specifications approved by the ARC for construction on that Homesite. If an Owner proceeds with construction that is not approved by the ARC, or that is a variance of the approved plans, the Association may assess fines as provided for in this Declaration and may continue to assess such fines until ARC approval is granted or the violation is removed. This Declaration is notice of such liability for a violation, and Owners agree to bear the cost and expense to cure any violations according to this provision, regardless of the substantial cost, time, or loss of business involved. Each Owner acknowledges that it might not always be possible to identify objectionable features of proposed construction or alteration of improvements until such construction or alteration is completed, in which case it may be unreasonable to require changes to the improvements involved; however, the ARC may refuse to approve similar proposals in the future.

The Board (or its agents or assigns) has the right, but not the obligation, to enter any Lot or Homesite to determine if violations of this Declaration, the Guidelines, or any other Dedicatory Instrument exist. In so doing, the Board, its agents, or assigns are not subject to any liability for trespass, other tort, or damages in connection with or arising from such entry, nor in any way is the Association or its agents liable for any accounting or other claim for such action.

The ARC has the right to set time constraints for both the "***Commencement of Construction***" and "***Completion of Construction***" of an improvement on a Homesite. For purposes of the construction of a Dwelling on a Homesite, Commencement of Construction means the issuance of a slab permit and Completion of Construction means the issuance of a certificate of occupancy. Plans for a Dwelling to be constructed on a Lot must be submitted by the Lot Owner to the ARC for review and approval within 90 days from the date that the Owner acquires title to the Lot, or other later date as determined by the ARC. Thereafter, the Commencement of Construction of the Dwelling must occur within 180 days from the date of plan approval, or other later date as determined by the ARC, and the Completion of Construction of the Dwelling must occur no later than 2 years from the Commencement of Construction, or other later date as determined by the ARC. For purposes of the construction or installation of improvements other than the Dwelling on the Homesite, the ARC has the discretion to determine, on a case by case basis, the time at which Commencement of Construction and Completion of Construction must occur. In addition, the ARC has the discretion to extend

previously approved deadlines for Commencement of Construction and Completion of Construction. If Commencement of Construction fails to occur by the time frame established in this Declaration (or otherwise set by the ARC pursuant to this provision) or is not completed by the Completion of Construction time frame established in this Declaration (or otherwise set by the ARC pursuant to this provision), the plans will be deemed not approved and must be re-submitted for ARC review and approval. In the event of any such re-submission of plans, the ARC has the discretion to determine the time constraints for the Commencement of Construction and Completion of Construction, which may be set on an expedited basis as determined by the ARC.

Notwithstanding the foregoing, during the Development Period, Builders may submit their design plans for ARC review as master design plans, which plans must include all specifications, including specifications as to brick color and paint color, that may be used when building each design. Upon ARC approval of a Builder's master design plans, the time frames for Commencement of Construction and Completion of Construction as set forth in the applicable purchase agreement between Declarant and the Builder (the "**Contract**") control. If construction fails to commence by the designated date set forth in the Contract or is not completed by the designated completion date set forth in the Contract, the plans will be deemed not approved and must be re-submitted for ARC review and approval. In the event of any such re-submission of plans, the ARC has the discretion to determine the time constraints for the Commencement of Construction and Completion of Construction, which may be set on an expedited basis as determined by the ARC.

C. Building Setbacks

Minimum front, side, and rear setbacks for each Lot may be set forth in this Declaration, in a Supplemental Amendment, in the Guidelines, on the applicable plat, or in another Dedicatory Instrument. In the absence of a different setback requirement set forth in a Supplemental Amendment, in the Guidelines, on the applicable plat, or in another Dedicatory Instrument, all Lots have a minimum side setback of 5 feet from the side Lot line and a minimum rear setback of the greater of 10 feet from the rear Lot line or the width of any easement. In the event a Supplemental Amendment, the Guidelines, the applicable plat, or another Dedicatory Instrument applicable to a specific portion of the Property contains a setback requirement that differs from the setback requirement contained in this Declaration, the setback requirement set forth in the applicable Supplemental Amendment, Guidelines, plat, or other Dedicatory Instrument will control. Notwithstanding anything to the contrary in this Declaration, in no case may any setback on a Lot be less than the width of any easement existing on the Lot, as shown on the applicable plat. No Dwelling, garage, Outbuilding, or other structure may be constructed within the established setbacks on the Lot; provided, however, equipment including generators, air conditioning equipment, and pool equipment may be installed within the side setbacks on a Lot so long as such equipment is not located within an easement on the Lot and the ARC has issued prior written approval for such equipment and its location. All Dwellings must be oriented to the front of the Lot, and the ARC has discretion to designate the "front" of a Lot.

The combining of no more than 2 Lots to create 1 Homesite may be permitted subject to prior written approval of the ARC and partial release(s) by Declarant, to the extent necessary, of easements created in this Declaration. All governmental requirements must be complied with as

to combining 1 Lot with another Lot. If Lots are combined, the side set back lines must be measured from resulting side property lines rather than from the Lot lines as indicated on the applicable plat. The combining of 2 Lots does not forgive the obligation to pay Assessments on all Lots so combined. By way of example and not limitation, if 2 Lots are combined to create 1 Homesite, the Homesite is obligated to pay 2 Assessments.

D. Landscaping

All open, unpaved space on a Homesite must be planted and landscaped. Landscaping in accordance with the plans approved by the ARC must be installed prior to occupancy of any Dwelling constructed on the Property. Where applicable, Owners are responsible for maintaining and irrigating the landscaping within the adjacent right of way located between the boundary of their Lot and the street. Any significant changes in the existing landscaping on any Homesite must have prior written approval from the ARC.

Notwithstanding anything contained in this Declaration to the contrary, landscaping minimum standards may be established in the Guidelines. The ARC has the discretion to determine if the landscaping on a Lot does not meet the minimum standards established in this Declaration or in the Guidelines.

E. Grading and Drainage

Topography of each Homesite must be maintained with proper grading and drainage systems such that runoff of water (rain or other precipitation, or manmade irrigation) does not cause undue erosion of the subject Homesite itself or any other Homesites, whether adjacent to the subject Homesite or not, or to the Common Areas. Owners causing (either directly or indirectly) erosion or other incidental damage to personal or real property due to inadequate or defective grading or drainage measures on their own Homesite or due to excess runoff are liable to all such damaged parties for the replacement, repair, and restoration of such damaged real or personal property. Each Owner is responsible for ensuring that his Lot meets all local, state, and federal rules and regulations regarding drainage and run-off.

F. Temporary Structures

Temporary structures may only be erected on the Property by (i) Declarant, (ii) the Association, or (iii) Builders with the prior written approval of the ARC. By way of illustration and not limitation, temporary structures may include construction trailers and temporary construction debris receptacles. All temporary structures must be maintained in good condition and all construction debris must be contained to the site. Time limitations for such structures are limited to the period of active and exclusive construction and sales within the Property.

G. Garages

Dwellings must at all times have either attached or detached garages. Garages are required to maintain fully operational overhead doors which are in good condition at all times. No garages may be used for or converted to a living area.

H. Square Footage Requirements

All one-story Dwellings within Section 1 must contain a minimum of 1,200 square feet of living area, and all two-story Dwellings within Section 1 must contain a minimum of 1,600 square feet of living area. Living area does not include porches, garages, or non-air conditioned areas.

