

**DECLARATION OF COVENANTS, CONDITIONS,
ASSESSMENTS, CHARGES, SERVITUDES,
LIENS, RESERVATIONS, AND EASEMENTS (SINGLE FAMILY). 23
BULLARD CREEK RANCH**

THIS DECLARATION of Covenants, Conditions, Assessments, Charges, Servitudes, Liens, Reservations, and Easements (herein called "Declaration") is made as of the 27th day of July, 2006, by CRS Holdings, LLP (herein called "Declarant").

WITNESSETH:

WHEREAS, Declarant owns that certain property described in the Plat of Bullard Creek Ranch recorded under CABINET D, SLIDE 345-A in the Plat Records of Smith County, Texas; and

WHEREAS, in order to enable Declarant to implement a general plan of development and accomplish the development of such lands as a first-class residential development of high quality and standards in a consistent manner, with continuity, and to insure the creation of an architecturally harmonious subdivision, Declarant desires to subject the Property, as hereinafter defined, to the covenants, conditions, assessments, charges, servitudes, liens, reservations, and easements hereinafter set forth (herein collectively called the "Covenants");

WHEREAS, Declarant plans to form a not-for-profit Texas corporation by the name of Bullard Creek Ranch Homeowners Association, Inc. (the "Association"), and to transfer certain Reserved Areas (hereinafter defined) within the subdivision to the corporation for the purpose of assuring the upkeep, maintenance, improvement and administration of the Reserved Areas, and for the purpose of enforcing the restrictions and covenants set out herein in collecting and disbursing the assessments and charges hereinafter set forth; and

NOW, THEREFORE, Declarant hereby declares that the Property shall be held, sold, and conveyed subject to the Covenants.

ARTICLE 1

DEFINITIONS

The following words, phrases, or terms used in this Declaration shall have the following meanings:

- A. "Assessment" shall mean any assessment levied, charged or assessed against an owner and/or his lot in accordance with this Declaration.
- B. "Architectural Control Committee" ("ACC") shall mean the Declarant or, if applicable, a committee, corporation or association appointed by Declarant for the purposes of exercising architectural control as provided in this Declaration.
- C. "Articles of Incorporation" shall mean the Articles of Incorporation of the Association, as the same may from time to time be amended.
- D. "Assessable Property" shall mean each of the Lots (hereinafter defined) and the remaining portions of the Property (hereinafter defined), except such part or parts thereof as may from time to time constitute Exempt Property (hereinafter defined).
- E. "Assessment Lien" shall mean the Lien created and imposed by Article VII.
- F. "Association" shall mean and refer to Bullard Creek Ranch Homeowners Association, Inc., a Texas not-for-profit corporation, its successors and assigns.
- G. "Board" shall mean the Board of Directors of the Association. Any determinations or actions to be made or taken by the Board under this Declaration may be made or taken by a committee appointed by the Board pursuant to the Bylaws (hereinafter defined) and subject to any limitation imposed by Texas law.
- H. "Bylaws" shall mean and refer to the duly adopted Bylaws of the Association, as the same may from time to time be amended.

I. "Covenants" shall mean the covenants, conditions, assessments, charges, servitudes, liens, reservations, and easements set forth herein.

J. "Declarant" shall mean CRS Holdings LLP, and any successor and assign of Declarant's rights and powers hereunder, but with respect to any such successor or assign (1) such successor or assign shall not be deemed to be a "Declarant" unless such successor or assign is designated as such pursuant to a written instrument signed by Declarant (which written instrument shall be filed of record in the Real Estate Records of Smith County, Texas, designating that part of the Property to which it relates) and (ii) such successor or assign shall only have those rights and powers of Declarant that are specifically assigned by such written instrument.

K. "Declarant Land" shall mean such part or parts of the Property, including but not limited to the Lots owned by Declarant, together with the buildings, structures and improvements thereon, if any, as may be owned now or at any time hereafter by the Declarant, for as long as the Declarant is the owner thereof. Declarant Land shall include any Lot or parcel of the Property which is reacquired by Declarant through foreclosure and reconveyance or assignment in lieu of foreclosure or in cancellation of any purchase money indebtedness owed to Declarant.

L. "Declaration" shall mean this Declaration of Covenants, Conditions, Assessments, Charges, Servitudes, Liens, Reservations, and Easements, as amended or supplemented from time to time.

M. "Deed" shall mean a deed or other instrument conveying the fee simple title to all or any portion of the Property, including but not limited to a Lot.

N. "Dwelling Unit" shall mean any portion of a building situated on a Lot designed and intended for use and occupancy as a residence by a single family.

O. "Exempt Property" shall mean the following parts of the Property:

(1) All land and Permanent Improvements owned by or dedicated to and accepted by the United States, the State of Texas, the County of Smith, or any political subdivision thereof, for as long as such entity or political subdivision is the Owner thereof, or for so long as said dedication remains effective.

(2) All Declarant Land as defined above.

(3) All land and buildings, structures and improvements thereon, if any, conveyed by Declarant to the Association, including the Reserved Areas.

P. "Lot" shall mean any lot described in the Plat of Bullard Creek Ranch, as recorded under CABINET D, SLIDE 345-A of the Plat Records of Smith County, Texas, together with any lots which may, from time to time, result from the resubdivision, combination or division of any of such lots, as may be shown upon a plat or plats of the Property or any part thereof now or hereafter filed for record in the Map and Plat Records of Smith County, Texas (as such plat or plats may be amended from time to time). The term "Lot" shall also include any other portion of the Property which may, from time to time, be shown upon the aforementioned plat or plats (as same may be amended from time to time) and which is designated on such plat or plats to be a Lot by a separate written instrument executed by Declarant, or its successors or assigns, filed of record in the Official Public Records of Smith County, Texas.

Q. "Maintenance Charges" shall mean any and all costs assessed pursuant to Article V or Section 14.02.

R. "Owner" shall mean and refer to the record owner, whether one or more persons or entities, of a fee simple title to any Lot but excluding those having such interest merely as security for the performance of an obligation. For all purposes of this Declaration, the owner of more than one (1) Lot shall have one (1) vote for each Lot owned. The term Owner shall not include the Owner of any lesser estate or interest. At the time of transfer of any Lot notice of such transfer shall be given to the Association by the transferor. Any transferor who fails to give such notice shall be personally liable for all Assessments accruing after such failure and until such notice is given, but shall have none of the rights or privileges accruing to Owners hereunder.

S. "Permanent Improvements" shall mean with respect to any Lot or any other portion or parcel of the Property, any and all improvements, structures, and other materials and things (including, but without limitation, trees, berms, shrubs, hedges, and fences) which, at the time of each Assessment, are located thereon.

T. "Plat" shall mean the subdivision plat of any portion of the Property presently on file in the Map and Plat Records of Smith County, Texas, and any other plat or plats of all or any portion of the Property now or hereafter filed for record in the Map and Plat Records of Smith County, Texas (as such plat or plats may be amended from time to time). The streets shown on the Plat, unless otherwise stated on the Plat, have been dedicated to the public.

U. "Person" shall mean and refer to an individual, corporation, partnership, association, trust or other legal entity or any combination thereof.

V. "Property" shall mean:

(1) The land described in the Plat of Bullard Creek Ranch, as recorded under CABINET D, SLIDE 36 S-A of the Plat Records of Smith County, Texas; and

(2) Additional land subjected to this Declaration, if any.

W. "Reserved Areas" shall mean those areas, if any, of the Property (including without limitation streets, greenbelts, etc.), which are not now or hereafter designated on the Plat and intended by Declarant's execution of the Plat as single family residential Lots. The ownership of such areas is to be transferred and assigned to the Association.

X. "Subdivision" shall mean the residential subdivision located in Smith County, Texas, and known as Bullard Creek Ranch, according to the Plat of said subdivision recorded under CABINET D, SLIDE 36 S-A of the Plat Records of Smith County, Texas, as the same may be amended or supplemented from time to time, and where the context requires, any other subdivision within the Property as shown by a plat filed for record by Declarant in the Plat Records of Smith County, Texas.

Y. "Subsidiary Declaration" shall mean any declaration of covenants conditions, assessments, or restrictions applicable to any portion of the Property which is recorded after the effective date hereof or which is otherwise subject hereto.

Z. "Supplemental Declaration" shall mean a supplement to this Declaration recorded as provided herein.

**ARTICLE II
COVENANTS BINDING ON PROPERTY AND OWNERS**

2.01 Property Bound. From and after the date of recordation of the Declaration, the Property shall be subject to the Covenants, and the Covenants shall run with, be for the benefit of, bind, and burden the Property.

2.02 Owners Bound. From and after the date of recordation of the Declaration, the Covenants shall be binding upon and inure to the benefit of each Owner and his heirs, executors, administrators, personal representatives, successors, and assigns, whether or not so provided or otherwise mentioned in the Deed. Except with respect to the Exempt Property, each Owner of a Lot for himself, his heirs, executors, administrators, personal representatives, successors, and assigns, expressly agrees to pay, and to be personally liable for, the Assessments provided for hereunder, and to be bound by all of the Covenants herein set forth. Except with respect to Exempt Property, each Lot owner shall be and remain personally liable, regardless whether he has transferred title to his Lot, for the amount of any Assessment (together with interest, costs, attorneys' fees as provided in Section 6.01) which fell due while he was an Owner. No Owner of a Lot shall escape personal liability for the Assessments herein provided by transfer or abandonment of his Lot.

**ARTICLE III
GENERAL RESTRICTIONS**

3.01 Single-Family Residential Purposes. All Lots in the Property shall be used only for single-family residential purposes. No noxious or offensive activity of any sort shall be permitted, nor shall anything be done on any Lot which may be or become an annoyance or nuisance to the neighborhood. No Lot in the Property shall be used for any commercial, business or other professional purposes, even though such business, professional, or commercial use be subordinate or incident to the use of the premises as a residence. The renting or leasing of any improvements thereon or portion thereof without the prior written consent of the Declarant, is prohibited.

3.02 Types of Structures. No building shall be erected, altered, or permitted to remain on any Lot in the Property other than one (1) detached single-family residential dwelling not to exceed two and one-half (2 1/2) stories in height. Each such Dwelling Unit shall have a private garage which shall not be detached from the main residential structure and which shall be fully enclosed and covered. Such garage may be detached from the main residential structure if attached thereto by a covered walkway or porch. All plans for all structures shall be submitted to the Architectural Control Committee for approval prior to construction.

