SUMMARY OF

DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS

OF

STEEPLECHASE COUNTRY ESTATES

PLEASE NOTE:

THE INFORMATION CONTAINED IN THIS DOCUMENT IS INTENDED TO BE AN ACCURATE SUMMARY OF THE EXISTING COVENANTS, CONDITIONS AND RESTRICTIONS APPLICABLE TO ALL RESIDENTS OF STEEPLECHASE COUNTRY ESTATES, PHASE I, PHASE II AND PHASE III.

THIS DOCUMENT IS INTENDED FOR THE PERSONAL USE OF MEMBERS OF STEEPLECHASE COUNTRY ESTATES HOMEOWNERS ASSOCIATION AND IS NOT INTENDED FOR USE IN LEGAL PROCEEDINGS.

THIS DOCUMENT STARTS WITH THE AMENDED DECLARATIONS OF VOLUME 1796 PAGE 473

Complete information regarding the Declarations of Covenants, Conditions, and Restrictions affecting Steeplechase Country Estates are found in Volume 1339, Page 301, Volume 1740, Page 548, and restated in Declarations of record in Volume 1778, Page 195, Volume 1796, Page 473, Volume 2210, Page 321 and Volume 2228 Page 378 all in the Real Property Records of Grayson County, Texas.

DECLARATION OF COVENANTS, CONDITIONS AND

RESTRICTIONS OF

STEEPLECHASE COUNTRY ESTATES

STATE OF TEXAS COUNTY OF GRAYSON

KNOW ALL MEN BY THESE PRESENTS:

WHEREAS, Steeplechase Country Estates Joint Venture, a joint venture partnership ("Declarant") is the owner of a tract of land situated in the Michael West Survey, Abstract No. 329 and the James Hefflefinger Survey, Abstract No. 487, Grayson County, Texas, and being more particularly described in Exhibit "A" attached hereto too and made apart hereof for all purposes and being more fully described by metes and bounds therein;

and

WHEREAS, in order to provide for the most beneficial development of said addition, and to prevent any such use thereof as might tend to diminish the value or pleasurable enjoyment thereof for residential purposes, it is deemed necessary to subject the same to certain protective restrictions and covenants as herein set out, each and all of which is and are for the benefit of the community and the owners of property thereon;

and

WHEREAS, Declarant has heretofore executed, acknowledged, delivered and filed for record those Declaration of Covenants, Conditions and Restrictions of Steeplechase Country Estates recorded in Volume ____, Page ____ of the Deed Records of Grayson County, Texas, reference to which is hereby made for all purposes.

NOW THEREFORE, Declarant does hereby restate and declare that Steeplechase Country Estates shall be and the same is hereby made subject to the following restrictions, conditions, limitations and covenants hereby imposed thereon, and no other, herein referred to as "covenants", to-wit:

ARTICLE I

DEFINITIONS

<u>Section 1.1 "Association</u>" shall mean and refer to the STEEPLECHASE COUNTRY ESTATES HOMEOWNERS ASSOCIATION, INC., a Texas non-profit corporation.

Section 1.2 "Declarant" shall mean and refer to Declarant, its successors or assigns. No person or entity merely purchasing one or more lots from the Declarant in the ordinary course of business shall be considered as Declarant.

Section 1.3 "Member" shall mean any person who is a Member of the Association. Every person or entity who is an "Owner" shall automatically be a Member of the Association.

Section 1.4 "Owner" shall mean and refer to the record owner, whether one or more persons or entities, of the fee simple interest to a single family lot, which is a part of the property including contract purchasers but excluding those having such interest merely as security for the performance of an obligation.

Section 1.5 "Property" shall mean and refer to the property which is subject to this Declaration and which is described more particularly as STEEPLECHASE COUNTRY ESTATES as described above.

Section 1.6 "Common Area" shall mean all of the Property other than (a) Lots; and (b) land owned by a governmental entity and dedicated to public use including but not limited to public streets, and (c) all areas used as a jogging and bridal path as set forth on that certain Plat attached hereto as Exhibit B and incorporated herein by reference for all purposes.

<u>Section 1.7 "Single Family Lot</u>" shall refer to any platted lot on which there may be constructed only one single family dwelling unit.

Section 1.8 "Supplementary Declaration" shall mean any Declaration of Covenants, Conditions and Restrictions which my be recorded by Declarant, such right being herein retained by Declarant which: (1) supplement the provisions of this Declaration as to the Property or any portions thereof; and (2) may contain additions, amendments and modifications to the Declaration.

ARTICLE II

MEMBERSHIP AND VOTING RIGHTS

<u>Section 2.1 Membership</u>. Every person or entity who is an owner shall be automatically a Member of the Association.

<u>Section 2.2 Voting Rights</u>. The Association shall have two classes of voting membership:

Class A: Class A Members shall be all the owners with the exception of Declarant. The Declarant may, however, became a Class A Member upon termination of their Class B Membership as hereinafter provided. Class A Members shall be entitled to one vote for each single family Lot owned. When more than one person holds an interest in any single family Lot all such persons shall be Members and the vote provided for herein shall be exercised as they among themselves determine. In no event, shall there be more than one (1) vote cast with respect to any single family Lot.

Class B: The Declarant shall be the sole Class B Member and shall be entitled to three (3) votes for each single family Lot owned. Class B Membership shall cease and be converted to Class A Membership on the happening of either of the following events, whichever occurs earlier:

- (i) When the total votes outstanding in the Class A Membership is equal. to the total votes outstanding in the Class B membership, or
 - (ii) On the 31st day of December, 1995, or
- (iii) At such time as the Declarant voluntarily relinquishes its Class B Membership rights.