Regarding future sections that will be annexed into the Property and made subject to this Declaration, the minimum square footage of living area for Dwellings will be designated in a Dedicatory Instrument as the Property is developed over time. Care should be taken to verify the required minimum and maximum square footage before submitting any application to the ARC.

Notwithstanding anything contained in this Declaration to the contrary, Declarant reserves the unilateral right to develop the Property, and any additional property which may be subjected to this Declaration, in any manner consistent with residential use, including Dwellings which may contain higher or lower square footage in other portions of the Property.

ARTICLE XII. MAINTENANCE

A. General Maintenance

Each Owner must maintain and keep in good repair his or her Dwelling and all structures, parking areas and other improvements, including the driveway and its apron portion forward of the building line, comprising the Homesite. All structures and other improvements designed to be painted must be kept painted and the paint may not be allowed to become faded, cracked, flaked, or damaged in any manner. Grass, shrubs, trees, and other landscaping on each Homesite must be trimmed as often as necessary to maintain the same in a neat and attractive condition. Grass growing onto or over sidewalks, driveways, and curbs is presumed to be unattractive. Each Owner must ensure that weeds on his or her Lot are treated or removed.

Sidewalks, curbs, and driveways servicing a particular Lot, whether constructed within the boundaries of such Lot or within the street right of way adjacent to such Lot, must be maintained, repaired, and replaced, as needed, by the Owner of such Lot, subject to prior written approval of the ARC. Where applicable, each Owner is also responsible for maintaining and irrigating the landscaping within the adjacent right of way located between the boundary of their Lot and the street. Owners may not remove grass, trees, shrubs, or similar vegetation from this area without prior written approval from the ARC.

B. Landscaping

In the event an Owner fails to maintain the landscaping, grass, or vegetation on his Homesite in a manner consistent with the Community Wide Standard established within the Property and satisfactory to the Board, the Board, after providing notice as may be required by law setting forth the action intended to be taken by the Association and after approval by a majority vote of the Board, has the right, but not the obligation, through its agents, contractors, or employees, to exercise its Self Help remedy to bring the Owner's Homesite into compliance with this provision.

C. Dwelling and Improvement Exteriors

In the event an Owner fails to maintain the exterior of his Dwelling or other improvement on the Homesite (including the exterior of the Dwelling, other structures on the Homesite, and the parking areas) in a manner consistent with the Community Wide Standard established within the Property as solely determined by the Board, the Board, after providing notice as may be required by law setting forth the action intended to be taken by the Association and after approval by a majority vote of the Board, has the right, but not the obligation, through its agents, contractors, or employees, to enter upon the Homesite and exercise its Self Help remedy to bring the Owner's Homesite into compliance with this provision.

D. Other Hazards

To the extent necessary to prevent pest infestation, diminish fire hazards, or diminish hazards caused by structural damage, the Association has the right, but not the obligation, through its agents, contractors, or employees, to enter any unoccupied Dwelling or other improvement located upon the Homesite, without notice, to take the action necessary to prevent such pest infestation, diminish such fire hazards, or diminish hazards caused by structural damage at the Owner's expense. Any such expenses, including administrative fees set by the Board, incurred by the Association are secured by the continuing lien created in this Declaration.

E. Liability, Cost, and Approval

Neither the Association, nor its agents, contractors, or employees are liable, and are expressly relieved from any liability, for trespass or other tort in connection with the exercise of its Self Help remedy, including the performance of the exterior maintenance, landscaping, or other work authorized in this Declaration. The cost, including administrative fees set by the Board, of such exterior maintenance, interior hazard diminution, and other work is the personal obligation of the Owner of the Homesite on which it was performed and is part of the Assessment payable by the Owner and secured by the lien retained in the Declaration. Alternatively, the Association or any Owner of a Homesite may bring an action at law or in equity to cause the Owner to bring the Homesite into compliance with these restrictions.

All Owners' replacement, repair, and restoration practices as to the improvements on Property within Avalon Ridge are subject to the prior written approval of the ARC and must comply with all Guidelines which may change from time to time, as found necessary and appropriate in the discretion of the Board.

F. Casualty Losses

It is the Owner's obligation to have repaired or reconstructed any damage or destruction to his or her Dwelling or Lot.

If a Dwelling, landscaping, Outbuilding, or any other improvement located on a Lot is damaged by fire, storm, or any other casualty, the Owner must bring the affected Lot and all improvements thereon, as applicable, into compliance with the Dedicatory Instruments within the time period established by the Association on a case-by-case basis, pursuant to the architectural requirements and approval process set forth in the Dedicatory Instruments.

Regarding a Dwelling that is totally destroyed due to casualty, the Owner(s) of the Dwelling must have the Dwelling or damaged portions of the Dwelling razed within the time period established by the Association on a case-by-case basis and replaced within the time period established by the Association on a case-by-case basis, with such replacement subject to ARC prior written approval.

ARTICLE XIII. VARIANCES

The Board, or its duly authorized representative, may authorize a variance from compliance with any of the architectural provisions of this Declaration or the Dedicatory Instruments, unless specifically prohibited, including restrictions upon height, size, placement of structures, or similar restrictions, when circumstances such as topography, natural obstruction, hardship, aesthetic, or environmental considerations may require. Any such variance must be evidenced in writing, must be approved by at least a majority of the Board, and is effective upon recording. The variance must be signed by a member of the Board and recorded in the Official Public Records of Montgomery County, Texas. If such variance is granted, no violation of the covenants, conditions, or restrictions contained in this Declaration or the Dedicatory Instruments may be deemed to have occurred with respect to the matter for which the variance was granted. The granting of such a variance does not operate to waive any of the terms and provisions of this Declaration or the Dedicatory Instruments for any purpose except as to the particular provision covered by the variance, nor does it affect in any way the Owner's obligation to comply with all applicable governmental laws and regulations.

No granting of a variance may be relied on by any Member or Owner, or any other person or entity (whether privy or party to the subject variance or not), as a precedent in requesting or assuming a variance as to any other matter of potential or actual enforcement of any provision of this Declaration or the Dedicatory Instruments. The action of the Board in granting or denying a variance is a decision based expressly on one unique set of circumstances and need not be duplicated for any other request by any party or the same party for any reason whatsoever.

Notwithstanding anything contained in this Declaration to the contrary, during the Development Period, Declarant has the unilateral right to grant a variance of any of the covenants, conditions, and restrictions contained in the Dedicatory Instruments so long as the variance is in keeping with the aesthetics of the Property.

ARTICLE XIV. LIMITATION OF LIABILITY

Declarant, the Association, the ARC, the Board, the Association's management company, and their respective past, present, and future directors, committee members, agents, members (of a for-profit entity), employees, managers, partners, and affiliated entities of the foregoing (the "**Indemnified Parties**"), are not liable in damages or otherwise arising out of or in connection with (i) the approval, disapproval, or failure to approve or disapprove any matters requiring approval per the Dedicatory Instruments, (ii) the existence, placement, construction, modification, design, operation, repair, replacement, or maintenance related to any improvements or conditions (including the "Conditions" as defined in this Declaration) within or in proximity to the Property, or (iii) the enforcement or nonenforcement of any Dedicatory

Instrument (the “***Released Matters***”). Approval by the Indemnified Parties is not intended as any kind of representation, warranty, or guarantee as to compliance with local or state laws as to the integrity or workability of the plans or as to the contractors used.