3.03 Minimum Square Footage. The living area of each residence (exclusive of porches, patios, garage, terraces, or driveways) on each Lot shall not be less than One Thousand Eight Hundred (1800) square feet.

3.04 Minimum Setbacks. As to any Lot, except with respect to driveways, retaining walls, fences, planters, hedges, or other screening material, no Permanent Improvement or any part thereof, excluding roof overhang, shall violate the setback lines that are set forth on the Plat of Bullard Creek Ranch, as recorded under CABINET D, SLIDE 365-A of the Plat Records of Smith County, Texas. As to any additional land, if any, subjected to this Declaration, the plat regarding that additional land shall govern. Except as otherwise may be designated on said plat, the front setback line for each Lot shall be twenty-five feet (25') from the street, the side setback line shall be seven and one-half feet (7.5') from the adjoining property line or a side street, corner lots shall have twelve feet (12') side setbacks from adjoining property lines, and the rear setback line shall be twenty five feet (25') from the rear property line. Setback lines for corner Lots may be amended by the Architectural Control Committee.

3.05 Walls, Fences, Hedges, and Other Screening Material. All plans for walls, fences, and other screening material shall be submitted to the Architectural Control Committee for approval prior to construction. As to any Lot, where a wall, fence, planter, hedge or other screening material is not specifically prohibited under the Special Restrictions set forth herein and is otherwise approved by the Architectural Control Committee, the following (as to any permitted wall, fence, planter, hedge or other screening material) shall apply: (a) No wall fence, planter, hedge or other screening material in excess of four (4) feet high shall be erected or maintained nearer to the front Lot line than the front building setback line, nor on corner Lots nearer to the side Lot line than the building setback line parallel to the side street; and (b) no rear or side fence, wall, hedge or other screening material shall be more than six (6) feet high. Any fences, gates, or similar structures located on a Lot must be built of wood or a material that is determined by the Architectural Control Committee to be equivalent to, or better than wood such as wrought iron or brick.

3.06 Walks. Walks from the street curb to the Dwelling Unit shall have a minimum width of three and one-half (3 1/2) feet and shall be constructed entirely of concrete (except however, some other material may be used with the prior consent of the Architectural Control Committee).

3.07 Construction Materials. All materials used in the construction of the exterior of any Dwelling Unit or other structure must be approved by the Architectural Control Committee before commencement of construction. All structures shall consist of no less than seventy percent (70%) brick, acceptable stone veneer, or acceptable "stucco-type" material, including EIFS (exterior insulating finishing system). All solar collectors and panels to be incorporated into the design of any Dwelling Unit must receive specific approval from the Architectural Control Committee prior to commencement of construction. Only new construction materials shall be used (except for used brick if and as approved by the Architectural Control Committee on a case by case basis). No concrete blocks shall be used in construction unless the blocks are covered by the final exterior finish material. All Dwelling Units shall be built on a slab, solid concrete beam foundation, or a pier and beam foundation approved by the Architectural Control Committee. In no event shall any used building be moved onto any Lot. The design character of structures shall be such that it is aesthetically pleasing and consistent on all sides, and is consistent and harmonious with other structures on adjacent and surrounding Lots. Design characteristics shall exhibit uncluttered forms of a nature devoid of inappropriate ornamentations. Building material and color selection shall achieve visual order through the consistent use of a limited mix of dominant material of a harmonious color range on any structure or group of structures.

3.08 Roof and Roof Materials. Roofs of all Dwelling Units shall be constructed so that the exposed material is of a slate, tile, or composition material of not less than 240 LB., 25 year warranty and a color acceptable to the Architectural Control Committee. No wood shingles shall be allowed. The minimum roof pitch shall be 10/12.

3.09 Commencement and Completion of Construction. Construction on a Lot shall commence within fourteen (14) months from the date of its original purchase from Declarant. If such construction is not commenced on said Lot within said time frame, then Declarant is granted the right to repurchase said Lot from the owner for the price at which it was originally sold. This provision shall be deemed an offer by the owner of said Lot to sell said Lot under such terms to the Declarant. This provision may be waived in writing by Declarant. Any Dwelling Unit or other structure commenced upon any Lot shall be completed as to its exterior with reasonable diligence, and in all events within twelve (12) months from the commencement of construction, unless completion is prevented by war, labor strike or an act of God.

DECLARATION OF COVENANTS

3.10 Water Wells. At no time shall the drilling, usage or operation of any water well be permitted on any Lot.

3.11 Air Conditioners and Heaters. No window or wall type air conditioners or heater shall be permitted on any Lot. All exterior condensing units shall be screened from view with materials as used in the construction of the residence and in a manner acceptable to the Architectural Control Committee. Said screen shall be shown on the building plans and shall be a part of the plan approval process.

3.12 Utilities. Easements and access easements for the installation and maintenance of utilities and drainage facilities are reserved as shown on the Plat. Except as to special street lighting or other aerial facilities which may be required by a government entity or which may be required by a utility company or which may be installed by the Declarant pursuant to its development plan, no aerial utility facilities of any type (except meters, risers, service pedestals and other surface installations necessary to maintain or operate appropriate underground facilities) shall be erected or installed on the Property, whether upon individual Lots, easements, streets or rights-of-way of any type, either by the utility company or any other person or entity, including but not limited to any person owning or acquiring any part of the Property, and all utilities, service facilities (including but not limited to water, sewer, gas, electricity and telephone) shall be buried underground. All utility meters, equipment and air conditioning compressors and similar items must be visually screened and located in areas appropriately designated by the Architectural Control Committee. Within the setback area for each Lot, an easement and right-of-way is reserved for the Association and/or the Declarant to properly facilitate and carry out any reasonable maintenance. There may be an additional charge for underground electrical service beyond one hundred fifty feet from the provider's pedestal.

3.13 Drying Yard. The drying of clothes in public view is prohibited, and each Owner of a Lot at the intersection of streets or adjacent to the recreation area or other facilities where the rear yard or portion of such Lot is visible to the public, shall construct and maintain a drying yard or other suitable enclosure to screen drying clothes from public view.

3.14 Wiring of Dwelling Unit. The electrical wiring of each Dwelling Unit, at the time of the construction thereof, shall include full compliance with certain wiring instructions to be furnished by the Architectural Control Committee to the Owner, which instructions may include the wiring of the Dwelling Unit in such a manner so as to condition it for the installation of an electrical security system. Although Declarant makes no, and hereby expressly disclaims any, representation regarding the installation of an electrical security system within the Subdivision, Declarant's may require that each Dwelling Unit be pre-wired for such a system in the event such an electrical security system is installed within the Subdivision.

3.15 Mailbox. Any mailbox placed on any Lot shall require the prior approval of the Architectural Control Committee. It is recommended that mailboxes be entirely of brick veneer (other than the mailbox door) and of a size and design approved by the Architectural Control Committee and generally consistent with those on the other Lots. Each mailbox will be located adjoining the street on which the Lot faces and will be in a location consistent with that of other Lots.

3.16 Retaining Walls. All retaining walls shall be constructed of brick or stone. No cross-ties, metal, "keystone" blocks, or landscaping timbers may be used for this purpose within the Subdivision.

3.17 Lawns and Landscaping. The Owner of each Lot upon which a Dwelling Unit is constructed shall sod or hydro mulch same of a type within standards permitted by the ACC. All areas of each Lot shall be maintained to prevent unsightly appearance. If not maintained by the Owner after written request to do so is made by the Declaration, then the Association shall have the right to cause the maintenance to be performed at the Owner's expense. Dead or damaged trees, which might create a hazard to property or persons within the Subdivision shall be promptly repaired or removed. If not repaired or removed by Owner upon request, then the Association may repair or remove or cause to be removed such trees at the Owner's expense. The Association shall not be liable for damage caused by such repair or removal. Vacant lots shall be mowed and maintained in appearance by the Owner and shall not be used as dumping grounds for rubbish, trash, rubble or soil, except that Declarant may designate fill areas into which materials specified by Declarant may be placed. Every lot owner is required to plant at least 1 tree in their front yard and 2 trees in the back yard of the home with a minimum circumference of 2 inches. All landscaping shall be completed within two weeks after completion of the house.

3.19 Driveways. On each Lot there shall be constructed and the Owner shall maintain at his expense a driveway from the garage to the abutting street, including the portion of the driveway in the street easement, and the Owner shall repair at his expense any damage to the street occasioned by connecting the driveway thereto. Unless otherwise approved by the Architectural Control Committee, no driveway shall be wider than twenty (20) feet in width or less than ten (10) feet in width with the center of the driveway matching the center of the garage. No driveway shall be constructed on any Lot in such a manner as to

furnish access to any adjoining Lots or other property without the prior written consent of the Architectural Control Committee. All driveways shall be constructed of brick, stone, asphalt or concrete and shall not be less than four (4) inches thick. No driveway shall be closer than fifteen (15) feet to a side property line. The number and location of all curb cuts must be approved in advance by the ACC.

3.20 Garage and Accessory Buildings. No garage or accessory building otherwise permitted by this Declaration shall exceed in height the dwelling to which it is appurtenant without the written consent of the Architectural Control Committee. Every garage or permitted accessory building shall correspond in style and architecture with the dwelling to which it is appurtenant. No garage may be constructed in a manner so as to extend in front of the residence itself. Front-entry garages are permitted so long as they are situated at least three (3) feet behind the nearest front wall of the residence. No Porte cochere shall be allowed on the street side or front of any dwelling where cars may approach parallel to the street. Any Porte cochere must be oriented so that cars must pass through it perpendicular to the street. All garage doors shall be carriage style doors or approved by the Architectural Control Committee. All garages must accommodate a minimum of two (2) full-size automobiles.

3.22. Curb Ramps. If required by applicable federal, state or local law, curbs with accompanying sidewalks shall have curb ramps (depressions in the sidewalk and curb) at all crosswalks to provide safe and convenient movement of physically handicapped persons confined to wheelchairs. Such curb ramps will be provided at the time of construction of any sidewalks and shall be constructed in accordance with specifications provided by the applicable governmental authority.

3.23. Disposal Units. Each kitchen in each Dwelling Unit shall be equipped with a garbage disposal unit in a serviceable condition.