ARI'ICLE III

COVENANTS FOR MAINTENANCE ASSESSMENTS

Section 3.1 Creation of the Lien and Personal Obligation for Assessments. Each owner of any Lot within the Property other than the Declarant, by acceptance of a deed thereof whether or not it shall be expressed therein or by acceptance of any other conveyance thereof (except a conveyance in connection with the establishment of a mortgage), shall be deemed to covenant and agree to pay to the Association:

- (a) Monthly assessments for maintenance and insurance on portions of the property and the common area.
- (b) Annual assessments or charger;
- (c) Special assessments for capital improvements or maintenance thereof;
- (d) Special assessments in connection with an Owner's failure to perform the required exterior maintenance or improvements of his property or in connection with an Owner's failure to comply with this Declaration, all as hereinafter described with more particularity.

<u>Section 3.2 Purpose of Assessments</u>. The assessments levied by the Association shall be used exclusively to promote the recreation, health, safety and welfare of the residents of the Property; for the improvements and maintenance of all roads and right of way; water fees; the Common Area, including but not limited to the payment of insurance (if any) in connection with the Common Area and the repair, replacement and additions thereto; for carrying out the various matters set forth or envisioned herein or in any decided upon by the Board of Directors of the Association.

Section 3.3 Special Assessments for Capital Improvements. In addition to the annual assessments authorized above, the Association may levy in any assessment year a special assessment applicable to that year only for the purpose of deferring in whole or in part the cost of any additional construction, reconstruction, repair or replacement of the roads, bridle paths, fences, mowing, repairing ditches, improvements of creeks or any other items of I repair or maintenance described in such assessment, provided that any such assessment shall have the assent of a majority of the votes of each class of members who are voting in person or by proxy at a meeting duly called for this purpose.

Section 3.4 Due Date, Date of Commencement, and Termination of Annual Assessments. The annual assessments provided herein shall commence on such date as is specified in the By-laws of the Association or in any Supplementary Declarations. The assessment shall be on a full calendar year basis with the first annual assessment being adjusted according to the number of months remaining in the calendar year. At least thirty (30) days in advance of each calendar year, the Board of Directors of the Association shall fix the amount of the annual assessment against each Lot. Written notice of the annual assessment shall be sent to each Owner subject thereto. The Board of Directors shall fix the annual and special assessments as well as establish the method of installment payments and the due dates for said assessments. Annual and special assessments shall be without limitation unless otherwise specified in a Supplementary Declaration.

<u>Section 3.5 Due Dates of other Assessments.</u> The due date or dates (if it is to be paid in installments) of any special assessments other than regular maintenance assessments, shall be fixed in the respective resolution authorizing such assessments.

Section 3.6 Due Date, Date of Commencement, and Payment of Monthly Assessment. The monthly assessments, provided herein for construction, maintenance shall commence on the lst day of the month following an Owner's purchase, and shall be due and payable on the lst day of each month thereafter. The assessment provided for in this Section shall be set aside and be used for insurance, water fees, construction, any additional construction, reconstruction, repair or replacement of the roads, bridle paths, fences, mowing, repairing ditches, improvement of creeks or any other items of repair or maintenance within the subdivision and for such purposes as may be decided upon by the Board of Directors.

Section 3.7 Effect of Nonpayment of Assessments and Personal Liability of the Owner. Any assessment, or any part thereof, not paid within thirty (30) days after the due date, (being the date specified in Section 3.6 hereof) shall become delinquent and shall bear interest from the due date at the rate of thirteen percent (13%) per annum plus a

late charge of \$5.00, or such other amount established by the Board of Directors of the Association and costs of collection thereof, including reasonable attorney fees. The assessment interest and any cost of collection thereof shall become a continuing lien on the Lot, which shall bind such Lot in the hands of the then Owner, his heirs, and devisees, personal and legal representatives, successors and assigns. In addition to any rights conveyed to any successors, it shall be the personal obligation of the then Owner to pay such assessment and all such personal obligations shall continue even though the Owner's interest in the property shall be transferred.

The Association may bring legal action against the new Owner personally obligated to pay the delinquent assessment or to foreclose the lien against the property and there shall be added to the amount of such assessment all costs incurred by the Association in foreclosing the lien or in collecting the amount owing, including any reasonable attorney's fees.

No Owner may waive or otherwise escape the liability for the assessment provided herein by non-use of the Common Properties or abandonment of his Lot.