EACH OWNER AND OCCUPANT WITHIN THE PROPERTY AGREES TO DEFEND (IMMEDIATELY UPON DEMAND), INDEMNIFY, HOLD HARMLESS, AND RELEASE THE INDEMNIFIED PARTIES FROM ALL LIABILITY, CLAIMS, AND CAUSES OF ACTION OF ANY KIND WHATSOEVER, AT COMMON LAW, STATUTORY, OR OTHERWISE, IN CONNECTION WITH THE RELEASED MATTERS. THE OBLIGATION TO DEFEND AND INDEMNIFY THE INDEMNIFIED PARTIES IS OWED EVEN FOR CLAIMS ALLEGED OR PROVEN TO BE CAUSED, IN WHOLE OR IN PART, BY THE NEGLIGENCE OF THE INDEMNIFIED PARTIES.

ARTICLE XV. ASSESSMENTS

A. Creation of the Lien and Personal Obligation of Assessments

The Owners of any Lot, by virtue of ownership of a Lot within the Property, covenant and agree to pay to the Association all applicable assessments and any fines, penalties, interest, and costs as more particularly set forth in this Declaration and in any Dedicatory Instrument, including the following:

1. Annual Assessment
2. Special Assessment
3. Service Area Assessment
4. Capitalization Fee

The Annual Assessment, Special Assessment, Service Area Assessment, Capitalization Fee, and any other assessment or charge set forth in this Declaration or in a Dedicatory Instrument (individually sometimes referred to as an “***Assessment***” and collectively, the “***Assessments***”), together with attorney’s fees, late fees, interest, and costs, are a charge and continuing lien in favor of the Association upon the Lot against which each such Assessment is made. Each such Assessment, together with attorney’s fees, late fees, interest, and costs, is also the personal obligation of the person or entity who was the Owner of the Lot at the time the Assessment became due. No diminution or abatement of Assessments or set-off may be claimed or allowed by reason of any alleged failure of the Association or Board to take some action or to perform some function required to be taken or performed by the Association or the Board under this Declaration or another Dedicatory Instrument, or for inconvenience or discomfort arising from the making of repairs or improvements which are the responsibility of the Association. The obligation to pay Assessments is a separate covenant on the part of each Owner of a Lot.

Declarant and the Association, without the joinder of any Owner or mortgagee, have the authority, without the obligation, to assign the right to collect the Assessments created in this Declaration to a Texas nonprofit corporation which may hereafter be formed, and which has jurisdiction within the Property.

The combining of 2 or more Lots does not forgive the obligation of the Owner of such combined Lots to pay Assessments on all Lots so combined. By way of example and not limitation, if 2 Lots are combined to create 1 Homesite, the Owner of the Homesite is obligated to pay Assessments on 2 Lots. Notwithstanding anything contained in this Declaration to the contrary, in the event 2 Lots are combined to create 1 Homesite and the Homesite is replatted into 1 Lot, the Owner of the Homesite is obligated to pay Assessments on the 2 Lots in existence prior to the replat.

B. Annual Assessments

1. Purpose

The Lots within the Property are subject to the "***Annual Assessment***" levied pursuant to the terms set forth in this Declaration. Annual Assessments levied by the Association may be used for any legal purpose for the benefit of the Property as determined by the Board, which purposes may include installation, maintenance, repair, or improvement of any Common Area, Area of Common Authority, sidewalks, trail systems, pathways, fountains, parkways, private streets and roads, entry gates installed as a controlled access system, boulevards, esplanades, setbacks, entryways, street lighting, landscape architecture, greenbelts, fences, walls, regulatory signage, directional signage, signalization, special pavement markings, entrances and entrance monuments, public or private art or sculptures; patrol service, street cleaning, mosquito control, and other services as may be in the Property's and Owners' interest; all buildings, services, improvements, and facilities deemed necessary or desirable by the Board in connection with the administration, management, control, or operation of the Property; and one or more reserve funds.

The Association may, in its sole discretion, give one or more of the purposes set forth in this provision preference over other purposes, and it is agreed that all expenses incurred, and expenditures and decisions made by the Association in good faith are binding and conclusive on all Members. Parkways, fountains, private streets, roads, esplanades, setbacks, and entryways that are not contained in any Common Area may be included in the Association's maintenance if, in the sole discretion of the Board, the maintenance of such areas benefits the Members. Such share agreements for maintenance and improvement require the consent of a majority of the total number of directors of the Association. Additionally, Annual Assessments levied by the Association may be used, in the sole discretion of the Board, to pay the Association's fair allocation of costs related to its participation in any agreement with other property owners associations or with owners or operators of nearby property for the benefit of the Members, such as to consolidate services, reduce costs, and provide consistency and economy of scale. Approval to enter such agreements requires a majority vote of the Board, and the Board may act unilaterally to negotiate, execute, modify, or terminate such contractual arrangements.

2. Creation

An Annual Assessment is due each year for each Lot within the Property in accordance with the provisions set forth in this Declaration. Payment of the Annual Assessment is the obligation of each Owner, subject to the provisions below, with such payment secured by the continuing lien created in this Declaration, binding and enforceable as provided in this Declaration.

3. Rate

The initial Annual Assessment rate established for each Lot within the Property payable by Owners other than Declarant or any Builder is \$500.00. The Annual Assessment rate for each Lot within the Property payable by Builders is equal to 50% of the then-current Annual Assessment rate payable by Owners other than Declarant (the “**Builder Annual Assessment Rate**”). The Board may adjust the Annual Assessment rate, including the Builder Annual Assessment Rate, in future years in accordance with this Declaration.

Notwithstanding anything contained in this Declaration to the contrary, in the event property tax rates increase as to one or more Lots in the Property (the “**Affected Lots**”) as a result of (i) a portion of the Property being annexed into the jurisdiction of a city or municipality, or (ii) one or more special purpose districts serving the Property ceasing to exist, the Board has the authority, without the obligation, to reduce the Annual Assessment rate, including the Builder Annual Assessment Rate, for the Affected Lots in an amount commensurate with the increase in the property tax rate for the Affected Lots.

4. Commencement, Proration, and Due Dates

Save and except Declarant, each Owner’s obligation to pay the Annual Assessment for his or her Lot commences on the date of the transfer of title to the Lot to the Owner. Any Owner, other than Declarant, who becomes record Owner of a Lot after January 1st in any year is personally responsible for and obligated to pay a prorated Annual Assessment for that year. Such prorated Annual Assessment is due on the date of the transfer of title to the Lot and is delinquent if not paid in full as of the date of transfer of title to the Lot. Thereafter, the Annual Assessment is due in advance on January 1st for each coming year and is delinquent if not paid in full as of January 31st of each year, unless another payment schedule is determined by the Board pursuant to the authority set forth in this Declaration.

Notwithstanding anything contained in this Declaration to the contrary, Annual Assessments must be paid in such manner and on such dates as the Board may establish, which may include discounts for early payment or similar time/price and method of payment differentials. The Board may require advance payment of Annual Assessments at closing of the transfer of title to a Lot and may impose special requirements for Owners with a history of delinquent payment.