3.24. Exterior Paint. The exterior surfaces of Dwelling Units shall not be painted unless the Architectural Control Committee gives its prior written approval of the color of paint to be used. The purpose of this covenant is to maintain consistency of the exterior paint colors of the Dwelling Units throughout the Subdivision. All exterior wood shall receive at least two coats of paint or sealer at the time of construction. Accordingly, the Committee shall not be obligated to approve any color of exterior paint that is different from the original paint applied to the exterior of the Dwelling Unit.

3.25 Sprinkler System. Upon construction of a Dwelling Unit, an Owner shall also install an underground sprinkler system adequate to provide water to all lawns, flowerbeds, and other landscaping on that portion of the Lot that lie outside of any fenced backyard.

3.27 Removal of Plants and Trees. Every effort shall be made to protect as many trees as possible within the subdivision and each Lot Owner is encouraged to design their residence so as to accomplish this purpose. Prior to construction, each Lot Owner shall meet with the ACC or its representative to designate those trees that will not be removed. The ACC or its representative shall make the final decision as to which trees will remain. Once so designated, those trees shall not be removed without the consent of the ACC. The ACC shall be notified by the Lot Owner or his representative prior to site preparation as to when such site preparation shall take place and the ACC or its representative has the right to be present at the time of such preparation. In the event of an intentional or unintentional violation of this paragraph, the violator may be required by the Association to replace the removed tree with one or more comparable trees of such size and number and in such locations as the Association may determine necessary, in its sole discretion, to mitigate the damage. Such failure to comply shall be deemed improper maintenance under provisions herein, and the Association shall have the remedies provided for herein to cure such default.

3.30 Fireplaces. All exterior chimneys shall be enclosed with brick, stone, or other masonry veneer construction.

3.32 Exterior Ornaments. All exterior yard or landscape ornaments, sculptures, etc. shall be approved by the Declarant or the Architectural Control Committee, as the case may be, prior to installation or placement of same.

3.33 Trash Receptacles. All exterior trash receptacles shall be located or screened so as to be concealed from view of neighboring Lots, streets and property. Any screening material that can be viewed by the public must be of the same materials used in construction of the residence. All rubbish, trash and garbage shall be stored in appropriate containers and shall regularly be removed from the Lot and shall not be allowed to accumulate. Appropriate garbage and trash cans may be placed at the curbside or other designated pickup location not more than twenty-four (24) hours prior to the pickup and must be removed within twelve (12) hours after pickup.

3.34 Playground and Recreational Equipment. No jungle gyms, swing sets, similar playground equipment, tennis courts or other recreational equipment shall be erected or installed on any Lot without the prior written approval of the Architectural Control Committee.

3.35 Exterior Windows. All exterior windows visible from a street shall be wood, wood-clad or vinyl-clad windows simulating wood windows and shall be subject to prior approval by the Architectural Control Committee. Metal windows are permitted if not visible from a street.

ARTICLE IV

DRAINAGE

4.1 Drainage. It is intended that the Property be developed in an orderly manner such that the Owner of each Lot shall absorb its share of drainage responsibility with respect to the surface water running across, from or to the Property as a whole. Without limiting the remedies otherwise described herein, to the extent any Lot should be developed in a manner which disproportionately diverts surface water onto another Lot or is otherwise developed so as not to absorb its proportionate share of responsibility for the Property's surface water drainage, then, the Architectural Control Committee shall be entitled to require the Owner of any such Lot to rectify such situation and, if not timely rectified, to itself effectuate such maintenance or repairs as may be desirable to more equitably resolve any drainage problems. Without limiting the foregoing, the Architectural Control Committee shall be entitled to install drainage devices, culverts or other arrangements as the ACC may, in its sole discretion, deem necessary or desirable. To the extent the ACC deems the necessity for such maintenance to the responsibility of only certain Lots, the ACC may effectuate a special Maintenance Assessment against only those Lots. To the extent the ACC deems such drainage maintenance to not be attributable to only certain Lots but rather the Property as a whole, then any such maintenance may be effectuated by way of general Maintenance Assessments described herein.

ARTICLE V

IMPROPER MAINTENANCE BY OWNER

5.01 General. Each Owner shall, at his expense, keep any Dwelling Unit and other improvements in good repair and condition and in a clean and sanitary condition and shall do all redecorating, painting and varnishing which may from time to time be necessary to maintain the good appearance and condition thereof. Each Owner shall maintain and care for all trees, plants or foliage on his Lot and otherwise keep his Lot in conformity to its condition when new.

5.02. Improper Maintenance by Owner. In the event any portion of the Property (other than Declarant Land) or any Dwelling Unit thereon is, in the judgment of the Association, so maintained by the Owner thereof (i) as to present a public or private nuisance, (ii) as to substantially detract from the appearance or quality of the surrounding Lots or other areas of the Property or any adjacent land owned by Declarant, or its successors or assigns, not presently included in the Property but which is substantially affected thereby or related thereto, or (iii) as to not comply with these Covenants, the Association may make a finding to such effect, specifying the particular condition or conditions which exist, and pursuant thereto deliver notice thereof to the offending Owner that unless corrective action is taken within ten (10) days, the Association may cause such action to be taken at such Owner's cost. If after the expiration of said ten (10) day period of time the requisite corrective action has not been taken, the Association shall be authorized and empowered to cause such action to be taken and the costs thereof, including but not limited to the costs of collection, court costs and attorneys fees (such costs being herein collectively called the "Maintenance Charge"), together with interest accruing thereon from the expiration of such ten (10) day period at the rate specified in Section 6.07 hereof, shall be assessed against the Lot and the Dwelling Unit of the offending Owner. The Maintenance Charge, together with all interest accruing thereon, shall be secured by the Extraordinary Assessment Lien as provided in Section 6.04 hereof. If the corrective action is taken by the Association, then it shall hold the Assessment Lien for all purposes. Written notice of such Assessment shall be delivered to the offending Owner which notice shall specify the amount of such Maintenance Charges and shall demand payment thereof within ten (10) days after the date of said notice.

ARTICLE VI

ASSESSMENTS

6.01 General. The Association shall have the power to levy Assessments against each Lot (except Exempt Property) and the Owner thereof, and each Owner, and, if more than one Person, all such Persons,

DECLARATION OF COVENANTS

jointly and severally, by acceptance of the deed to a Lot, whether or not it shall be expressed in any such deed, shall be deemed to covenant and agree to pay all such Assessments in the manner and for the purposes provided herein. Subject to the provisions hereof, the Association shall have the power and authority to determine all matters in connection with Assessments, including the power and authority to determine where, when and how Assessments shall be paid, and each Owner shall comply with such determinations. Notwithstanding anything in this Declaration or in Bylaws to the contrary, neither Declarant nor the Declarant Land shall be liable for any Annual, Supplementary, Special or Extraordinary Assessment except that if Declarant shall lease any Dwelling Unit owned by it, it shall pay Annual, Supplementary, Special and Extraordinary Assessments with respect to such leased Dwelling Unit during the period of such tenancy.

6.02 Annual Assessments. In order to provide funds for the purposes and uses specified in Article IX hereof, the Association in each year, commencing with the year in which these Declarations are recorded, shall assess against the Assessable Property an Annual Assessment. **Commencing in 2007, the Annual Assessment by the ACC shall be TWO HUNDRED AND FIFTY DOLLARS (\$250.00) per Lot,** such amounts to be prorated by the Association if the first Assessment Period (hereinafter defined) is less than twelve (12) months. The Annual Assessments may be increased by the Association following January 1 of each calendar year subsequent to the first Assessment Period.

Annual Assessments may be made for the purposes of providing funds for the normal operations of the Association, including but not limited to, maintaining and improving the amenities and facilities thereon and of promoting the use and enjoyment thereof by the Owners of the Lots. Without limiting the generality of the foregoing, the Association shall perform or cause to be performed the following duties as applicable to or appropriate for the Association:

- A. Effecting repairs, maintenance, replacements and additions to the Common Areas and improvements thereon, including but not limited to all landscaped areas, private streets, roadways, security gates, and any lighting thereupon;
- B. Paying ad valorem and other property taxes and Assessments levied thereon;
- C. Contracting for such employees and other management necessary or appropriate to the operation and maintenance of the Common Areas, including any out-of-pocket expenses incurred by the Declarant or the Association in connection with or arising out of these Restrictive Covenants;
- D. Pay monthly charges for water and sanitary sewer service to the amenities, if any; and
- E. Obtaining general public liability insurance in the amount deemed necessary by the Association and sufficient property damage insurance such that the proceeds would be sufficient to replace any permanent improvements constructed on Common Areas.

The total amount of money required to be raised by Annual Assessments for each fiscal year shall be the amount, as determined by the Association, necessary to satisfy the costs and expenses of fulfilling such functions and obligations of the Association in such fiscal year, including the payment of deficits from prior fiscal years and providing a reasonable reserve for the following fiscal year. The Boards of Directors of the Association shall determine the amount of the Annual Assessments per Lot for such fiscal period as provided in Section 6.06 of this Article VI.

6.03 Supplementary Assessments. In the event that the Board of Directors of the Association shall determine, at any time or from time to time, that the amount of the Annual Assessments are not adequate to pay for the cost and expenses of fulfilling the obligations of the Association hereunder, one or more Supplementary Assessments may be made for the purpose of providing the additional funds required; provided that any such Assessment shall have the assent of at least two-thirds (2/3) of the outstanding Owners pursuant to votes cast at a meeting, duly called for this purpose, written notice of which shall be delivered to all owners not less than ten (10) nor more than fifty (50) days in advance of the meeting, setting forth the purpose of the meeting; provided further that the maximum amount of any special Assessment for this purpose which may be assessed against any Member in any year shall not exceed an amount equal to twice the annual Assessment against said Member for the same year. The Board of the Association shall determine the amount required to be raised by each Supplementary Assessment. Based on such revised determination, said Board may make a per Lot Supplementary Assessment for such fiscal year, the amount of which shall be determined by said Board as provided in Section 6.06 of this Article VI.