Section 3.8 Foreclosure Proceedings. That in the event of default in the payment of any assessment or interest thereon in accordance with the terns hereof, the Association may elect to sell such Lot pursuant to Article 3810, Texas Revised Civil Statutes, or any applicable successor legislation thereto, after advertising the time, place and terms of the sale of such Lot then subject to the lien hereof, for at least twenty-one (21) days preceding the date of sale by (a) posting, or causing to be posted, written or printed notice thereof at the Courthouse door of the county where said Lot is situated, which notice may be posted by any person acting for the Association and the Association has, at least twenty-one (21) days preceding the date of sale, (b) filing, or causing to be filed, the written or printed notice described in the immediately preceding sub-section (a) in the office of the clerk of the county, or counties, wherein the Lot or any part thereof, then subject to the payment of the assessment or interest, at least twenty-one (21) days prior to the day of sale, and by (c) nailing, or causing to be mailed, written or printed notice of the proposed sale by certified mail, return receipt requested, at least twenty-one (21) days preceding the date therein stated for the sale of the Lot to each Owner obligated to pay the indebtedness secured by the lien hereunder according to the records of the Association, by the deposit of such notice, enclosed in a postpaid wrapper, properly addressed to such Owner at such Owner's most recent address as shown by the records of the Association, in a post office or official depository under the care and custody of the United States Postal Service, any person acting for the Association shall sell such Lot, then subject to the lien hereof, at public auction in accordance with such notice at the Courthouse door of said county where such Lot is situated on the first Tuesday in any month between the hours of ten o'clock A.M. and four o'clock P.M., to the highest bidder for cash, selling all of the Lot as an entirety or in such parcels as the Association nay elect, and after such sale to make to the purchaser or purchasers thereunder good and sufficient deeds and assignments, with general warranty of title binding such Owner, his heirs and assigns; an affidavit of any person having knowledge to the fact that service of a notice required hereby was completed shall be prima facie evidence of the fact of service; and out of the money arising from such sale, the Association shall pay first, all the expenses of advertising the sale and making the conveyance, and then to the Association the full amount of principal, interest, attorney's fees and other charges due and unpaid on said Lot and all other indebtedness secured by such lien hereunder, rendering the balance of the sales price, if any, to such Owner, his heirs or assigns; and the recitals in the conveyance to the purchaser or purchasers shall be full and conclusive evidence of the truth of the matters therein stated, and all prerequisites to said sale shall be presumed to have been performed, and such sale and conveyance shall be conclusive against such Owner, his heirs and assigns.

<u>Section 3.9 Subordination of the Lien or Mortgage</u>. The lien of the assessment provided for herein shall be subordinate to the lien of any mortgages now or hereafter

placed upon the property subject to assessment; PROVIDED, HOWEVER, such subordination shall apply only to the assessment which have become due and payable prior to the sale and transfer of such property pursuant to the decree of foreclosures and other property pursuant to the decree of foreclosure. Such sale or transfer shall not release such property from liability for any assessment thereafter becoming due nor from the lien of any subsequent assessment.

ARTICLE IV

GENERAL POWERS AND DUTIES OF THE BOARD OF DIRECTORS OF THE ASSOCIATION

Section 4.1 Powers and Duties. The affairs of the association shall be conducted by its Board of Directors (sometimes hereinafter called the "Board"). Prior to the incorporation of the association, the Declarant shall select and appoint the Board of Directors, each of whom shall be a Class A or Class B Member, or an officer, employee, partner, representative, agent or affiliate of a Class A or Class B Member or Declarant. From and after the effective date of the Association's incorporation, the Board of Directors shall be selected in accordance with the Articles of Incorporation and Bylaw of the Association. The Board, for the benefit of the Association, the Property and the Owners shall provide and shall pay for out of the maintenance fund(s) provided for in Article IV:

- (a) Care, preservation and maintenance of the Common Area and the furnishing and upkeep of any desired personal property for use in or on the common Area;
- (b) Maintenance of the exterior grounds of the Common Area and plants and vegetation upon public rights-of-way between any Common Area and public roadway and/or upon any median in any public roadway shown in the Plats, including without limitation trees, shrubs, grass and landscaping of any Common Area;
- (c) Insurance and utilities (including without limitation electricity, gas, water and sewer charges) which pertain to the Common Area only;
- (d) The services of a person or firm as a bonded professional manager to manage the Association or any separate portion thereof, to the extent deemed advisable by the Board, and the services of such other personnel as the Board shall determine to be necessary or proper for the operation of the Association, whether such personnel are employed directly by the Board or by the manager;
 - (e) Legal and accounting services; and
- (f) Any other materials, supplies, labor, services, maintenance, repairs, structural alterations, taxes or assessments which the Board is required to obtain or pay for pursuant to the terms of this Amended Declaration or which in its opinion shall be necessary or proper for the operation or protection of the Association or for the enforcement of this Amended Declaration.

The Board shall have the following additional rights, powers and Duties:

- (g) To borrow funds to pay costs of operation, secured by assignment or pledge or rights against delinquent Owners, if the Board sees fit;
- (h) To enter into contracts, maintain one or more bank accounts, and, generally, to have all the powers necessary or incidental to the operation and management of the Association.

- (i) To protect or defend the Common Area from loss or damage by suit or otherwise, to sue or defend it in any court of law in behalf of the Association and to provide adequate reserves for repairs and replacements;
- (j) To make reasonable rules and regulations for the operation of the Common Area and to amend them from time to time;
- (k) Pursuant to Article VI herein, to adjust the claim amount, collect, and use any insurance proceeds to repair damage or replace lost property; to assess the Members in proportionate amounts to cover the deficiency and
- (l) To enforce the provisions of this Amended Declaration and any rules made hereafter and to enjoin and seek damages from any Owner for violation of such provisions or rules.

Section 4.2 Board Powers. The Board shall have the right to contract for all goods, services, and insurance, and the exclusive right and obligation to perform the functions of the Board, except as otherwise provided herein. In the event or if for any reason the Board is not deemed authorized to act for and on behalf of the Association and the Members, then the Declarant my exercise its power and authority under Article VIII, Section 21 to act for and on behalf of the Association and the Members, and the Association shall reimburse the Declarant for any and all reasonable expenses incurred in so acting.