5. Declarant's Obligation regarding Annual Assessments

In the event that there is a deficit between the total approved operating budget for the year and the total amount of Annual Assessments due from Class A Members (the “**Deficit**”), Declarant must elect annually to either (i) pay the Deficit and not pay Annual Assessments, or (ii) pay Annual Assessments at the rate of 50% of the Annual Assessment rate assessed Class A Members (other than Builders) for each Lot it owns within the Property at the time of such election. Notwithstanding anything contained in this Declaration to the contrary, for ease of calculation, the Annual Assessment is not prorated as to Lots owned by Declarant. Furthermore, notwithstanding anything contained in this Declaration to the contrary, Declarant is vested with the authority, without the obligation, to elect to pay the lesser of the options set forth in this section, even if the option selected results in Declarant owing nothing. In the event that there is no Deficit, Declarant has no obligation to pay Annual Assessments as to any Lots that it owns.

Declarant is required to provide written notice to the Board each year by September 1st of its elected option. Failure to provide such notice will result in Declarant being billed in the manner of the last option taken by Declarant. If no option has ever been taken by Declarant, then Declarant will be billed for the Deficit. Declarant’s obligation to fund the Deficit or pay Annual Assessments pursuant to this section automatically terminates without further action or consent by any party when Declarant’s Class B Membership terminates. In the event Declarant transfers title to a Lot to an Owner or Builder after the first day of January in any year, Declarant’s funding the Deficit or payment of Annual Assessments in accordance with this Declaration will not relieve such Owner or Builder from personal responsibility for a prorated Annual Assessment for that year.

Notwithstanding anything contained in this Declaration to the contrary, any Lot being used by Declarant as a model home or sales office Lot is not subject to any Assessments created in this Declaration. Upon conveyance of such model home or sales office Lot to a purchaser, the Lot is subject to all Assessments and charges provided for in this Declaration and as secured by the lien created in this Declaration.

To the extent of any conflict with a provision contained in this section and any other provision in a Dedicatory Instrument, the provision in this section will control.

6. Levying of the Annual Assessment

The Annual Assessment rate and the Builder Annual Assessment Rate are determined at the sole discretion of the Board. The Board is responsible for determining the sufficiency or insufficiency of the then-current Annual Assessment rate and Builder Annual Assessment Rate to reasonably meet the expenses for providing services and capital improvements within the Property and may, at its sole discretion and without a vote by the Members, increase the Annual Assessment rate, including the Builder Annual Assessment Rate, in an amount necessary to cover the Association’s anticipated expenses for providing services and capital improvements within the Property. The Annual

Assessment rate and the Builder Annual Assessment Rate may not be adjusted more than once in a calendar year, nor may any increase be construed to take effect retroactively, unless otherwise approved by Owners of a majority of the Lots subject to such Annual Assessments present at a meeting called for this purpose at which a quorum is present in person or by proxy. Any increase or decrease in the Annual Assessment rate or Builder Annual Assessment Rate must be effectuated as to all Lots within the Property on a uniform basis.

Notwithstanding the foregoing, the annexation of land into the Property may result in the Board adjusting the Annual Assessment rate and the Builder Annual Assessment Rate to be charged to the annexed property such that the adjusted Annual Assessment rate and the Builder Annual Assessment Rate might not be uniform with the Annual Assessment rate and the Builder Annual Assessment Rate being charged to other Owners within the Property. The Board has the absolute discretion to determine any such adjustment on a case-by-case basis.

C. Special Assessment

In addition to the Annual Assessment authorized above, the Association may levy a **“Special Assessment”** applicable to that year only for the purpose of defraying in whole or in part the cost of any construction, reconstruction, modification, repair, or replacement of a capital improvement in the Common Area or Area of Common Authority, or any unbudgeted expenses or expenses in excess of those budgeted, or unusual, infrequent expenses benefiting the Association, provided that any such Special Assessment must have the approval of both (i) the Owners of a majority of the Lots present at a meeting duly called for this purpose at which a quorum is present in person or by proxy; and (ii) the written approval of Declarant during the Development Period. Such Special Assessments are due and payable as set forth in the resolution authorizing such Special Assessment and may be levied only against those Owners subject to the Annual Assessment as set forth above and are prorated in accordance therewith. The Association, if it so chooses, may levy a Special Assessment against only those Lots benefited by or using the capital improvement for which the Special Assessment is being levied. Special Assessments are due upon presentation of an invoice, or copy thereof, for the same to the last-known address of the Owner. Declarant is not obligated to pay Special Assessments.

D. Service Area Assessment

The total Service Area Expenses budgeted for each Service Area, less any surplus in the Service Area budget from prior years, will be allocated among all Lots in a Service Area and levied annually as a **“Service Area Assessment”**. Unless otherwise specified in a Supplemental Amendment or other Dedicatory Instrument, commencement and proration of the Service Area Assessment will occur in the same manner as set forth in this Declaration regarding Annual Assessments. Unless otherwise specified in any Supplemental Amendment or other Dedicatory Instrument applicable to a Service Area, Service Area Assessments will be set as a uniform rate for each Lot in the Service Area. All amounts the Association collects as Service Area Assessments will be expended solely for the benefit of the Service Area for which they were collected and will be accounted for separately from the Association’s general funds.

In the event an Owner refuses to allow the Association or its designees to perform the services on his or her Lot pursuant to the Service Area applicable to such Lot, the Owner is not entitled to an offset from the Service Area Assessment applicable to the Lot.

E. Capitalization Fee

Each Grantee acquiring title to a Lot within the Property covenants and agrees to pay to the Association a capitalization fee (the “**Capitalization Fee**”) for such acquired Lot, which Capitalization Fee is an amount equal to 100% of the then-current Annual Assessment rate charged to Owners (other than Builders) plus 100% of the then-current Service Area Assessment rate (if applicable), unless otherwise determined by the Board as provided below. Notwithstanding the foregoing, the Capitalization Fee payable by a Builder acquiring title to a Lot is an amount equal to the Builder Annual Assessment Rate plus 50% of the then-current Service Area Assessment (if applicable) which applies to Lot Owners other than Builders or Declarant, unless otherwise determined by the Board as provided below. The Board is responsible for determining the sufficiency or insufficiency of the then-current Capitalization Fee amount and may, via Board resolution and without a vote by the Members, increase or decrease the Capitalization Fee amount in an amount necessary to meet the budgetary needs of the Association, as determined in the Board’s sole discretion. Any such increase or decrease in the Capitalization Fee amount must be effectuated as to all Lots within the Property on a uniform basis.

Capitalization Fees are payable to the Association on the date of the transfer of title to a Lot and are not prorated. The Capitalization Fee is in addition to, not in lieu of, the Annual Assessment and is not an advance payment of such Annual Assessment. The payment of the Capitalization Fee is secured by the continuing lien set forth in this Declaration, and the Capitalization Fee is collected in the same manner as Assessments.

A transferring Owner must notify the Association’s Secretary or managing agent of a pending title transfer at least 7 days prior to the transfer. Such notice must include the name of the Grantee, the date of title transfer, and any other information as the Board may require. Capitalization Fees may be used by the Association for any legal purpose which, in the Association’s sole discretion, is for the benefit of the Property, including the placement of Capitalization Fees in a reserve account.

1. Exempt Transfers. Notwithstanding the above, a Capitalization Fee will not be levied upon the transfer of title to a Lot:
 - a. to Declarant;
 - b. by a co-Owner to a person who was a co-Owner immediately prior to such transfer;
 - c. to the Owner’s estate, trust, surviving spouse, or child;

- d. to any entity wholly owned by Declarant; provided, upon any subsequent transfer of an ownership interest in such entity, the Capitalization Fee will become due;
- e. to the Association; or
- f. by the Association.