6.04 Extraordinary Assessments. In the event the Association shall maintain or repair any Dwelling Unit pursuant to Article V, the Association may make an Extraordinary Assessment against such Lot, and the Owner thereof, to recover the actual amounts expended by the Association in making, or causing to be made, such repair and/or in maintaining such Dwelling Unit plus an amount, to be determined by the Association not to exceed twenty-five percent (25%) of the total amount thereof to cover overhead and administrative costs of the Association. The Association may also make an Extraordinary Assessment against an Owner and his

Lot to recover any amounts paid by the Association for which an Extraordinary Assessment may be levied as provided in this Declaration or the Bylaws. Notwithstanding any provision of this Declaration to the contrary, the Owners of all lots and their property shall be obligated to pay the Extraordinary Assessment of this Section 6.04 when assessed.

6.05 Special Assessments. Special Assessments may be made for the purposes of raising funds for capital improvements and for any other Association purposes for which Annual Assessments may not or have not been made. Whether to make a Special Assessment and the amount thereof per Lot shall be determined by the Board of the Association; provided that no Special Assessment shall be valid unless approved by at least two-thirds (2/3) of the Members of the Association.

6.06 Assessments in Equal Amounts; Exceptions. All Annual, Supplementary and Special Assessments shall be allocated equally among all the Lots within the Subdivision excluding (i) all Declarant Land other than Lots leased by it to others and (ii) for a period of twelve (12) months after the sale to such builder Lots sold by Declarant to any person who is regularly engaged in the construction of single family residences. Anything to the contrary contained in this Declaration notwithstanding, the amount of the Assessments payable with respect to a Lot in any fiscal year of the Association shall not include any installments accruing during the period such Lot was owned by Declarant (unless a Dwelling Unit located thereon was then leased by Declarant to others) it being intended as above provided that Declarant shall pay no Assessment for any Lot owned by it.

6.07 Time for Payments; Expenses. The Annual Assessment for each Lot shall be payable, subject to Section 6.06 of this Article VI, in twelve (12) equal monthly installments due on the first day of each month, unless the Board of the Association shall adopt some other payment schedule. The Association shall prepare and forward to each Owner a statement setting forth the amount of the Annual Assessment assessed against each Lot, stated in terms of the total sum now due and owing, and the amounts payable if paid in installments; provided that the dates of any installment payments shall be set forth, and no installment shall be due less than thirty (30) days from the date of the mailing of such statement. Special and Supplementary Assessments shall be payable as provided in the resolutions authorizing the same. All installments of Annual Supplementary and Special assessments shall be due and payable without notice or demand and all Assessments shall be paid without any set-off or diminution of any kind. All payments on account shall be first applied to interest and late charges and then to the Assessment payment first due. All delinquent payments of Assessments shall bear interest at the lesser of (i) eighteen (18%) percent per annum from such due date until paid (or at such a lesser rate as may be determined by the Association in its sole discretion on a case by case basis from time to time), or (ii) the highest non-usurious rate allowed by law, and the Owner shall be deemed to have agreed in writing to the payment of such interest and all costs, including court costs and attorneys' fees which may be incurred in collecting same.

6.08 Estoppel Certificate. Upon payment of a reasonable fee and upon written request of any Owner of a Lot or any person with any right, title or interest in a Lot or intending to acquire any right, title or interest in the Lot, the Association shall furnish a written statement setting forth the amount of any Assessments, if any, due or accrued and then unpaid with respect to such Lot and the amount of the Assessments for the current fiscal period of the Association payable with respect to the Lot, which statement shall, with respect to the party to whom it was issued, be conclusive against the Association, for all purposes, that no greater or other amounts were then due or accrued and unpaid.

6.09 No Abatement. No diminution or abatement of Assessments shall be allowed or claimed for any reason including without limitation for the making of repairs or improvements to the Reserved Areas or Lots for any action taken to comply with any law, ordinance or order of a governmental authority.

6.10 Assessment Period. The Association shall establish either a calendar or fiscal year (herein called the "Assessment Period") for which the Annual Assessment is to be levied. The Association in its sole discretion may from time to time change the Assessment Period.

6.11 Rules Regarding Billing and Collection Procedures. The Association shall have the right to adopt rules and regulations setting forth procedures for the purpose of making the Assessments provided herein and for the billing and collection of the Assessments and the Maintenance Charges, provided that said procedures are not inconsistent with the provisions hereof.

ARTICLE VII

IMPOSITION OF LIEN; EXEMPTION; OWNERS' AGREEMENT

7.01 Imposition of Assessment Lien and Priority of the Lien. Except with respect to Exempt Property, each Lot shall be charged with and subject to a continuing servitude and lien from the date of

recording of this Declaration for the amount of the Assessments assessed and levied against each such Lot, for Maintenance Charges, for any interest accrued on any Assessments or Maintenance Charges provided for herein and for any and all costs, including court costs and attorneys' fees incurred in collecting same. Each Lot shall be charged with and subject to a continuing servitude and lien from the date of recording of this Declaration for the amount of the Extraordinary Assessments (Section 6.04) and for Maintenance Charges (Section 6.02) provided for herein and for any and all costs, including court costs and attorneys' fees incurred in collecting same. Except as provided in Section 8.03 hereof, the lien (the "Assessment Lien") against each such Lot shall be superior to any and all other charges, liens, or encumbrances which hereafter in any manner may arise or be imposed upon each such Lot, except that such Assessment Lien shall be subject and subordinate to liens for taxes and other public charges which by applicable law are expressly made superior.

7.02 Owners' Promises. Each Owner, owning a portion of the Assessable Property, for himself, his heirs, executors, administrators, personal representatives, successors, and assigns, covenants and agrees:

- A. That he will pay the Association when due the Assessments assessed in each year against his Lot, together with any Maintenance Charges imposed;
- B. That he acquires his Lot subject to the Assessments and Maintenance Charges and the Assessment Lien, as they may exist from time to time; and
- C. That by accepting a Deed to his Lot, he shall be, and remain, personally liable for any and all Assessments and Maintenance Charges assessed against his Lot while he is (or was) the Owner thereof, regardless of whether such covenants or agreements are expressed in such Deed and regardless of whether he signed the Deed.

ARTICLE VIII

ENFORCEMENT OF PAYMENT OF ASSESSMENTS AND MAINTENANCE CHARGES AND OF ASSESSMENT LIEN

8.01 Enforcing Body. The Association shall have the exclusive right to enforce the provisions of this Declaration regarding Assessments. If, however, (i) the Association shall fail or refuse to enforce this Declaration for an unreasonable period of time, after written request from an Owner to do so, then any Owner may enforce this Declaration at his sole cost and expense by any appropriate action, whether at law or in equity, and (ii) the Association may enforce the Assessment Lien for any sums expended by it for Maintenance Charges as provided in Article V and Section 6.04 of Article VI.

8.02 Association's Enforcement Remedies. If (i) the Owner of any Lot constituting a portion of the Assessable Property fails to pay any of the Assessments or installments when due (ii) the Owner of any Lot fails to pay any Extraordinary Assessment when due, or (iii) the Owner of any Lot (except exempt Property) fails to pay Maintenance Charges assessed, or to pay any interest accrued on any Assessments or Maintenance Charges, and any and all costs (including court costs and attorneys' fees) incurred by the Association in collecting same; the Association may enforce the payment of the Assessments, Maintenance Charges, and all interest accrued thereon and costs incurred by the Association in collecting same, and/or enforce the Assessment Lien by taking either or both of the following actions, concurrently or separately (and, by exercising either of the remedies hereinafter set forth, the Association does not prejudice its exercise of any other remedy):

- A. Bring an action at law and recover judgment against the Owner personally obligated to pay the Assessments or the Maintenance Charges;
- B. Enforce the Assessment Lien against the Lot by any means, available at law or in equity, including without limitation a non-judicial foreclosure sale of the Lot, such sale to be conducted in the manner set forth in §51.002 of the Texas Property Code, as the same may be amended or supplemented from time to time. The Association or any other Owner may be the purchaser at any such foreclosure sale.

8.03 Subordination of the Lien to First Mortgage or Deed of Trust. The Assessment Lien provided for herein shall be subordinate to any Institutional Mortgage. The sale or transfer of any Lot shall not affect the Assessment Lien; provided, however, that if the sale or transfer is pursuant to foreclosure of such a mortgage or deed of trust, or pursuant to any sale or proceeding in lieu thereof, the purchaser at the mortgage foreclosure or deed of trust sale, or any grantee taking by deed in lieu of foreclosure, shall take the Lot free of the Assessment Lien for all Assessments and Maintenance Charges, that have accrued up to the date of issuance of a sheriff's or trustee's deed or deed in lieu of foreclosure; but upon the date of issuance of a sheriff's or trustee's deed or deed in lieu of foreclosure, the Assessment Lien immediately shall become and remain superior to any and all other charges, liens, or encumbrances (except liens for taxes or other public

charges which by applicable law are expressly made superior and except to the extent stated herein with respect to any subsequent first lien financing), and such mortgage or deed of trust foreclosure sale purchaser or grantee shall (i) take subject to all Assessments, Maintenance Charges, and the Assessment Lien therefor accruing subsequent to the date of issuance of a sheriff's or trustee's deed or deed given in lieu of foreclosure and (ii) be and remain personally liable for all Assessments (together with interest, costs and attorneys' fees as provided in Section 6.01 hereof) which fall due while he is an Owner.

8.04 Costs to be borne by Owner in connection with Enforcement. In any action taken pursuant to Section 8.02 of this Article, the Owner shall be personally liable for, and the Assessment Lien shall be deemed to secure the amount of, the Assessments and Maintenance Charges together with interest and the Association's costs and attorneys' fees.

ARTICLE IX

USE OF FUNDS

9.01 Purpose For Which Funds May Be Used. The Association shall apply all funds collected and received by them through imposition of the Assessments (except Extraordinary Assessments) for the benefit of the Amenities and Common Areas and the Owners of Lots by devoting said funds, among other things, to the acquisition, construction, alteration, maintenance, provision, and operation by any manner or method whatsoever, of any and all land, amenities, properties, improvements, facilities, services, projects, programs, studies, and systems, within or without the Common Areas, which may be necessary, desirable, or beneficial, in the Association's sole judgment, to the interests of the Amenities and Common Areas and the Owners. Any funds expended for the acquisition, construction, alteration, maintenance, provision and operation of the Amenities, shall be conclusively deemed for all purposes to be beneficial to the interests of the Owners of the Lots.

9.02 Association's Rights in Spending Funds from Year to Year. The Association shall not be obligated to spend in any year all the sums received by in such year, and they may carry forward as surplus any balance remaining. The Association shall not be obligated to apply any such surpluses to the reduction of the amount of the Assessments in the succeeding year, but may carry forward from year to year such surplus as the Association in its discretion may determine to be desirable for the effectuation of the purposes set forth in this Article.