Section 4.3 Maintenance Contracts. The Board, on behalf of the Association, shall have full power and authority to contract with any Owner (including without limitation the Declarant) for performance, on behalf of the Association, of services which the Association is otherwise required to perform pursuant to the terms and conditions and for such consideration as the Board may deem proper, advisable and to the best interest of the Association.

Section 4. 4 Liability Limitations. Neither any Member, the Board, and Director, nor any Officer of the Association shall be personally liable for debts contracted for, or otherwise incurred by the Association, or for a tort of another Member, whether such other Member was acting on behalf of the Association or otherwise. Neither the Declarant, the Association, its Directors, officers, agents or employees shall be liable for any incidental or consequential damages for failure to inspect any premises, improvements or portion thereof or for failure to repair or maintain the same. The Declarant, the Association or any other person, firm or corporation liable to make such repairs or maintenance shall not be liable for any personal injury or other incidental or consequential damages occasioned by any act or omission in the repair or maintenance of any premises, improvements or portion thereof.

ARI'ICLE V

THE COMMON AREA

Section 5.1 Members' Easements of Enjoyment. Subject to the provisions of Section 5.2 of this Article, every Member and any tenant of a Member and each individual who resides with either of them, respectively, on a Lot shall have a right and easement of use, recreation and enjoyment in and to the Common Area, and such easement shall be appurtenant to and shall pass with the title of each respective Lot, provided, however, such easement shall not give such person (excluding the Declarant) the right to make alteration, additions or improvements to the Common Area.

<u>Section 5.2 Extent of Members' Easements</u>. The rights and easements of use, recreation and enjoyment created hereby shall be subject to the following:

- (a) The right of the Declarant (during the time the Association is unincorporated) or Association (as an incorporated entity) to prescribe reasonable regulations governing the use, operation and maintenance of the Common Area;
- (b) The right of the Association to enter into and execute contracts with any party (including without limitation the Declarant) for the purpose of providing maintenance or such other materials or services consistent with the purposes of the Association and/or the Declaration.
- (c) The right of the Declarant or the Association (as an incorporated entity) to take such steps as are reasonably necessary to protect the Common Area against foreclosure;
- (d) The right of the Declarant or the Association to suspend the voting rights of any Member and to suspend the right of any Member to use or enjoy any of the Common Area for any period during which any assessment against a Lot resided upon by such Member remains unpaid, and for any period set by the Association for an infraction of the then existing rules and regulations.
- (e) Subject to approval by written consent by the Members having a two-thirds (2/3) majority of the outstanding votes of each voting class of the Association and all holders of any first deed of trust placed upon any Lot, to dedicate or transfer all or any part of the Common Area to any municipal corporation, public agency, governmental authority, or utility for such purposes and upon such conditions as may be agreed to by such Members and such holders; and
- (e) The right of the Declarant and any builder approved by Declarant to maintain a sales office and/or management office within the Property at a location of its selection for such time as it deems appropriate.
- <u>Section 5.3 Damage to the Common Area</u>. Each Member shall be liable to the Association for any damage to any part of the Common Area caused by the negligence or willful misconduct of the Member, his family, tenant or guests in accordance with Texas law.
- <u>Section 5.4 Use of the Common Area</u>. Use of the Carom Area shall be limited to Members, their families and guests. Children under 11 must be supervised by an adult.
- Section 5.5 Exceptions to Section 5.4 Should the two Lots in Phase III {31 and 51) which are set aside as commercial become an equestrian center, the equestrian center will have full rights to all common areas with no limit as to the number of horses that can use these common areas, and no limit to the number of horses located thereon.

ARI'ICLE VI

INSURANCE: REPAIR AND RESTORATION

Section 6.1 Purchase of Insurance. The Association shall purchase, carry and maintain in force insurance covering all portions of the Common Area, and improvements thereon or appurtenant thereto, for the interest of the Association, its Board of Directors agents and employees, and all Members of the Association, in such amounts and with such endorsements and coverage as shall considered good, sound insurance coverage for properties similar in construction, location and use to the subject property. Such insurance shall include, but need not be limited to:

- (a) Insurance against loss or damage by fire and hazards covered by a standard extended coverage endorsement in an amount which shall be equal to the maximum insurable replacement value, excluding foundation and excavation costs as determined annually by the insurance carrier.
- (b) Comprehensive public liability and property damage insurance on a broad form basis, including coverage of personal liability (if any) of the Owners and Members with respect to the Common Area.
- (c) Fidelity bond for all officers and employees of the Association having control over the receipt of and disbursement of funds.

Section 6.2 Insurance Proceeds. The Association and the Members shall use the net insurance proceeds to repair and replace any damage or destruction of property, real or personal, covered by such insurance. Any balance from the proceeds of insurance paid to the Association, as required in this Article, remaining after satisfactory completion of repair and replacement, shall be retained by the Association as part of a general reserve fund for repair and replacement of the Common Area.

<u>Section 6.3 Insufficient Proceeds</u>. If the insurance proceeds are Insufficient to repair or replace any loss or damage, the Association may levy a Special group assessment as provided for in Article III of this Amended Declaration to cover the deficiency.

ARTICLE VI I

ARCHITECTURAL REVIEW COMMITTEE

Section 7.1 The Committee. There is hereby established an Architectural Review Committee consisting of three (3) members all of whom shall be appointed by the Declarant. The aforesaid members of the Architectural Review Committee shall serve at the pleasure of the Declarant. The vote of a majority of the members shall constitute the action of the Architectural Review Committee.