F. Collection and Remedies for Assessments

1. The Assessments provided for in this Declaration, together with attorney's fees, interest, late fees, and costs as necessary for collection (including payment processing costs that may be charged by the Association, which may include pay-to-pay fees), are a charge on and a continuing lien upon the land in favor of the Association against which each such Assessment is made. Each such Assessment, together with attorney's fees, interest, late fees, and costs, is also the personal obligation of the Owner of the Lot at the time the Assessment became due.
2. Any Assessment not paid when due bears interest from the due date at a rate of 10% per annum. Per the terms of this Declaration, different Assessments may have different due dates. No Owner may waive or otherwise escape liability for the Assessments provided for in this Declaration by reason of non-use or abandonment.
3. In order to secure the payment of the Assessments hereby levied, a lien is created in favor of the Association. Such lien runs with title to each Lot within the Property and may be foreclosed upon by the Association pursuant to the laws of the State of Texas. Each Owner grants a power of sale to the Association to sell such property upon default in payment by any amount owed. Alternatively, the Association may judicially foreclose the lien or maintain an action at law to collect the amount owed.
4. The President of the Association, or his or her designee, is appointed trustee to exercise the Association's power of sale. The trustee will not incur any personal liability except for his or her own willful misconduct.
5. Although no further action is required to create or perfect the lien, the Association may, as further evidence of the lien, give notice of the lien by executing and recording a document setting forth notice (i) that delinquent sums are due the Association at the time such document is executed and (ii) the fact that a lien exists to secure the repayment thereof. The failure of the Association to execute and record any such document does not affect the validity, enforceability, or priority of the lien. If required by law, the Association will also give notice and an opportunity to cure the delinquency to any holder of a lien that is inferior or subordinate to the Association's lien, pursuant to Section 209.0091 of the Texas Property Code, or its successor statute.
6. In the event the Association has determined to foreclose its lien provided in this Declaration and to exercise the power of sale hereby granted, such foreclosure will be accomplished pursuant to the requirements of Sections 209.0091 and 209.0092 of the Texas Property Code by first obtaining a court order in an application for expedited

foreclosure under the rules adopted by the Supreme Court of Texas. Notwithstanding anything contained in this Declaration to the contrary, in the event that the laws of the State of Texas are changed to no longer require a court order in an application for expedited foreclosure, the Association may pursue foreclosure of its lien via any method established in this Declaration, including nonjudicial foreclosure, as may be permitted by the then-current law, without the necessity of amending this Declaration.

7. At any foreclosure proceeding, any person or entity, including Declarant, the Association, or any Owner, has the right to bid for such Lot at the foreclosure sale and to acquire and hold, lease, mortgage, and convey the same. During the period such foreclosed Lot is owned by the Association following foreclosure, (i) no right to vote may be exercised on its behalf and (ii) no Assessment may be levied on it. Out of the proceeds of such sale, there will be paid first, all expenses incurred by the Association in connection with such default, including attorney's fees and trustee's fees; second, from such proceeds there will be paid to the Association an amount equal to the amount of Assessments in default inclusive of interest, late charges, and attorney's fees; and third, the remaining balance, if any, will be paid to such Owner. Following any such foreclosure, each Occupant of any such Lot foreclosed on, and each Occupant of any improvements thereon will be deemed to be a tenant-at-sufferance and may be removed from possession by any lawful means.

G. Subordination of the Lien to Purchase Money Mortgages

The lien for Assessments, including interest, late charges, costs, and attorney's fees, provided for in this Declaration is subordinate to the lien of any purchase money mortgage (including any renewal, extension, rearrangement, or refinancing thereof) on any Lot or Homesite, including the purchase money mortgage lien held by the Lienholder as to Lots and Homesites owned by Declarant. The sale or transfer of any Lot or Homesite does not affect the lien and the sale or transfer will not relieve such Lot or Homesite from lien rights for any Assessments thereafter becoming due. Where the Lienholder, other mortgagee holding a purchase money mortgage of record, or other purchaser of a Lot or Homesite obtains title pursuant to foreclosure of the mortgage, it is not liable for the share of the Assessments or other charges by the Association chargeable to such Lot or Homesite that became due prior to such acquisition of title; however, from the date of foreclosure forward, such Assessments will again accrue and be payable to the Association.

H. Notice of Delinquency

When the Association or its agent or designee gives a written notice of the Assessment to any Owner who has not paid an Assessment that is due under this Declaration, such notice will be mailed to the Owner's last known address. The address of the Lot or Homesite is presumed to be the address for proper notice unless written notice of another address has been provided by the Owner to the Association.

ARTICLE XVI. MODIFICATION AND TERMINATION OF COVENANTS

Notwithstanding anything contained in this Declaration to the contrary, in the event this Declaration or a Supplemental Amendment is amended and restated in the future, such amendment and restatement will not affect or disturb the lien created in this Declaration or any annexation accomplished by the Supplemental Amendment, which lien and annexation will continue to be in full force and effect from the date the Declaration and Supplemental Amendment were recorded.

A. Amendment by Declarant

In addition to the specific amendment rights granted elsewhere in this Declaration, until termination of the Development Period, Declarant may unilaterally amend this Declaration and any Supplemental Amendment for any purpose; provided, however, any such amendment may not adversely affect the title to any Lot or Homesite unless the Owner consents to the amendment in writing.

After the expiration of the Development Period, Declarant may unilaterally amend this Declaration and any Supplemental Amendment at any time without the joinder or consent of any Owner, entity, lender, or other person if such amendment is (i) necessary to bring any provision hereof into compliance with any applicable governmental statute, rule, regulation, or judicial determination; (ii) necessary to enable any reputable title insurance company to issue title insurance coverage on Lots and Homesites; (iii) required by an institutional or governmental lender or purchaser of mortgage loans, including, for example, the Federal National Mortgage Association or Federal Home Loan Mortgage Corporation, to enable such lender or purchaser to make or purchase mortgage loans on the Lots or Homesites; (iv) necessary to enable any governmental agency or reputable private insurance company to insure mortgage loans on Lots or Homesites; or (v) necessary for the purpose of clarifying or resolving any ambiguities or conflicts in this Declaration or in any Supplemental Amendment, or for correcting any inadvertent misstatements, errors, or omissions in this Declaration or in any Supplemental Amendment.

Any amendment to the Declaration or a Supplemental Amendment made by Declarant must be recorded in the Official Public Records of Montgomery County, Texas, whereupon, to the extent of any conflict with this Declaration or Supplemental Amendment and any amendment thereto, the amendment will control.

Any amendment made by Declarant becomes effective upon recording unless otherwise specified in the amendment.

B. Amendment by Owners

During the Development Period, this Declaration and any Supplemental Amendment may be amended, modified, or terminated by the approval of the Owners of a majority of the Lots and the written consent of Declarant. After the termination of the Development Period, approval by the Owners of a majority of the Lots is required to amend, modify, or terminate this Declaration and any Supplemental Amendment; provided, however, any such amendment or termination

must be approved in writing by the Association. Upon approval of the Owners, as set out above, of the amended declaration or amended Supplemental Amendment (as evidenced by the President's or Vice-President's signature), the amended declaration or amended Supplemental Amendment must be recorded in the Official Public Records of Montgomery County, Texas, whereupon, to the extent of any conflict with this Declaration or Supplemental Amendment and any amendment thereto, the amendment will control. For purposes of this Section, the approval of multiple Owners of a Lot may be reflected by the signature of any one Owner of such Lot.