ARTICLE X

RIGHTS AND POWERS

10.01 Enforcement. The Declarant and the Association and any Owner shall have the right to enforce the Covenants set forth in this Declaration. Only the Association shall have the right to enforce the portions of the covenants regarding charges, servitudes, assessments, and liens provided for in the Declaration.

10.02 Right to Inspect. The Association shall have the right to enter all Lots for the purpose of inspecting whether or not the Owner thereof is in compliance with the Covenants. If during the course of construction of a Dwelling Unit upon a Lot, the Association determines that there is a violation of the Covenants, the Association may order a discontinuance of the construction of the Dwelling Unit until such time as corrective measures have been taken to assure full compliance with the Covenants, and an Owner's failure to immediately discontinue or cause the discontinuance of construction of the Dwelling Unit, upon demand by the Association, shall constitute a further violation of this Declaration by that Owner.

ARTICLE XI

EASEMENTS AND RIGHTS OF ENJOYMENT IN RESERVED AREAS; RESERVATIONS OF DECLARANT

11.01 Rights of Enjoyment in Reserved Areas. Every Owner of a Lot, his immediate family, tenants and guests shall have a nonexclusive right and easement of enjoyment in and to the Common Areas which shall be appurtenant to and shall pass with the title to every Lot, subject to the following provisions:

A. The right of the Declarant in its sole discretion to grant easements and rights of way on, across, under, and over the Common Areas to any district or other entity providing water, sewer, gas, electricity, telephone, cable television or other similar service to the Subdivision or any part thereof.

DECLARATION OF COVENANTS

Page 11 of 23

B. The right of the Association to make such reasonable rules and regulations regarding the use of the Common Areas and facilities located thereon by the Owners of Lots and other Persons entitled to such use.

C. The right of the Declarant to dedicate or transfer all or any part of the Common Areas to any board, agency, utility or other person for such purposes and subject to such conditions as may be agreed to by the Owners of Lots. No such dedication or transfer shall be effective unless an instrument agreeing to such dedication or transfer signed by two-thirds (2/3) of the Members has been recorded.

D. The right of the Association, in accordance with Articles of Incorporation and Bylaws, to borrow money for the purpose of improving Common Areas and facilities and constructing new facilities thereon and in connection therewith to mortgage the Common Areas or portions thereof, by vote of two-thirds (2/3) of the Members of said Association.

E. The right of the Association to suspend a Member's voting rights and rights to use the Common Areas and facilities thereon (1) for any period during which any Assessment against his Lot remains unpaid, or (2) for a period not to exceed thirty (30) days because of an infraction of the Association's published rules and regulations by a Member of his family or guest.

F. All rights reserved to the Declarant, other Owners and the Association in this Declaration.

11.02 Development and Conveyance of Common Areas. Any Common Area conveyed to the Association shall be subject to the covenants, restrictions, easements and encumbrances set forth herein, and/or of record at the date of said conveyance with the following covenant which shall be binding upon the Association, successor and assigns: "In order to preserve and enhance the property value and amenities of Bullard Creek Ranch, the Common Areas shall at all times be maintained in good repair and condition and shall be operated in accordance with high standards." The Association shall be responsible for the maintenance and operation of the Common Areas. Declarant retains in such deed a right of re-entry in the event the Association fails to properly maintain or operate the property.

11.03 Reservations of Declarant. The following reservations are hereby made by Declarant:

A. The utility easements shown on any Plat are dedicated with the reservation that such utility easements are for the use and benefit of any public utility operating in Smith County, Texas, as well as for the benefit of Declarant to allow for the construction, repair, maintenance and operation of a system or systems of electric light and power, telephone lines, television cable lines, security, gas, water, sanitary sewers, storm sewers and any other utility or service which Declarant may find necessary or proper.

B. Declarant reserves the right from time to time to make changes in the location, shape, and size of, and additions to, the easements described in Section 11.03 (A) for the purpose of more efficiently or desirably installing utilities therein and thereon.

C. The title conveyed to any part of the Property shall not be held or construed to include the title to the water, gas, electricity, telephone, storm sewer or sanitary sewer lines, poles, pipes, conduits, cable television lines or other appurtenances or facilities constructed by Declarant or public utility companies upon, under, along, across or through such utility easements; and the right (but not the obligation) to construct, maintain, repair and operate such systems, utilities, appurtenances and facilities is reserved to Declarant, its successors and assigns.

D. The right to sell or lease the lines, utilities, appurtenances and other facilities described in Section 11.03(C) to any municipality, governmental agency (including any water control or utility district covering the Property as well as other lands), public service corporation or other party is hereby expressly reserved to Declarant.

E. Neither Declarant nor its successors or assigns shall be liable for any damage done by any of such parties or any of their agents or employees to shrubbery, trees, flowers or other property of an Owner situated on the Lots covered by the above described utility easements.

F. The right to enter upon any Lot or Lots during installation of streets for the purpose of performing street excavation, construction, and paving is hereby reserved to Declarant, its successors and assigns, and neither Declarant, nor its successors or assigns, shall be liable for any damage done by any such parties or any of their agents or employees to shrubbery, trees, flowers or other property of the Owner which is necessitated by such street construction.

ARTICLE XII

DECLARATION OF COVENANTS

**FURTHER CONVEYANCES OF AND
NOTIFICATIONS TO DECLARANT LAND**

The Declarant shall have the absolute, exclusive and unrestricted right, exercisable in its sole discretion, without consent from any Owner, to (i) sell, transfer, convey, lease, dedicate, encumber or in any manner alienate to any public or private entity the Declarant Land or any part thereof on such terms and in such manner as Declarant in its sole discretion may determine, or (ii) modify the nature, scope, location, configuration, construction, design or other characteristics of the Declarant Land, or any part thereof.

ARTICLE XIII

ARCHITECTURAL CONTROL

13.01 Architectural Control Committee. The Architectural Control Committee shall consist of a minimum of three (3) persons and shall have exclusive jurisdiction over all original construction and any improvements, additions or modifications thereto within the subdivision. Until one hundred percent (100%) of the Property has been developed and conveyed to owners in the normal course of development and sale, the Declarant retains the right to appoint all members of the Committee who shall serve at the discretion of the Declarant. There shall be no surrender of this right prior to that time except in a written instrument in recordable form executed by the Declarant. Upon the expiration of such right, the Board of Directors of Bullard Creek Ranch Property Owners Association, Inc. shall appoint the members of said Committee, who shall serve and may be removed at the discretion of the Board of Directors. The members of said Committee need not all be members of the Association or representatives of members, and may, but need not, include architects, engineers or similar professionals, whose compensation, if any, shall be established from time to time by the Declarant or the Board of Directors, as the case may be. The Declarant or the Board of Directors, as the case may be, may establish reasonable fees to be charged on behalf of the Declarant or Association for review of applications hereunder and may require such fees to be paid in full prior to review of any application. The ACC shall use its best efforts to promote and ensure a high level of taste, design, quality, harmony and conformity throughout the Property.

13.02 Prior Approval of Plans and Builder/Contractor. No building, fence, wall, sign, exterior light, or other structure or apparatus, either permanent or temporary shall be commenced, erected, placed, or maintained upon any Lot constituting a portion of the Property, nor shall any exterior addition thereto, change therein or alteration, excavation, subdivision or resubdivision thereof, including without limitation changes in or alteration of grade, landscaping, roadways, and walkways, be made until the proposed builder/contractor and duplicate sets of the plans and specifications (showing the nature, kind, shape, height, materials, color, location, and other material attributes of the same) shall have been submitted to and approved in writing by the ACC. Such approval as to the builder/contractor shall take into consideration, but such is not necessarily limited to, the reputation and experience of the builder/contractor. Such approval as to the plans and specifications shall take into consideration (i) compliance with the Covenants herein contained, and (ii) harmony of external design and location in relation to surrounding structures and topography which are now or hereafter existing or proposed, including, but not by way of limitation, as to architectural designs, setbacks, landscaping, color schemes and construction materials. At such time as the plans and specifications meet the approval of the ACC, one complete set of plans and specifications will be retained by the ACC and the other complete set of plans and specifications will be marked "Approved" and returned to the Owner or his designated representative. If found not to be in compliance, one set of such plans and specifications shall be returned marked "Disapproved", accompanied by a reasonable statement of items found not to be in compliance. In the event the Architectural Control Committee fails to approve or disapprove such builder/contractor, plans, specifications and location within fifteen (15) days after such have been submitted to it, approval will not be required, and such Applicant shall be deemed to have fully complied with this Article XIII. Non-exercise of the powers hereby reserved by Declarant or the Architectural Control Committee in one or more instances shall not be deemed to constitute a waiver of the right to exercise such power in other or different instances. Likewise, approval of any one set of plans and specifications shall not be deemed to constitute approval of any other or different plans and specifications. In the absence of gross negligence or willful misconduct attributable to the ACC or a member thereof, neither the ACC nor such member thereof shall be liable for the improper enforcement or failure to exercise any of the powers reserved unto Declarant pursuant to this Article. In no event shall any approval obtained from the ACC pursuant to the terms of this Article, be deemed to be a representation of any nature regarding the structural safety or engineering soundness of the structure or other item for which such approval was obtained; nor shall such approval represent in any manner compliance with any building or safety codes, ordinances or regulations; nor shall such approval be construed as a representation or warranty as to any matter which is the subject of such approval.

13.03 Reservation of Architectural Control. Nothing contained in this Declaration to the contrary, Declarant reserves to itself the right and power to approve and control all construction in the Subdivision, including the right to delegate the powers hereby and thereby reserved to (i) a committee appointed, empowered and constituted by Declarant, (ii) a corporation or association, profit or non-profit, whose directors and officers may be elected and designated by Declarant, or (iii) the Association.

ARTICLE XIV

MAINTENANCE

14.01 Declarant Land. The Declarant or its duly delegated representative, shall maintain and otherwise manage all Declarant Land, including but not limited to, the landscaping, walkways, riding paths, parking areas, drives, streets, and recreational facilities, roofs, interiors and exteriors of the buildings and structures located upon said properties. The Declarant shall use a reasonable standard of care in providing for the repair, management, and maintenance of the Declarant Land.