No improvements shall be constructed, erected, placed, altered, maintained or permitted on any of the Property nor shall any construction or excavation whatsoever be commenced or materials, equipment, or construction vehicles be placed on any lot until plans and specifications with respect thereto in manner and form satisfactory to the Architectural Review Committee showing the proposed improvements, site location of such improvements, complete building plans and material specifications and all exterior elevations, materials and colors, landscaping, grading, easements and utilities and such other information as may be requested by said Committee have been submitted to and approved in writing by the Architectural Review Committee. The Architectural Review Committee shall have the right to charge persons submitting such plans a reasonable fee for reviewing such application.

Approval shall be based among other things on conformity and harmony of exterior design, colors and materials with neighboring structures, relation of the proposed improvements to the natural topography grade and finish elevation of the structure that of neighboring structures and natural features of property and conformity of the plans and specifications to the purpose and general plan and intent of these restrictions. The Architectural Review Committee shall have the right to require an improved landscaping plan. The Architectural Review Committee shall not arbitrarily or unreasonably withhold its approval of such plans and specifications.

Final plans and specifications shall be submitted in duplicate to the Committee for approval or disapproval. At such time as the plans and

specifications meet the approval of the Committee, one complete set of plans an specifications will be retained by the Committee and the other complete set of plans will be marked "Approved", and returned to the Lot Owner or his designated representative marked "Approved", and accompanied by a statement of complete approval or approval based on certain conditions and specifications. If found not to be in compliance with these Covenants and Restrictions, one set of such plans and specifications shall be returned marked "Disapproved", accompanied by a reasonable statement of items found not to comply with these Covenants and restrictions. Any modification or change to the approved set of plans and Specifications must again be submitted to the Committee for its inspection and approval. The approval or disapproval of the Committee, as required herein, Shall be narrative and in writing. If the Committee, or its respective designed representative, fails to approve or disapprove such plans and specifications Within thirty (30) days after the same have been submitted to it (provided that All required information has been submitted) it shall be conclusively presumed That said plans and specification have been approved, subject, however, to the Restrictions contained in Article VII hereof. The Architectural Review Committee shall notify the Owner in writing upon receipt of all required plans And specifications and the aforesaid thirty (30) day period shall commence on the date of said notification.

Upon submission of a written narrative request for same, the Committee may, From time to time, in its sole discretion, permit Owners to construct, erect, or install improvements which are in variance from the architectural standards. Amended Covenants or Restrictions which are provided in this Declaration or Which may be promulgated in the basic conformity with and shall blend effectively with the general architectural style and design of the community.

No member of the Committee shall be liable to any Owner or other person claiming By, through, or on behalf of any Owner, for any claims, causes of action, or Damages arising out of the granting or denial of, or other action of failure to Act upon, any variance request by any Owner or any person acting for or on behalf of any Owner. Each request for a variance submitted hereunder shall be reviewed separately and apart from other such requests and the grant of a variance to any Owner shall not constitute a waiver of the Committee's right to strictly enforce the Covenants, Restrictions and architectural standards provided hereunder against any other Owner. Each such written request must identify and set forth in narrative detail the specific restriction or standard from which a variance is sought and describe in complete detail the exact nature of the variance sought. Any grant of a variance by the Committee must be in writing and must identify in narrative detail both the standard from which a variance is being sought and the specific variance being granted.

The Committee may from time to time publish and promulgate architectural standards bulletins which shall be fair, reasonable and uniformly applied and shall carry forward the spirit and intention of these Covenants and Restrictions. Although the Committee shall not have unbridled discretion with respect to taste design and any absolute standards specified herein, the Committee shall be responsive to technological advances or general changes in architectural designs and related conditions in future years and use its best efforts to balance the equities between matters of taste and design (on the one hand) and use of private property (on the other hand). Such bulletins shall supplement these Covenants and Restrictions and are incorporated herein by reference.

Neither the Architectural Review Committee nor the Declarant shall be liable for damages to anyone submitting plans to them for approval or to any Owner by reason of a mistake in judgment, negligence or nonfeasance arising out of or in connection with the approval or disapproval or failure to approve such plans and specifications that he will not bring any action or suit against the Architectural Review Committee or Declarant to recover any such damages. Approval by the Architectural Review Committee or the Declarant shall not be

deemed to constitute the plans or the requirements of any local building codes and it shall be the responsibility of the Owner or other persons submitting the plans to the Architectural Review Committee to comply therewith.

Until December 31, 1990, unless voluntarily relinquished at an earlier date, the Declarant in its own name and on behalf of the Architectural Review Committee shall have the right to enforce the covenants, conditions and restrictions. Additionally, until the date aforesaid, at the request of Declarant or at the request of the Architectural Review Committee at any time of the duration of these covenants, the Association shall have the right to enforce these covenants herein set forth. Declarant reserves the right to transfer at any time its duties or responsibilities of the Architectural Review Committee pursuant to these covenants to the Association whereupon said Association shall have the right and the duty to enforce these covenants and to restrain any violation hereof.

Section 7.2 Variances. Where circumstances such as topography, hardship, Location of property lines, location of trees, brush, streams or other matter majority of the members of said Committee allow a reasonable variance as to any of the covenants and restrictions contained in this instrument on such terms and conditions as it shall require. The Architectural Review Committee shall develop a design review standard which shall govern their actions in respect to granting any variances. The design review standard will be maintained in a documentary form and will detail every variance granted and the reasons for variances granted and the reason for granting same.