Notwithstanding anything contained in this Declaration to the contrary, the Association is entitled to use any combination of the following methods to obtain approval of the Owners for an amendment to the Declaration and any Supplemental Amendment:

1. written ballot, or electronic ballot as same may be established by the Board, that states the substance of the amendment and specifies the date by which a written or electronic ballot must be received to be counted;
2. a meeting of the Members of the Association, if written notice of the meeting stating the purpose of the meeting is delivered to the Owners of the Lots; such notice may be hand-delivered to the Owners, sent via regular mail to the Owner's last known mailing address, as reflected in the Association's records, or sent via email to the Owner's email address as reflected in the Association's records;
3. door-to-door circulation of a petition by the Association or a person authorized by the Association; or
4. any other method permitted under this Declaration or applicable law.

No amendment to the Declaration or to any Supplemental Amendment may limit the rights of Declarant pertaining to the Declaration and any Supplemental Amendment. Particularly reserved to Declarant is the right and privilege of Declarant to designate the use and architectural restrictions applicable to any portion of the Property, as provided in this Declaration; and such designation, or subsequent change of designation, may not be deemed to adversely affect any substantive right of any existing Owner.

C. Amendment by the Board

After the termination of the Development Period, this Declaration and any Supplemental Amendment may be amended by the affirmative vote of at least 2/3 of the directors of the Board, without the joinder or consent of any Owner, entity, lender, or other person, if such amendment is (i) necessary to bring any provision hereof into compliance with any applicable governmental statute, rule, regulation, or judicial determination; (ii) necessary to enable any reputable title insurance company to issue title insurance coverage on Lots and Homesites; (iii) required by an institutional or governmental lender or purchaser of mortgage loans, including, for example, the Federal National Mortgage Association or Federal Home Loan Mortgage Corporation, to enable such lender or purchaser to make or purchase mortgage loans on the Lots or Homesites; (iv) necessary to enable any governmental agency or reputable private insurance company to insure mortgage loans on Lots or Homesites; or (v) for the purpose of clarifying or resolving any

ambiguities or conflicts in this Declaration. For purposes of this provision, the affirmative vote of at least 2/3 of the directors of the Board (who are Owners entitled to vote on any such amendment) satisfies the “lower percentage” requirement of Texas Property Code 209.0041(h-1) or its successor statute.

Any amendment to the Declaration or a Supplemental Amendment made by the Board must be recorded in the Official Public Records of Montgomery County, Texas, whereupon, to the extent of any conflict with this Declaration or Supplemental Amendment and any amendment thereto, the amendment will control.

ARTICLE XVII. ALTERNATE DISPUTE RESOLUTION

It is the intent of the Association and Declarant to encourage the amicable resolution of disputes involving the Property and to avoid the emotional and financial costs of litigation if at all possible. Accordingly, the following dispute resolution procedures control and attempt to resolve all claims, grievances, or disputes involving the Property, including claims, grievances, or disputes arising out of or relating to the interpretation, application, or enforcement of the Dedicatory Instruments.

A. Dispute Resolution

No dispute between any of the following entities or individuals may be commenced until the parties have submitted to non-binding mediation: Owners, Members, the Board, officers in the Association, or the Association; provided, however, the Board has discretion to determine whether the Association will participate in the dispute resolution procedures regarding claims made by the Association or enforcement of the Dedicatory Instruments.

Disputes between Owners that are not regulated by this Declaration are not subject to the dispute resolution process.

B. Outside Mediator

In a dispute between any of the above entities or individuals, the parties must voluntarily submit to the following mediation procedures before commencing any judicial or administrative proceeding. Each party will represent himself/herself individually or through an agent or representative or may be represented by counsel. The dispute will be brought before a mutually selected mediator. Such mediator will either be an attorney-mediator skilled in community association law, a Professional Community Association Manager as certified by the Community Associations Institute, or a Certified Property Manager as certified by the Institute of Real Estate Managers. In order to be eligible to mediate a dispute under this provision, a mediator may not reside in the Property, work for any of the parties, represent any of the parties, or have any conflict of interest with any of the parties. Costs for such mediator must be shared equally by the parties. If the parties cannot mutually agree upon the selection of a mediator after reasonable efforts (not more than 30 days), each party must select their own mediator and a third will be appointed by the two selected mediators. If this selection method must be used, each party will pay the costs of their selected mediator and will share equally the costs of the third appointed mediator.

C. Mediation is Not a Waiver

By agreeing to use this Dispute Resolution process, the parties in no way waive their rights to extraordinary relief, including temporary restraining orders or temporary injunctions, if such relief is necessary to protect or preserve a party's legal rights before a mediation may be scheduled.

D. Failure to Pursue Alternative Dispute Resolution

In the event any party violates the provisions of this alternative dispute resolution Article and commences litigation without pursuing alternative dispute resolution, the party commencing the litigation must reimburse all other parties to such litigation for their costs and expenses, including attorney's fees, incurred in seeking abatement of such litigation and in enforcing the alternative dispute resolution provisions of this Article. In addition, any violation of the provisions of this alternative dispute resolution Article will be considered a Deed Restriction Violation.

E. Assessment Collection and Lien Foreclosure

The provisions of this Declaration dealing with alternate dispute resolution do not apply to the collection of Assessments or the foreclosure of the lien by the Association as set out in this Declaration.

F. Term

This Article is in full force and effect during the Development Period. Thereafter, this Article remains in full force and effect unless, at the first open meeting of the Association after such initial period, a majority of the Board votes to terminate the provisions of this Article.

ARTICLE XVIII. GENERAL PROVISIONS

A. Severability

The invalidity of any one or more of the provisions of this Declaration does not affect the validity of the other provisions thereof.

B. Compliance with Laws

At all times, each Owner must comply with all applicable federal, state, county, and municipal laws, ordinances, rules, and regulations with respect to the use, occupancy, and condition of the Homesite and any improvements thereon. If any provision contained in this Declaration or any supplemental declaration or amendment is found to violate any law, then the provision must be interpreted to be as restrictive as possible to preserve as much of the original provision as allowed by law.

C. Gender and Number

The singular, wherever used in this Declaration, must be construed to mean or include the plural when applicable, and the necessary grammatical changes required to make the provisions of this Declaration applicable either to corporations (or other entities) or individuals, male or female, must in all cases be assumed as though in each case fully expressed.

D. Interpretation

For purposes of this Declaration, (i) “include”, “includes”, and “including” are deemed to be followed by the words “without limitation”, (ii) “or” is not exclusive, (iii) “any” means “any and all”, and (iv) “may not” is a prohibition and does not mean “might not” or its equivalents.

E. Headlines

The titles and captions for this Declaration and the sections contained in this Declaration are for convenience only and may not be used to construe, interpret, or limit the meaning of any term or provision contained in this Declaration.

F. Governing Law

The provisions in this Declaration are governed by and enforceable in accordance with the laws of the State of Texas, and venue is mandatory in Montgomery County, Texas. Any obligations performable pursuant to this Declaration are to be performed in Montgomery County, Texas.

G. Fines for Violations

The Association may assess fines for violations of the Dedicatory Instruments, other than non-payment or delinquency in Assessments, in amounts to be set by the Board, which fines are secured by the continuing lien set out in this Declaration.