14.02 Assessment of Costs of Maintenance and Repair of Declarant Lands. In the event that the need for maintenance or repair of Declarant Land is caused through the willful or negligent act of any Owner, his family, guests or invitees, the cost of such maintenance or repairs shall be added to and become part of the Maintenance Charge to which such Owner's Lot is subject, payable and subject to interest as set forth in Article V hereof, and shall be secured by the Assessment Lien.

14.03 Powers of the Association Generally. In addition to the powers of Assessment, collection and enforcement set forth in Articles VI, VII and VIII, the Association may exercise any and all rights and powers set forth in Articles of Incorporation or hereinafter enumerated together with any and all additional rights and powers which are necessary, useful or desirable in connection with the management and/or operation of Subdivision and the maintenance of Subdivision in a first class condition, or in connection with the enforcement and effectuation of any of the provisions of this Declaration, the Bylaw or the rules and regulations adopted by the Board.

14.04 Common Area Maintenance. The Association shall provide and pay for the care, operation, management and repair of the appropriate Common Areas. Without limiting the generality of the foregoing and by way of illustration, said obligations shall include the keeping of the Common Areas in good, clean, attractive and sanitary order and repair; renewing and replacing all or any portion of the landscaping, gardens and green areas within the Common Areas. Nothing herein shall be construed as waiving any right to recover for any damage or expense incurred as the result of the willful or negligent action or lack of action of any person.

14.05 Other Functions. The Association may undertake any activity, function or service for the benefit or to further the interest of all, some or any Lot Owners on a self-supporting, special Assessment or common Assessment basis. Without limiting the generality of the foregoing, such activities, functions or services may include the providing of police or some other security service. An Extraordinary Assessment may be made to obtain payment therefore.

14.06 Rules and Regulations. The Association may make and enforce reasonable and uniformly applied rules and regulations governing the use, occupancy and maintenance of all Common Areas within the Subdivision. Such Rules and Regulations may without limitation regulate the use of Common Areas to assure equitable use and enjoyment by all Persons entitled thereto.

The Association shall furnish to each Owner of a Lot and record holder of an Institutional Mortgage which affects a Lot a copy of the Rules and Regulations upon written request therefor and shall so furnish a copy of all proposed changes to such Rules and Regulations prior to the adoption of such changes. A written copy of such Rules and Regulations shall be available for inspection by the Owners of a Lot and record holders of Institutional Mortgages which affects a Lot at reasonable hours at the office of Declarant or the Association, or at any other location designated by Declarant or the Association. The Association may suspend any Owner's voting rights in the Association during any period or periods that such Owner fails to comply with such Rules and Regulations or the Bylaws. Such Rules and Regulations shall be binding upon each Owner of a Lot and the members of his family, his tenants, guests, employees, servants, invitees and all other persons having access to any part of the Subdivision. The Association may also take judicial action against any Owner to enforce compliance with such Rules and Regulations or other obligations, rights or privileges under this Declaration or the Bylaws.

14.07 Implied Rights. The Declarant or the Association shall have and may exercise any right or privilege granted to it expressly by this Declaration or the Bylaws or reasonably to be implied from this

Declaration or Bylaws or given or implied by law or which may be desirable, necessary or useful to fulfill its duties, responsibilities, obligations, rights or privileges under this Declaration or the Bylaws.

14.08 Right of Maintenance. In the event any Owner of a Lot shall fail to keep and maintain the exterior of his Home as provided in this Declaration, the Association shall have the right and power to enter upon the Owner's lot to place said Home in the condition required pursuant to this Declaration. The cost of so doing together with overhead and administrative costs shall be paid for by the Owner of such Home and may be assessed by the Association as an Extraordinary Assessment as herein provided.

14.09 Willful or Negligent Acts. In the event that any maintenance, repair or other work is required because of the willful or negligent action or lack of action of any Owner, his family, guests, tenants, or invitees, the Association may perform such work or cause the same to be performed at such Owner's cost and expense and may make an Extraordinary Assessment to recover payment thereof provided, except in the event of an emergency, such Owner shall be given ten (10) days' prior notice within which to perform the required maintenance, repair or work.

ARTICLE XV

USE RESTRICTIONS

All Properties. Except with respect to Exempt Property, including the Declarant Land, all Lots, within the Property are hereby restricted as follows:

- A. Antennas. No television, radio or similar antennas, mast or receiving or sending apparatus shall be erected on any portion of any Lot. Satellite dish structures are permitted so long as they are completely screened from public view. No Lot shall be used as a base for any type of radio, television or similar broadcasting systems
- B. Storage, Parking and Repair of Vehicles.
 - (1) Parking. Owner or resident vehicles shall be parked only in the garages or in the driveways serving the residence, or other hard-surfaced areas which are not visible from the street or public areas. Visitors or guests may park on streets for no more than twenty-four (24) hours. Vehicles shall be subject to such reasonable rules and regulations as the Association may adopt.
 - (2) Prohibited Vehicles. Commercial vehicles, vehicles with commercial writing on their exteriors, vehicles primarily used or designed for commercial purposes, tractors, mobile homes, recreational vehicles, trailers (either with or without wheels), campers, camper trailers, boats and other watercraft, and watercraft trailers shall be parked only in enclosed garages or areas, if any, designated by the Association. Stored vehicles and vehicles which are either obviously inoperable or do not have current operating licenses shall not be permitted on any Lot except within enclosed garages. For purposes of this section, a vehicle shall be considered "stored" if it is put up on blocks or covered with a tarpaulin and remains on blocks or so covered for ten (10) consecutive days without the prior approval of the Association. Service and delivery vehicles may be parked on a Lot during daylight hours for such period of time as is reasonable necessary to provide service or to make a delivery. Any vehicle parked in violation of this Section or rules promulgated by the Association may be towed at the owner's expense.
 - (3) Storage of Operable Vehicles and Use of Garage. Each Dwelling Unit shall provide garage storage for not less than two (2) vehicles. No garage shall be used to store any material which would prohibit the use of the garage for the storage of not less than three (3) vehicles. All vehicles shall be stored in the garage unless the Owner or his family members utilize vehicles in excess of the garage storage available (in no event less than storage for three (3) vehicles). Garage doors must remain closed except for ingress and egress of vehicles and during periods of maintenance and at other reasonable and necessary times.
 - (4) Repair of Vehicles. No Owner of any Lot in the Subdivision or any visitor, tenant or guest of any Owner shall be permitted to perform work on

automobiles or other vehicles in driveways or streets other than work of a temporary nature. For the purposes of the foregoing term, "temporary" shall mean that the vehicle shall not be worked on in driveways or streets or parked on any lot (except in the garage of the Dwelling Unit) in excess of twenty-four (24) hours.

- C. Storage. No exterior storage of any items of any kind shall be permitted, except with prior written approval and authorization of the Architectural Control Committee. Any such storage as is approved and authorized shall be in areas attractively screened or concealed (subject to all required approvals as to architectural control) from view from neighboring property, Dwelling Units, pathways, and streets. This provision shall apply, without limitation, to woodpiles, camping trailers, boat trailers, travel trailers, recreation vehicles, boats, mobile homes, and unmounted pick-up camper units. Also, without limitation, no automobile, truck, or other vehicle, regardless of ownership, age, condition, or appearance, shall remain on any Lot in any manner which could be construed as being stored, neglected, abandoned or otherwise not in frequent use, except pursuant to written approval and authorization of the Architectural Control Committee.
- D. Building Material Storage. No Lot shall be used for the storage of any materials whatsoever, except that material used in the construction of improvements erected upon any Lot may be placed upon such Lot at the time construction is commenced. Building material may remain on Lots for a reasonable time, so long as the construction progresses without undue delay, after which time these materials shall either be removed from the Lot or stored in a suitable enclosure on the Lot. Under no circumstances shall building material be placed or stored on the street paving.
- E. Garbage. No garbage or trash shall be placed at the exterior of any building, except in containers meeting the specifications of the Architectural Control Committee, and the placement, maintenance, and appearance of all such containers shall be subject to reasonable rules and regulations of such Committee. All rubbish, trash, and garbage shall be regularly removed from each Lot and shall not be allowed to accumulate thereon.
- F. Outside Lighting. No outside lighting shall be placed, allowed, or maintained on any Lot without prior written approval and authorization of the Architectural Control Committee. No lighting shall be installed on any Lot that would operate as a nuisance to any neighboring Lot.
- G. Animals. No animals, reptiles, fish, or birds of any kind shall be raised, bred, or kept on any Lot except pursuant to prior written approval of and in accordance with rules and regulations promulgated by the Association; provided, however, that dogs, cats, birds, or fish may be kept thereon as household pets so long as, in the discretion of the Association, such pet is not, or does not become, a nuisance, threat, or otherwise objectionable to other Owners. Unless fenced within the Lot of the Owner, any household pet shall be kept on a leash at all times that they are within the Subdivision and outside of the Dwelling Unit. No Pit Bull breed of dog is allowed in the subdivision. Commercial breeding of animals is also prohibited.
- H. Re-subdivision. No Lot shall be further subdivided and no portion less than all of any such Lot, or any easement or other interest therein, shall be conveyed by any Owner without the prior written authorization and approval of the Association.
- I. Diseases and Insects. No Owner shall permit any thing or condition to exist upon any Lot which shall induce, breed, or harbor plant disease or noxious insects.
- J. Sidewalk Encroachments. No tree, shrub, or plant of any kind on any Lot shall be allowed to overhang or otherwise encroach upon any sidewalk or any other pedestrian way from ground level to a height of seven (7) feet without the prior written approval and authorization of the Architectural Control Committee.
- K. Machinery, Fixtures, and Equipment. No machinery, fixtures, or equipment of any type, including without limitation, air conditioning or refrigeration equipment and clothes lines, shall be placed, allowed, or maintained upon the ground on any Lot, except with prior written approval and authorization of the Architectural Control Committee in areas attractively screened or concealed (subject to all required

approvals as to architectural control) from view of neighboring property, dwelling units, pathways, and streets, and no such machinery, fixtures, or equipment shall be placed, allowed, or maintained anywhere other than on the ground (such as on the roof) except if screened or concealed (subject to all required approvals as to architectural control) in such manner that the screening or concealment thereof appears to be part of the integrated architectural design of the building and does not have the appearance of a separate piece or pieces of machinery, fixtures, or equipment.