Section 7.3 Books and Records. The Architectural Review Committee shall keep and safeguard a complete written record of all applications approved and submitted to it and all actions taken by it under the provisions of this Declaration. Said records shall be maintained for a minimum of five (5) years after approval or disapproval.

Section 7.4 Special Assessments for Maintenance of Property or Enforcement of the Declaration. In the event that the Owner of any lot shall fail to maintain the premises and the improvements situated thereon in a manner satisfactory to the Architectural Review Committee, the Board of Directors of the Association shall have the right through its agents and employees to enter upon said parcel and to repair, maintain and restore the same and exterior of the buildings and any other improvements erected thereon, including landscaping, in the manner contemplated by the above provisions. The provisions also applies to the completion of construction or reconstruction of any dwelling unit not completed in accordance with plans and specifications approved by the Architectural Review Committee. The cost of such exterior maintenance, construction or reconstruction shall thereupon be added to and become a part of the annual assessment to which said parcel is subject to as aforesaid.

ARTICLE VII

GENERAL RESTRICTIONS

Section 8.1 Single Family Dwelling. Except as to Lots 31 and 51 in Phase III (which may be utilized for commercial purposes), no structure constructed or maintained upon said property shall be used for any purpose other than for single family dwelling purposes. No dwelling shall be less than 2,000 square feet. No mobile homes including but not limited to trailer homes or double-wide Type mobile homes, shall be permitted on the property. No lots utilized for residential purposes shall be further subdivided. (See Amendment dated August 27, 1992.)

<u>Section 8.2 Construction and Occupancy</u>. Construction or placement of any structure or improvement upon any Lot shall require the prior approval of the Committee as such procedure is set forth herein. All work of external

construction on each structure shall be completed within one (1) year from the start of construction. The exterior of the dwelling and all outbuildings shall be wood, masonry or stone or any combination thereof. All detached garages and accessory buildings shall be on a permanent foundation and shall be completed within one (1) year after the date they are started. All driveways or other to lots will have a ditch culvert. Culverts and placement will be the responsibility of the purchaser.

Section 8.3 Maintenance and Repairs. All structures upon said property shall at all times be maintained in good conditions and repair. No junk vehicles or vehicles not with current registration and safety inspection sticker shall be allowed on the property or any lot within STEEPLECHASE COUNTRY ESTATES. Vehicles must be garaged or be on driveway only. Except as expressly provided otherwise in this Declaration, no trailers, boats, boat trailers, mobile homes, motor homes, trucks or campers shall be permitted to park or be stored overnight on any street within the Property.

Section 8.4 Temporary Quarters. Except during the period of actual construction of the permanent residence, no house trailer shall be placed upon said property, and in any event no such trailer shall be permitted on the property for a period in excess of 12 months. Pickup campers and camp trailers less than eighteen (18) feet in length shall be permitted, except that they shall never be used for permanent residence.

<u>Section 8.5 Outhouses</u>. No privy (other than a temporary one during erection of a structure) shall be erected or maintained upon said property.

Section 8.6 Utility Services. Electric utility services have been made available by means of the usual overhead and surface facilities. The Owner shall be responsible for the cost of connecting all facilities underground to the utility facilities provided by the Declarant. Water lines will be provided for every lot, however, each Owner shall be responsible for all hook-up fees required. The Association however, will pay, as funds are available \$1,050 for water hookup fees (approximately \$20 of each payment is being currently set aside for this purpose). The Owner of each Lot additionally understands and agrees that if the water supply is eventually not provided by local water district and if a water plant for the Property is built, each Owner shall be responsible for their prorate share as to any and all costs and expenses in connection therewith.

Section 8.7 Nuisances.

- (a) Weeds, tall grass, brush and similar growth shall be removed and the area kept in a clean, safe, attractive condition, provided that nothing herein shall be construed as preventing the planting or growing of ornamental shrubbery or growth for landscape or soil erosion control purposes. Garbage containers shall be placed so as not to be visible for the street of any residential lot. All trash and garbage must be hauled away a minimum of once a week. Owners of Lots, whether built on or not must keep Lots free of weeds and debris. if at any time, an Owner shall fail to control weeds, unsightly growth and/or debris that is on any Lot, the Declarant or Association shall have the right to go on said Lot, mow and/or clean the Lot and bill the Owner of record of such Lot for charges. In addition, if a Lot is not regularly mowed and grass or weeds are permitted to grow over eight (8) inches in height on such Lot, the Owner will pay to the Declarant for each such Lot the sum of \$100.00 per day starting the first day thereafter, as liquidated damages to the Declarant.
- (b) No noxious or offensive activity shall be carried on upon any Lot, nor shall anything be done thereon which may be or may become an annoyance or nuisance to the neighborhood.