H. Books and Records

The books, records, and papers of the Association are subject to inspection by any Member upon written request and by appointment during normal business hours pursuant to an Access, Production, and Copying Policy adopted by the Association.

I. Notices

Any notice required to be sent to any Owner under the provisions of this Declaration is deemed to have been properly sent when mailed, postage prepaid, to the last known address of the person who appears as the Owner on the records of the Association at the time of such mailing.

J. Mergers

Upon a merger or consolidation of the Association with another association as provided in its Certificate of Formation, the Association's properties, assets, rights, and obligations may be transferred to another surviving or consolidated association or, alternatively, the properties, assets, rights, and obligations of another association may be transferred to the Association as a surviving corporation or to a like organization or governmental agency. The surviving or consolidated association will administer any restrictions together with any Declarations of Covenants, Conditions, and Restrictions governing these and any other properties, under one administration. No such merger or consolidation may cause any revocation, change, or addition to this Declaration.

K. Current Address and Occupants

Owners are required to notify the Association in writing of their current address if other than the physical address of the Lot or Homesite. If an Owner fails to notify the Association of his/her current address, the Association may use the address of the Lot or Homesite as the current address. If an Owner leases the property, he must supply the name of the Occupant present upon the execution of any lease.

L. Security

EACH OWNER AND OCCUPANT OF ANY LOT, AS APPLICABLE, ACKNOWLEDGES AND UNDERSTANDS THAT THE ASSOCIATION, ITS DIRECTORS, OFFICERS, MANAGERS, AGENTS, OR EMPLOYEES, DECLARANT (INCLUDING ITS AFFILIATES), OR ANY SUCCESSOR DECLARANT ARE NOT INSURERS AND THAT EACH OWNER AND OCCUPANT OF ANY DWELLING, OR OWNER OR USER OF AN IMPROVEMENT, ASSUMES ALL RISKS FOR LOSS OR DAMAGE TO PERSONS, PROPERTY, DWELLINGS AND IMPROVEMENTS, AND TO THE CONTENTS OF DWELLINGS AND IMPROVEMENTS, AND FURTHER ACKNOWLEDGES THAT THE ASSOCIATION, ITS DIRECTORS, OFFICERS, MANAGERS, AGENTS, OR EMPLOYEES, DECLARANT (INCLUDING ITS AFFILIATES), OR ANY SUCCESSOR DECLARANT HAVE MADE NO REPRESENTATIONS OR WARRANTIES, NOR HAS ANY OWNER OR OCCUPANT RELIED UPON ANY REPRESENTATIONS OR WARRANTIES, EXPRESSED OR IMPLIED, INCLUDING ANY WARRANTY OF MERCHANTABILITY OR FITNESS FOR ANY PARTICULAR PURPOSE, RELATIVE TO ANY FIRE OR BURGLAR ALARM SYSTEMS, ACCESS GATES, OTHER SECURITY SYSTEMS RECOMMENDED OR INSTALLED OR ANY OTHER SIMILAR IMPROVEMENTS WITHIN THE PROPERTY.

THE ASSOCIATION, ITS DIRECTORS, OFFICERS, MANAGERS, AGENTS, EMPLOYEES, DECLARANT, AND ANY SUCCESSOR DECLARANT ARE NOT LIABLE FOR ANY LOSS OR DAMAGE BY REASON OF FAILURE TO PROVIDE ADEQUATE SECURITY OR INEFFECTIVENESS OF CERTAIN IMPROVEMENTS OR SERVICES WITHIN THE PROPERTY. EACH OWNER AND OCCUPANT OF A LOT ACKNOWLEDGES THAT ACCESS GATES, IF ANY, ARE NOT FOR SECURITY PURPOSES. EACH OWNER AND OCCUPANT OF ANY LOT, AS APPLICABLE, ACKNOWLEDGES THAT THE ASSOCIATION, ITS BOARD OF DIRECTORS, OFFICERS, MANAGERS, AGENTS, EMPLOYEES, DECLARANT (INCLUDING ITS AFFILIATES),

AND ANY SUCCESSOR DECLARANT DO NOT REPRESENT OR WARRANT THAT (i) ANY ACCESS GATE, FIRE PROTECTION OR BURGLAR ALARM SYSTEMS, OR OTHER SIMILAR IMPROVEMENTS OR SYSTEMS WILL PREVENT LOSS BY FIRE, SMOKE, BURGLARY, THEFT, HOLD-UP, OR OTHERWISE, (ii) ANY FIRE ALARM SYSTEMS, BURGLAR ALARM SYSTEMS, ACCESS GATES OR OTHER SIMILAR IMPROVEMENTS OR SYSTEMS WILL BE IN WORKING CONDITION AT ALL TIMES, OR (iii) ANY FIRE ALARM SYSTEMS, BURGLAR ALARM SYSTEMS, ACCESS GATES OR OTHER SIMILAR IMPROVEMENTS OR SYSTEMS WILL PROVIDE THE DETECTION OR PROTECTION FOR WHICH THE SYSTEM IS DESIGNED OR INTENDED.

M. View Impairment

Neither Declarant, nor the Association, guarantee or represent that any view over and across the Lots, Common Areas, Areas of Common Authority, Reserve Areas, or open spaces within the Property will be preserved without impairment. Declarant and the Association have no obligation to relocate, prune, or thin trees, shrubs, or other landscaping. The Association has the right, without the obligation, to relocate, prune, thin, or add trees and other landscaping or improvements to the Common Area. There are no express or implied easements for view purposes or for the passage of light and air. No Owner has the right to object to the construction of improvements on any adjacent or nearby Lot, Area of Common Authority, or Common Area, based on the impact of such improvements on the Owner's view.

N. Video, Data, and Communication Service Agreements

Declarant or the Association (subject to the approval of Declarant during the Development Period) has entered or may enter into a global agreement with a service provider for the provision of cable television, data, fiber internet and broadband connection services, or other communication services in order to obtain access to benefits and services for the benefit of Owners and Dwellings located within the Property. Payment for services and benefits provided pursuant to video, data, fiber internet, or communication service agreements executed pursuant to this provision will be made from Assessments levied and collected by the Association pursuant to the authority granted in this Declaration, and such Assessments are supported by the lien created in this Declaration. While Owners are free to obtain the same or similar services from a provider of their choice, no Owner may avoid paying any portion of Assessments levied based on non-use of video, data, fiber internet, or communication services provided and paid for by the Association with Assessments. Furthermore, no Owner is entitled to any refund, rebate, discount, or offset in Assessments for any interruption in cable television, internet, data, fiber internet, or other communication services provided by the Association pursuant to a global agreement with a service provider, regardless of the cause of any such interruption.

Owners and Occupants acknowledge and understand that the Association or Declarant may gain access to information relating to the individual use of the cable television, internet, data, fiber internet and broadband connection services, or other communication services by Owners and Occupants, including account and user content information. Each Owner and Occupant waives any privacy rights the Owner or Occupant may have in such information and waives any claims against Declarant and the Association, as well as their respective past, present,

and future directors, officers, members (of a for-profit entity), employees, agents, and affiliated entities, relating to the acquisition of such information. Furthermore, each Owner and Occupant acknowledges and agrees that the acquisition of such information by the Association or Declarant does not create any duty on the part of the Association or Declarant, including their respective past, present, and future directors, officers, members (of a for-profit entity), employees, agents, and affiliated entities, to any person to act in any manner with respect to such information.