- L. Utility and Service Lines. No gas, electric, power, telephone, water, sewer, cable television, or other utility or service lines of any nature or kind shall be placed, allowed, or maintained upon or above the ground on any Lot, except to the extent, if any, underground placement thereof may be prohibited by law or would prevent the subject line from being functional. The foregoing shall not prohibit service pedestals and above ground switch cabinets and transformers where required.
- M. Burning and Incinerators. No open fires shall be permitted on any Lot at any time, and no incinerators or like equipment shall be placed, allowed, or maintained upon any Lot. The foregoing shall not be deemed to preclude the use, in customary fashion, of outdoor residential barbecues or grills.
- N. Signs. No exterior signs or advertisements of any kind may be placed, allowed, or maintained on any Lot without prior approval and authorization of the Architectural Control Committee, except that "for sale" signs and signs designating the contractor of the Dwelling Unit upon such Lot may be placed and maintained in conformity with such common specifications, including without limitation, reasonable restrictions as to size, as may be adopted by the Association. In no event shall such sign exceed five square feet in size. The right is reserved by Declarant to construct and maintain, or to allow builders within the Subdivision to construct and maintain, signs, billboards and advertising devices as is customary in connection with the sale of newly constructed residential dwellings. The Declarant shall have the right to erect identifying signs at each entrance to the Subdivision.
- O. Repairs. No repairs of any detached machinery, equipment, or fixtures, including without limitation motor vehicles, shall be made upon any portion of any Lot within view of neighboring property, dwelling units, pathways, and streets, without prior written approval and authorization of the Architectural Control Committee.
- P. Oil, Gas, and Mineral Activity. With respect to the Property as defined herein, it is expressly provided that no oil or gas exploration, drilling, development, or refining operations and no quarrying or mining operations of any kind, including oil wells, surface tanks, tunnels, or mineral excavations or shafts shall be permitted or pursued by an Owner other than Declarant upon or under any Lot; and no derrick or other structure designed for use in boring for oil or natural gas shall be erected, maintained, or permitted on any Lot, provided, however, that with respect to any outstanding mineral interest owned by any person or entity as of the date hereof such restrictions on exploration, drilling, development, refining, mining, and quarrying shall not be effective. Notwithstanding anything to the contrary stated herein however, as to any mineral interest which Declarant owns with respect to the Property, Declarant reserves the right to explore, drill, develop, refine, mine, and quarry any minerals in, on or under the Property or such additional land provided however any such activities shall be subject to (i) Declarant's obtaining whatever permits or licenses are required from any governmental entity, and (ii) Declarant's pursuing such activities in such a manner so as to not disrupt the surface rights of any Owner and the Lot(s) owned by such Owner.
- Q. Sewage Disposal. No sewage disposal system may be installed unless previously approved in writing by all governmental authorities having jurisdiction with respect thereto, and by the Declarant. No outside toilets of any kind are permitted, except during the period of construction of a Dwelling Unit, during which time chemically treated outside toilets shall be maintained in a manner subject to Declarant's approval; and no installation of any type of devise for disposal of sewage shall be allowed which would result in raw or untreated or unsanitary sewage being carried into any body of water or water source.

- R. Water Wells. At no time shall the drilling, usage or operation of any water well be permitted on any Lot.
- S. Firearms and Weapons. No Lot or any other portion of the Property shall be used or permitted for hunting or for the discharge of any pistol, rifle, shotgun, or any other firearm, or any bow and arrow or any other devise capable of killing or injuring.
- T. Motor Vehicles. The operation of any and all motorized vehicles within the Property shall be subject to such rules and regulations as shall from time to time be established by the Association.
- U. Permitted Hours for Construction Activity. Except in an emergency or when other unusual circumstances exist, as determined by the Architectural Control Committee, outside construction work or noisy interior construction work shall be permitted only between the hours of 7:00 A.M. and 10:00 P.M.
- V. Storage Building. No storage building of any type may be constructed or maintained on any Lot within the Subdivision without the express approval of the ACC. Temporary buildings or structures of any nature shall not be permitted on any Lot. Declarant may permit temporary toilet facilities, sales and construction offices and storage areas to be used in connection with the construction and the sale of residences. Builders in the Subdivision may use garages as sales offices for the time during which such builders are marketing homes within the Subdivision. At the time of the sale of a residence by a builder, any garage appurtenant to such residence used for sales purposes must have been reconverted to a garage. No garage may be utilized as a storage facility which prohibits or impedes its use for the storage of vehicles.
- W. Change in Intended Use. No portion of the Property may be developed or redeveloped otherwise than in accordance with its original intended use, without the prior written authorization of the Declarant.
- X. Misuse and Mismanagement. No Lot shall be maintained or utilized in such manner as to present an unsightly appearance (including but not limited to clothes drying within public view) or as to unreasonably offend the morale of or as to constitute a nuisance or unreasonable annoyance to, or as to endanger the health of, other Owners or residents of the Property; and no noxious or otherwise offensive condition or activity shall be allowed to exist or be conducted thereon.
- Y. Violation of Statutes, Ordinances, and Regulations. No Lot shall be maintained or utilized in such a manner as to violate any applicable statute, ordinance, or regulation of the United States of America, the State of Texas, the County of Smith, or any other governmental agency or subdivision having jurisdiction over the Property.
- Z. Violation of Rules or of Covenants, Conditions, or Restrictions. No Lot shall be maintained or utilized in violation of this Declaration or of the rules and regulations of the Declarant or Association or of any covenants, conditions, or restrictions applicable to and binding upon said Lot.

ARTICLE XVI

TERM, AMENDMENTS, TERMINATIONS

16.01 Term; Method of Termination. This Declaration shall be effective upon the date of recordation hereof and, as amended from time to time, shall continue in full force and effect to and including December 31, 2030. From and after said date, this Declaration, as amended, shall be automatically extended for successive periods of ten (10) years each, unless there is an affirmative vote to terminate this Declaration by the then Owners casting seventy-five percent (75%) of the total votes (each Owner other than Declarant having one vote per Lot owned with Declarant having three votes per Lot owned), present at the meeting held for such purpose within six (6) months prior to the expiration of the initial effective period hereof or any ten (10) year extension.

16.02 Amendments. This Declaration may be amended or changed in whole or in part at any time by obtaining (i) the affirmative vote of fifty-one percent (51%) of the total votes each Owner other than Declarant having one (1) vote per Lot owned with Declarant having three (3) votes per Lot owned present at a special meeting called pursuant to Section 16.03.

16.03 Election Procedures for Amendments and Termination. The affirmative votes required under Section 16.01 or 16.02 shall be obtained and evidenced by the requisite vote by the Owners (including Declarant) present at a meeting of Owners duly called by at least ten (10) Owners or by the Declarant pursuant to notice to all of the Owners on or prior to ten (10) days before the date of the meeting at which meeting the requisite percentage of Owners, in person or by proxy, vote to so amend or terminate this Declaration (and the Covenants herein). The notice of the meeting must set forth the proposal as to amendment of this Declaration (and/or the Covenants contained herein) and such affirmative vote of the requisite percentage of Owners must be evidenced by minutes of the meeting duly certified by the Owners who called the meeting or the Declarant. In any event, a copy of the minutes must be delivered to the Declarant. There shall be no quorum requirements for any meetings held pursuant to this Section.

16.04 Recording of Amendments. Upon the requisite percentage of Owners duly voting to amend this Declaration (and/or the Covenants contained herein) and upon the other conditions set forth in Section 16.01 and 16.02 (as the case may be) and Section 16.03 of this Article being satisfied, then this amendment shall be executed by the Declarant, placed in recordable form, and filed of record in the Official Public Records of Smith County, Texas, accompanied by a statement that the requisite percentage of Owners have voted to make such amendment to this Declaration.

16.05 Effect. Upon the filing of an amendment in accordance with Section 16.04, this Declaration and the Covenants, as amended, shall remain in full force and effect.

16.06 Right of Amendment if Requested by Governmental Agency or Federally Chartered Lending Institutions. Anything in this Article to the contrary notwithstanding, Declarant reserves, on the Declarant's and the Board's behalf, the right to amend all or any part of this Declaration to such an extent and with such language as may be requested by any federal, state, or local agency which requests such an amendment as a condition precedent to such agency's approval of this Declaration, or by any federally chartered lending institution as a condition precedent to lending funds upon the security of the Property or any portion thereof. Any such amendment shall be effected by the recordation, by Declarant or Board, of a certificate of Amendment signed by a duly authorized agent of Declarant or Board, with signature acknowledged, specifying the federal, state, or local governmental agency or the federally chartered lending institution requesting the amendment and setting forth the amendatory language requested by such agency or institution. Recordation of such a Certificate shall be deemed conclusive proof of the agency's or institution's request for such an amendment, and such Certificate, when recorded, shall be binding upon the Property and all persons having an interest in the Property. Except as provided in this Section 16.06, Declarant or Board shall not have any right to amend this Declaration otherwise than in accordance with and pursuant to the provisions of Section 16.02 hereof.

ARTICLE XVII

**RESERVATION OF RIGHT TO
RESUBDIVIDE AND REPLAT RESERVED AREA AND LOTS**

Subject to the approval of any and all appropriate governmental agencies having jurisdiction, Declarant hereby reserves the right at any time while it is the Owner thereof to subdivide or resubdivide, as the case may be, and/or plat or replat, as the case may be, all or any portion of Declarant Land, the Common Areas and any Lot or Lots without the consent of any Owner.

ARTICLE XIX

OWNERSHIP OF UTILITIES, AMENITIES, AND RESERVED AREAS

All utilities, if any, constructed by Declarant (including without limitation all such water, gas, electricity, telephone, television, storm sewer or sanitary sewer lines, security systems, poles, pipes, conduits or other appurtenances or facilities) shall be owned by Declarant and, as to all or any part thereof, may be sold, transferred, conveyed, leased, dedicated, encumbered or in any manner alienated by Declarant at any

time to any private or public entity on such terms and in such manner as Declarant in its sole discretion may determine.

ARTICLE XX

ASSOCIATION MEMBERSHIP AND VOTING RIGHTS

20.01 Membership in Association. Each Owner of a Lot, including the Declarant, shall be a Member of the Association, but if the Owner of a Lot shall be more than one person, all such persons, collectively, shall be the Member with respect to that Lot.