(c) No domestic animals totaling more than two generally recognized house or yard pets shall be maintained on any Lot, except that: As regards Phase I, Lots 18 through 25, only one horse is allowed per Lot and as regards Lots 12 through 17, a maximum of two horses per Lot is permitted; as regards Phase II, Lots 1 through 11 only one horse is allowed per Lot and as regards Lots 11 through 19, a maximum of two horses per lot is permitted; as regards Phase III, Lot 12 only one horse will be allowed, and as regards Lots 13 through 19, a maximum of two horses per lot is permitted. For the purpose of these restrictions a "horse" is defined as a horse, pony or any other equestrian animal. No other barn yard animals are permitted. All such pets shall at all times be kept under control by its Owner while anywhere on the Property. Animals shall not be permitted to roam at will, and at the option of the Declarant or Association, steps may be taken to control any animal not under the immediate control of their owners, including the right to impound animals not under such control, and charge substantial fees to their Owner for their return. Horses may be ridden only in designated areas, between the hours of 6:00 A.M. and 10:00P.M. Use of bridle paths and jogging trails is a privilege, not an incident of ownership. Abuse of this privilege could result in the suspension of use for such period and terms as the Board of Directors may determine.

Section 8.8 Stables and Horses. Horses may be kept in the above mentioned Lots and a barn or stable may be erected if a horse is permitted, provided such barn or stable is of substantially the same architecture material, and design as the residence located on such Lot, such barn or stable to be approved by the Architectural Control Committee. Ho horse shall be allowed closer to the street fronting each Lot than the rear line of the house located thereon.

<u>Section 8.9 Setback Line</u>. No building shall be located, erected or alerted on any Lot nearer to the front or side street than the building setback line shown on the recorded plat. No building shall be located nearer than 15 feet to any Lot line.

Section 8.10 Landscaping and Drainage. Landscaping of a Lot must be completed within one hundred eighty (180) days after the date on which the main structure is ninety-five (95%) complete. All Lots shall be graded so that surface water will flow to the street or the rear utility and drainage easement. Drainage may not be altered.

Section 8.11 Sewerage. All bathrooms and toilet conveniences shall be placed within the walls of the dwelling. Each Lot Owner shall dispose of sewage by means of septic system constructed on his Lot at his own expense. The location, design, size, construction and maintenance of such system shall comply with all rules, regulations and requirements of the Grayson County Health Department and of any other public body having jurisdiction thereof. Each Lot Owner shall have his system inspected by the licensed septic tank contractor at such intervals as the Grayson county Health Department or other public body having jurisdiction may, from time to time, require and agrees, at his own expense, to service and make repairs when the report of such licensed septic system inspector shows the same to be needed. Each Lot Owner further agrees that if a sewage or sanitary district is hereafter formed and the Declarant requests him to tie or connect his sewage pipe, or line, into or with such system, he will do so at his own cost and expense.

Section 8.12 Easements. Easements for installation and maintenance of utilities and drainage facilities are reserved as shown on the records plat. Full rights of ingress and egress shall be had by Declarant or Association and its successors and assigns at all times over the Property for the installation,

operation, maintenance, repair or removal of any utility together with the right to remove any obstruction that may be placed in such easement that would constitute interference with the use of such easement, or with the use, maintenance, operation or installation of such utility. It is the responsibility of each Owner to maintain all easements upon his Lot, free from all nuisances, whether common law nuisances or nuisances as defined under state law. The State shall have the right to enforce these and all other covenants and restrictions stated in this agreement and all subsequent covenants and restrictions.

<u>Section 8.13 Fences</u>. The erection, location and design of any fence shall be subject to the approval of the Committee.

<u>Section 8.14 Signs</u>. No sign of any kind shall be displayed to the public view on any Lot except one professional sign of not more than one square foot, one sign of not more than five square feet advertising the property for sale or rent, or signs used by a builder to advertise the property during the construction and sales period.

Section 8.15 Duration and Enforcement.

- (a) These covenants are to run with the land and shall be binding on all parties and all persons claiming under them for a period of 30 years from the date hereof, after which said covenants shall be automatically extended for successive periods of 10 years unless an instrument signed by 75% in number of the then owners of the Lots has been recorded, agreeing to change said covenants in whole or in part.
- (b) If the parties hereto or any of them, or their heirs, grantees, successors or assigns shall violate or attempt to violate any of the covenants herein, it shall be lawful for any persons owning any real property situated in said addition to prosecute any proceedings at law or in equity against the person or persons violating or attempting to violate any such covenants and either to prevent him or them from so doing or to recover damages or other dues for such violations, including reasonable attorney's fees.

<u>Section 8.16 Validity</u>. Invalidation of any of these covenants by judgment or court order shall in no wise affect any of the other provisions which shall remain in full force and effect.

<u>Section 8.17 Liens</u>. Nothing contained in this declaration shall impair or defeat the lien of any mortgage or deed of trust made in good faith and for value, but title to any property subject to this declaration obtained through sale in satisfaction of any such mortgage or deed of trust shall thereafter be held subject to all of the protective restrictions hereof.

Section 8.18 Headings. The headings contained in this Amended Declaration are for reference purposes only and shall not in any way affect the meaning or interpretation of this Amended Declaration. Words of any gender used herein shall be held and construed to include any other gender, and words in the singular shall be held to include the plural and vice versa, unless the context requires otherwise.

Section 8.19 Notices to Member/Owner. Any notice required to be given to any Member or Owner under the provisions of the Declaration or this Amended Declaration shall be deemed to have been properly delivered when deposited in the United States mails, postage prepaid, addressed to the last known address of the person who appears as Member or Owner on the records of the Association at the time of such mailing.

Section 8.20 Disputes. Matters of dispute or disagreement between Owners with respect to the interpretation or application of the provisions of the Declaration or this Amended Declaration or the Association Bylaws, shall be determined by the Board of Directors, whose determination (absent arbitrary and capricious conduct or gross negligence) shall be final and binding upon all Owners.