O. Occupants Bound

All provisions of the Dedicatory Instruments applicable to the Property and Owners also apply to all Occupants of any Lot or Dwelling. Each Owner must cause all Occupants of their Lot to comply with the Dedicatory Instruments, and each Owner is responsible for all violations, losses, and damages caused by an Occupant of the Owner's Lot, notwithstanding the fact that such Occupant is jointly and severally liable and may be sanctioned for any violation. In addition to all other remedies available to the Association in the event of a violation by an Occupant, the Association may require that the Occupant be removed from and not be allowed to return to the Property or that any lease, agreement, or permission given allowing the Occupant to be present be terminated.

P. Transfer of Title and Resale Certificate

1. **Transfer of Title**: Any Owner, other than Declarant, desiring to sell or otherwise transfer title to his or her Lot must give the Board at least 7 days prior written notice of the name and address of the purchaser or transferee, the date of such transfer of title, and such other information as the Board may reasonably require. The person, other than Declarant, transferring title is jointly and severally responsible with the person accepting title for all obligations of the Owner, including Assessment obligations, until the date upon which the Board receives such notice, notwithstanding the transfer of title.

Upon acceptance of title to a Lot, the new Owner of the Lot must pay to the Association an administrative fee to cover the administrative expenses associated with updating the Association's records, which administrative fee is supported by the lien created in this Declaration. This administrative fee will be an amount determined by the Board and will include fees charged by a management company retained by the Association for updating its records.

2. **Resale Certificate**: No Owner, other than Declarant, may transfer title to a Lot, together with the improvements thereon, until he or she has requested and obtained a resale certificate signed by a representative of the Association as described in Chapter 207 of the Texas Property Code, or its successor statute, indicating, in addition to all other matters described in Chapter 207, the information required in Section 5.012 of the Texas Property Code (the "***Resale Certificate***").

In accordance with Chapter 207 of the Texas Property Code, as same may be amended from time to time, the Association may charge a reasonable fee to prepare, assemble, copy, and deliver a Resale Certificate and accompanying information and any update to a Resale Certificate, which charge is supported by the lien created in this Declaration.

Q. Water Management

Each Owner acknowledges and agrees that some or all of the water features, which may include rivers, bayous, ponds, streams, creeks, lakes, or any wetlands in or in proximity to the Property may be designed as water management areas and are not designed solely as aesthetic features. Each Owner acknowledges and agrees that, due to the unique location and topography of the Property, it is possible during storm events for sheet flow to cross from Lot to Lot rather than flowing either to the front or rear of the Lots. Due to fluctuations in water elevations within the immediate area and as a result of natural events, such as hurricanes or tropical storms, water levels will rise and fall. Each Owner further acknowledges and agrees that neither the Association nor Declarant has, and neither is obligated to, exert control over such elevations. Each Owner agrees, by purchase of a Lot, to release and discharge Declarant and the Association, including their respective officers and directors, from and against any losses, claims, damages (compensatory, consequential, punitive, or otherwise), injuries, deaths, and expenses of whatever nature or kind, including legal costs related to or arising out of any claim relating to such fluctuations in water elevations. Owners may not alter, modify, expand, fill, or otherwise adversely affect any water features, wetlands, or waterways located within or in the vicinity of the Property without the prior written approval of the authorities as may have relevant jurisdiction over such matters.

R. Master Plan

“Master Plan” means the land use plan for the development of Avalon Ridge, if any, prepared by or at the request of Declarant, as it may be amended by Declarant in its sole and absolute discretion, from time to time, which plan includes the Property encumbered by this Declaration. The Association is not a party to Declarant’s Master Plan and has no authority regarding Declarant’s land use decisions. The Master Plan may include all, none, or a portion of property owned by Declarant, which Declarant may, without the obligation to do so, from time to time subject to this Declaration by a subsequently recorded written document. Inclusion of property on the Master Plan does not, under any circumstances, obligate Declarant to subject such property to this Declaration, nor does the exclusion of property owned by Declarant from the Master Plan bar its later annexation in accordance with this Declaration. Additionally, any use indicated on the Master Plan is tentative and subject to change by Declarant without notice to the Owners.

[SIGNATURE PAGES FOLLOW]

IN WITNESS WHEREOF, the undersigned Declarant has executed this Declaration this 13th day of January, 2026.

DECLARANT:

1484 HOLDINGS I LLC, a Texas limited liability company

By: V L
Print Name: Sudharshan Vembatty
Title: Manager

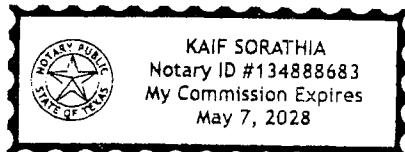
STATE OF TEXAS §
CITY OF Fort Bend §

Sudharshan Vembatty BEFORE ME, the undersigned authority, on this day personally appeared Sudharshan Vembatty, the Manager of 1484 Holdings I LLC, a Texas limited liability company, known by me to be the person whose name is subscribed to this instrument, and acknowledged to me that s/he executed the same for the purposes expressed in this Declaration and in the capacity expressed above.

GIVEN UNDER MY HAND AND SEAL OF OFFICE, this 13 day of January, 2026.

Kaif Sorathia

Notary Public – State of Texas



LIENHOLDER CONSENT AND SUBORDINATION

SBSDC 1, LLC, a Delaware limited liability company, being the sole beneficiary of a purchase money mortgage lien (as set forth in the Declaration) and other liens, assignments, and security interests encumbering all or a portion of the Property consents to the terms and provisions of this Declaration to which this Lienholder Consent and Subordination is attached and acknowledges that the execution thereof does not constitute a default under the lien document or any other document executed in connection with or as security for the indebtedness above described, and subordinates the liens of the lien document and any other liens or security instruments securing the indebtedness to the Declaration (and the covenants, conditions and restrictions in this Declaration), and acknowledges and agrees that a foreclosure of the liens or security interests will not extinguish this Declaration (or the covenants, conditions and restrictions in this Declaration). No warranties of title are made by Lienholder, Lienholder's joinder being solely limited to such consent and subordination.

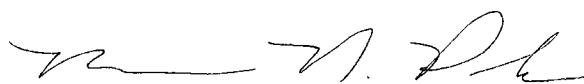
SIGNED AND EXECUTED THIS on JANUARY 13, 2026.

SBSDC 1, LLC, a Delaware limited liability company

By: 
Print Name: ROBERT DAVENPORT
Title: AUTHORIZED SIGNER

STATE OF NORTH CAROLINA §
CITY OF CHARLOTTE §
COUNTY OF MECKLENBURG §

This instrument was acknowledged before me on the 13TH day of JANUARY 2026, by ROBERT DAVENPORT, the AUTHORIZED SIGNER of SBSDC 1, LLC, a Delaware limited liability company, on behalf of this entity.


Notary Public – State of NORTH CAROLINA

BRIAN N PACK
Notary Public, North Carolina
Mecklenburg County
My Commission Expires
September 08, 2027

E-FILED FOR RECORD

01/14/2026 11:27AM



L. Brandon Steinmann

County Clerk,
Montgomery County, Texas

STATE OF TEXAS,
COUNTY OF MONTGOMERY

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

01/14/2026



L. Brandon Steinmann

County Clerk,
Montgomery County, Texas