Membership shall be appurtenant to, and may not be separated from record ownership of a Lot and such membership shall automatically transfer to the new Owner upon any sale, transfer or other disposition of a Lot subject to the provisions hereof. There shall not be more than one Member for each Lot within the Addition. Upon any such transfer, sale or other disposition of all or some of the fee interest in a Lot, the then Owner shall automatically become a Member with respect to such Lot. Ownership of a Lot shall be the sole qualification for being a Member of the Association.

20.02 Voting. Each Member other than Declarant shall be entitled to one (1) vote for each Lot as to which he is the Member in accordance with and subject to the provisions herein and the Bylaws; Declarant shall be entitled to three (3) votes for each Lot as to which it is the Member. No Member other than Declarant shall have the right to vote until it shall deliver to the Secretary of the Association (i) a certified copy of the recorded Deed or other recorded instrument establishing record title to the Lot and (ii) if the Member shall be more than one Person or a corporation, a written notice subscribed to by all of such persons or by such corporation, as the case may be, designating one of such Persons or officer of such corporation as the Person entitled to cast the vote with respect to such Lot; but all other obligations of the Owner of such Lot hereunder shall be unaffected, including without limitation, the right to use the Reserved area and the obligation to pay Assessments. Notwithstanding anything in this Declaration, the Bylaws or the Articles to the contrary, no action may be taken by the Association without the written consent of Declarant having first been obtained if Declarant then owns any property within the Subdivision.

20.03. Suspension of Voting Rights. In the event any Assessment against a Lot remains unpaid for a period of sixty (60) days beyond the due date thereof, the voting rights of the Owner of said Lot shall be suspended until such Assessment together with all interest and late charges has been paid.

20.04. Notices. Unless a greater period shall be specified in this Declaration, each member shall be entitled to at least fifteen (15) days' notice of any meeting at which Members have the right to vote (except shorter notice may be given in the event of an emergency). Notices of meeting shall be in writing and shall state the date, time and place of the meeting and shall indicate each matter to be voted on at the meeting which is known to the Association at the time notice of the meeting is given. Any notice shall be deemed given and any budget or other information or material shall be deemed furnished or delivered to any Member when deposited in the United States mails, postage prepaid, addressed "To the Owner," at the address of the Lot of such Member or personally delivered to the Member, whichever is earlier.

ARTICLE XXI

INSURANCE

21.01 Insurance. All insurance, other than title insurance, carried in connection with the Reserved Area and the improvements located thereof shall be governed by the provisions herein.

21.02 Insurance to be Carried by Association. The Association shall obtain and maintain, to the extent obtainable, liability and other insurance deemed necessary by the Board in an amount deemed adequate by them. Each Owner shall be responsible for acquiring insurance on his Lot as he deems advisable against fire and other hazards in an amount which adequately provides for the reconstruction of the premises in case of destruction.

ARTICLE XXII

DEVIATIONS

The Declarant may grant approval for deviations from the restrictions provided herein, so long as such deviations are generally consistent and harmonious with the remainder of the surrounding community

and do not adversely affect the value of another lot. Such action shall not require the approval of the Association or any Owner.

ARTICLE XXIII

MISCELLANEOUS

23.01 Interpretation of the Covenants. Except for judicial construction, the Declarant shall have the exclusive right to construe and interpret the provisions of this Declaration. In the absence of any adjudication to the contrary by a court of competent jurisdiction, the Declarant's construction or interpretation of the provisions hereof shall be final, conclusive, and binding as to all persons and property benefited or bound by the Covenants and provisions hereof.

23.02 Severability. Any determination by any court of competent jurisdiction that any provision of this Declaration is invalid or unenforceable shall not affect the validity or enforceability of any of the other provisions hereof.

23.03 Rule Against Perpetuities. If any interest purported to be created by this declaration is challenged under the Rule against Perpetuities or any related rule, the interest shall be construed as becoming void and of no effect as of the end of the applicable period of perpetuities computed from the date when the period of perpetuities starts to run on the challenged interest; the "lives in being" for computing the period of perpetuities shall be (a) those which would be used in determining the validity of the challenged interest, plus (b) if applicable, those of the issue of the Declarant who are living at the time the period of perpetuities starts to run on the challenged interest.

23.04 Change of Circumstance. Except as otherwise expressly provided in this Declaration, no change of conditions or circumstance shall operate to extinguish, terminate, or modify any of the provisions of this Declaration.

23.05 Rules and Regulations. In addition to the right to adopt rules and regulations on the matters expressly mentioned elsewhere in this Declaration, the Declarant shall have the right to adopt rules and regulations with respect to all other aspects of the Declarant's rights, activities, and duties, provided said rules and regulations are not inconsistent with the provisions of this Declaration.

23.06 Declarant's Disclaimer of Representations. Anything to the contrary in this Declaration notwithstanding, and except as otherwise may be expressly set forth on a recorded plat or other instrument recorded in the Official Public Records of Smith County, Texas, Declarant makes no warranties or representations whatsoever that the plans presently envisioned for the complete development of the Property can or will be carried out, or that any land now owned or hereafter acquired by it is or will be subjected to this Declaration, or that any such land (whether or not it has been subjected to this Declaration) is or will be committed to or developed for a particular (or any) use, or that if such land is once used for a particular use, such use will continue in effect.

23.07 Limitation of Liability. In the absence of gross negligence or willful misconduct attributable to Declarant or its successors or assigns, neither Declarant nor its successors or assigns shall have any liability arising out of the performance or nonperformance of any of the rights and powers reserved unto Declarant, its successors or assigns pursuant to this Declaration.

23.08 Successors and Assigns of Declarant. Any reference in this Declaration to Declarant shall include any successors or assigns of any of Declarant's rights and powers hereunder.

23.09 Gender and Number. Wherever the context of this Declaration so requires, words used in the masculine gender shall include the feminine and neuter genders; words used in the neuter gender shall include the masculine and feminine genders; words in the singular shall include the plural; and words in the plural shall include the singular.

23.10 Captions and Titles. All captions, titles, or headings of the Articles and Sections in this Declaration are for the purpose of reference and convenience only, and are not to be deemed to limit, modify, or otherwise affect any of the provisions hereof, or to be used in determining the intent or context thereof.

23.11 Notices. Any notice required or permitted to be delivered as provided herein may be delivered either personally or by mail. If delivery is made by mail, delivery shall be deemed to have been made twenty-four (24) hours after a copy of the notice has been deposited in the United States mail, postage prepaid, registered or certified mail, addressed to each such person at the address given by such person to

the party sending the notice or to the address of the Dwelling Unit of such person if no address has been given. Such address may be changed from time to time by notice in writing.

23.12 Prior Recorded Instruments. This Declaration and all of the provisions hereof are expressly subject to all prior recorded documents affecting the Property, including without limitation, the Reservation of Architectural Control as defined herein.

23.13 Enforcement of the Covenants. Notwithstanding anything to the contrary herein, in the event of any violation or attempted violation of any of the provisions hereof, including any of the Covenants, enforcement shall be authorized by any proceedings at law or in equity against any person or persons violating or attempting to violate any of such provisions, including proceedings to restrain or prevent such violation or attempted violation by injunction, whether prohibitive in nature or mandatory in commanding compliance with such provisions; and it shall not be a prerequisite to the granting of any such injunction to show inadequacy of legal remedy or irreparable harm. Likewise, any person entitled to enforce the provisions hereof may recover such damages as such person has sustained by reason of the violation of such provisions.

23.14 Suspension of the Covenants. The Declarant shall have the right during the period of construction, development, and sale, to grant reasonable and specifically limited exemptions from the Covenants to Declarant and any other developer or contractor. Any such exemptions shall be granted only upon specific written request, itemizing the exemption requested, the location thereof, the need therefor, and the anticipated duration thereof; and any authorization and approval thereof shall be similarly itemized. No such exemption shall be broader in terms of activity, location, or time than is reasonably required.

23.15 Required Mediation. Any dispute arising pursuant to these restrictions or the enforcement of these provisions shall be required to be mediated by a trained mediator before any party is permitted to pursue and legal cause of action in a court of law. Purchase of a lot in Bullard Creek Ranch evidences the parties' consent to mediate any such claims.

IN WITNESS WHEREOF, the undersigned have hereunto caused their names to be signed by the signature of their duly authorized official as of the day and year first above written.

IN WITNESS WHEREOF, the undersigned have hereunto caused their names to be signed by the signature of their duly authorized official as of the day and year first above written.

CRS Holdings, LLP
a Texas Limited Liability Partnership

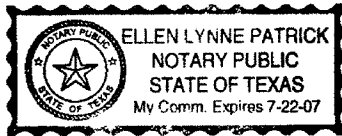
By: Walter P. Jones III
Name: MARC IV Investments I, Inc., General Partner
Title: President

STATE OF Texas)
)
COUNTY OF Smith)

This instrument was acknowledged before me on the 27th day of July, 2006, by Walter P. Jones, III on behalf of MARC IV Investments I, Inc.

Ellen Lynne Patrick
NOTARY PUBLIC, STATE OF TEXAS
Printed Name of Notary:
Ellen Lynne Patrick

My commission expires: 07-22-07



After recording, return to:

CRS Holdings, LLP
1513 Coldwater Dr.
Tyler, Texas 75703

Smith County
Judy Carnes
County Clerk
Tyler Tx 75702



70 2006 00039520

Instrument Number: 2006-R00039520

As

Recorded On: August 09, 2006

Recordings - Land

Parties: CRS HOLDINGS LLP

Billable Pages: 23

To BULLARD CREEK RANCH

Number of Pages: 24

Comment:

(Parties listed above are for Clerks reference only)

**** Examined and Charged as Follows: ****

Recordings - Land	104.00
Total Recording:	104.00

***** DO NOT REMOVE THIS PAGE IS PART OF THE INSTRUMENT *****

Any provision herein which restricts the Sale, Rental or use of the described REAL PROPERTY because of color or race is invalid and unenforceable under federal law.

File Information:

Record and Return To:

Document Number: 2006-R00039520

Receipt Number: 397799

Recorded Date/Time: August 09, 2006 09:02:46A

CRS HOLDINGS LP

1513 COLDWATER DR

TYLER TX 75703

User / Station: C Aparicio - Cash Station 2



I hereby certify that this instrument was filed and duly recorded in the Official Records of Smith County, Texas

Judy Carnes

County Clerk
Smith County, Texas