<u>Section 8.21 Power of Attorney</u>. Each and every Owner hereby makes, constitutes and appoints Declarant as their true and lawful attorney in fact for them and in their time, place and stead and for their use and benefit, including without limitation:

- (a) to exercise, do, or perform any act, right, power, duty or obligation whatsoever in connection with arising out of, a relating to any matter involving the Declaration, this Amended Declaration or any supplemental declaration.
- (b) to sign, execute, acknowledge, deliver and record any and all instruments which modify, amend, change, enlarge, contract, or abandon the terms within the Declaration, this amended Declaration, or any part thereof, with such clause(s) recital(s) covenant(s), agreement(s), and restriction(s) as Declarant shall deem necessary, proper and expedient; and
- (c) to sign, execute, acknowledge, deliver and record any and all instruments which modify, amend, change, enlarge, contract or abandon the subdivision plat of the Property or any part thereof, with any easements and right-of-way to be therein contained as the Declarant shall deem necessary, proper and expedient.

The rights, powers and authority of said attorney in fact to exercise any and all of the rights and powers herein granted shall commence and be in full force upon recordation of this Amended Declaration in the Grayson County Clerk's Office and shall remain in full force and effect thereafter until the tenth (10th) anniversary of the recordation of this Amended Declaration.

Section 8.22 Condemnation. Upon any condemnation or similar taking of all or any part of the Common Area by authority with lawful power to accomplish such condemnation or taking, any award or damages received therefore by the Declarant or the Association shall be placed in a reserve fund of the Association and utilized for capital expenditures for the benefit of the Association as the Board of Directors shall direct.

Executed this 9th day of January, 1986

STEEPLECHASE COUNTRY ESTATES A Texas joint venture

By: Andrew G. Fenney Managing Venturer

AMENDMENT VIA WARRANTY DEED TO

DECLARATION OF COVENANTS, CONDITIONS AND

RESTRICTIONS OF

STEEPLECHASE COUNTRY ESTATES

Filed for record and recorded May 8, 1992 with the Grayson County Clerk's Office

Volume 2210 Page 321 & 322

Summary of key information

PROPERTY (including improvements):

BEING LOTS TWENTY-SEVEN (27) and FORTY-ONE (41), of STEEPLECHASE COUNTRY ESTATES SUBDIVISION, PHASE 1, an addition in Grayson County, Texas, according to the Plat thereof recorded in Vol. 8 at page 22 of the Plat Records of Grayson County, Texas

RESERVATIONS FROM AND EXCEPTIONS TO CONVEYANCE AND WARRANTIES:

This conveyance is made and accepted subject to all easements, restrictions, mineral reservations and/or conveyances, and zoning ordinances applicable to said property as same appear of record. In addition to those restrictions appearing of record, the restrictive covenants on Exhibit "A" apply to the property.

EXHIBIT "A" RESTRICTIVE COVENANTS

The following restrictions apply to the subject property in addition to any restrictions already of record:

- 1. Horses may be maintained on perimeter lots only, with a minimum of two (2) acres per horse.
- 2. The equestrian trail may be accessed only after acquiring permission from all perimeter lot owners.
- 3. Non-wood or permanent type siding (e.g. vinyl, aluminum, etc.) for use on residential structures and outbuildings must be approved by the Architectural Review Committee prior to its use.
- 4. The exterior construction of all residential structures and outbuildings must consist of at least 70% brick or masonry, unless the structure has been excepted to the under paragraph 3 above.
- 5. Subdivision of lots must be approved by the Architectural Review Committee and all lots must be one (1) or more for approval.
- 6. Dog kennels for training, breeding, or boarding for commercial purposes of profits are prohibited.

AMENDMENT TO DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS OF STEEPLECHASE COUNTRY ESTATES

Filed for record and recorded August 27, 1992 with the Grayson County Clerk's Office

Volume 2228 Page 378 to 387

STATE OF TEXAS COUNTY OF GRAYSON

Whereas the undersigned constitute 75% of the current owners of all of the lots comprising all of Steeplechase Country Estates, Phase I, Phase II, and Phase III, a subdivision of Grayson County, Texas as per plats filed of record in the office of the County Clerk of Grayson County, Texas. Whereas, Declarations of Covenants, Conditions, and Restrictions have been filed affecting said subdivision of record in Volume 1339, Page 301, Volume 1740, Page 548, and restated in Declarations of record in Volume 1778, Page 195 and Volume 1796, Page 473, all in the Real Property Records of Grayson County, Texas. Whereas, the undersigned desire to amend said Declarations of Covenants, Conditions and Restrictions in accordance with Section 8.15 of the last restated Declaration of Covenants, Conditions and Restrictions.

Now Therefore, each of the undersigned do hereby confirm that he/she is the owner of a lot or lots in the Steeplechase Country Estates subdivision and do hereby amend Article VII, Section 8.1 to delete the sentence reading as follows: "No lots utilized for residential purposes shall be further subdivided." And to replace it with the following sentences: "A lot may be subdivided into tracts of one acre or more. No lot shall be subdivided which would result in a portion thereof being less than one acre."

This amendment may be executed in one or more counterparts with all the executed counterparts taken together constituting the amendment, and is effective upon the execution of all of the undersigned. This amendment shall be considered to be executed by a party on the date that party's signature is acknowledged by a notary public.

Note: Copies of the names of the parties signing and their actual signature are on file with the Grayson County Clerk in the volume and pages listed above.