

**DECLARATION OF COVENANTS, CONDITIONS
AND RESTRICTIONS
OF
CROWN POINT SECTION ONE**

THE STATE OF TEXAS §
 § KNOW ALL MEN BY THESE PRESENTS:
COUNTY OF WALKER §

WHEREAS, this Declaration made on the date hereinafter set forth by Waterstone Opportunity Fund, LLC, a Texas Limited Liability Company having its principal place of business in Livingston, Polk County, Texas, and being called herein "Declarant" imposes restrictions upon that one certain tract of land out of the Wiley Parker Survey, A-37, Walker County, Texas, as shown on Subdivision Plats entitled Crown Point Section 1, Recorded in Volume _____, Pages _____ et. seq. of the Plat Records of Walker County, Texas;

WITNESSETH:

WHEREAS, it is the desire of Declarant to place certain restrictions, covenants, conditions, stipulations and reservations upon and against property owned by Declarant known, or to be known, as Crown Point, Section 1, a subdivision in Walker County, Texas, being more particularly described on Exhibit "A" attached hereto and made a part hereof for all purposes (the "Property" as hereafter defined) in order to establish a uniform plan for the development, improvement and sale of the Property, and to insure the preservation of such uniform plan for the benefit of both the present and future Owners of the Lots in the Property;

NOW, THEREFORE, Declarant hereby adopts, establishes and imposes upon the Property and declares the following reservations, easements, restrictions, covenants and conditions applicable thereto, all of which are for the purpose of enhancing and protecting the value, desirability and attractiveness of the Property, and for the welfare and benefit of the Owners of the Lots in the Property, which reservations, easements, covenants, restrictions and conditions shall run with the land and shall be binding upon all parties having

or acquiring any right, title or interest therein, or any part thereof, and shall inure to the benefit of each Owner thereof for the welfare and protection of property values.

ARTICLE I DEFINITIONS

Wherever used in this Declaration, the following words and/or phrases shall have the following meanings, unless the context clearly requires otherwise:

1.1 "Property" or "Properties" or "Homes" shall mean and refer to real property in **CROWN POINT SECTION ONE**, a subdivision in Walker County, Texas, as more fully described hereinabove, and any additional properties made subject to the terms hereof pursuant to the annexation provisions set forth herein.

1.2 "Lot" and/or "Lots" shall mean and refer to the Lots shown upon the Recorded Subdivision Plat(s) which are restricted hereby to use for residential purposes, excluding specifically any Common Area or Reserves.

1.3 "Owner" shall mean and refer to the record Owner, whether one or more persons or entities, of fee simple title to any Lot which is a part of the Properties, including contract sellers, but excluding those having such interest merely as security for the performance of an obligation and those having any interest in the mineral estate. However, the term "Owner" shall include any mortgagee or lien holder who acquires fee simple title to any Lot through judicial foreclosure.

1.4 "Subdivision Plat" shall mean and refer to the Subdivision Plats entitled CROWN POINT, SECTION ONE, recorded in the Plat Records of Walker County, Texas as described hereinabove.

1.5 "Association" shall mean and refer to the CROWN POINT PROPERTY OWNERS ASSOCIATION, INC., its successors and assigns, as provided for in Article V hereof.

1.6 "Declarant" shall mean and refer to WATERSTONE OPPORTUNITY FUND, LLC, a Texas limited liability company, its respective successors and/or assigns which shall include but not be limited to Waterfront Development, LLC.

1.7 "Common Area" shall mean and refer to all those areas of land within the Properties as shown on the Subdivision Plat, except the Lots shown thereon, together

with such other property as the Association may, at any time or from time to time, acquire by purchase or otherwise, subject, however, to the easements, limitations, restrictions, dedications and reservations applicable thereto by virtue hereof and/or by virtue of the Subdivision Plat.

1.8 "Common Facilities" shall mean and refer to all existing and subsequently provided improvements upon or within the Common Area in any portion of Crown Point , except those as may be expressly excluded herein. Also, in some instances, Common Facilities may consist of improvements for the use and benefit of the Owners in the Subdivision, constructed on portions of one or more Lots or on acreage owned by Declarant (or Declarant and others) which has not been brought within the scheme of this Declaration.

1.9 "Improvement to Property" shall mean, without limitation: (a) the construction, installation or erection of any building, structure, fence, dwelling Home or other Improvements, including utility facilities; (b) the demolition or destruction, by voluntary action, of any building, structure, fence, or other Improvements; (c) the grading, excavation, filling, or similar disturbance to the surface of any Lot, including, without limitation, change of grade, change of ground level, change of drainage pattern, or change of stream bed; (d) installation or changes to the landscaping on any Lot; (e) cutting of any tree more than 3 inches in diameter and (f) any exterior modification, expansion change or alteration of any previously approved Improvement to Property, including any change of exterior appearance, color, or texture not expressly permitted by this Declaration, or rules and regulations adopted by Declarant or the Board of Directors of the Association with the Declarant's consent.

1.10 "Improvements" shall mean all structures and any appurtenances thereto of every type or kind, which are visible on a Lot, including, but not limited to: a dwelling Home, buildings, outbuildings, swimming pools, spas, hot tubs, patio covers, awnings, painting of any exterior surfaces of any visible structure, additions, sidewalks, walkways, fire pits, sprinkler pipes, garages, carports, roads, driveways, parking areas, fences, screening, walls, retaining walls, stairs, decks, boathouses, fixtures, windbreaks, basketball goals, yard decorations, benches, flagpoles, or any other type of pole, signs, exterior tanks, exterior air conditioning fixtures and equipment, water softener fixtures, exterior lighting, recreational equipment or facilities, radio, conventional or cable or television antenna or, dish, microwave television

antenna, and landscaping that is placed on and/or visible from any Lot. Any man made changes to a developed or undeveloped lot.

1.11 "Mobile home" shall mean and is used here in these documents to describe a generic list of evolutionary and technological changes to a class of homes that are built off site and transported in one or more pieces to the homesite and not stick built on site including but not limited to all factory-built or off site built residential structures regardless of industry, original use or regulatory name. This shall not include or preclude panelized wall or roof sections and trusses.

1.12 "Development Period" shall mean the period of time that Declarant reserves the right to facilitate the development, construction and marketing of the Subdivision, which retained rights shall be vested in the Declarant until Declarant no longer owns any portion of the Subdivision or annexations to same or such time as Declarant assigns or relinquishes all of its retained rights.

1.13 "Government Agency" shall mean to include but not be limited to the City of Huntsville or any other City claiming or in the future claiming authority over the subdivision, the County of Walker, The State of Texas or political subdivision thereof, the United States Government.

ARTICLE II

RESERVATIONS, EXCEPTIONS AND DEDICATIONS

2.1 The Subdivision Plat dedicates for use as such, subject to the Limitations set forth therein, the streets and easements shown thereon, and such Subdivision Plat further establishes certain restrictions applicable to the Properties, including, without limitation, certain minimum setback lines. All dedications, limitations, restrictions and reservations shown on the Subdivision Plat are incorporated herein and made a part hereof, as if fully set forth herein, and shall be construed as being adopted by each and every contract, deed or conveyance executed or to be executed, conveying said property or any part thereof, whether specifically referred to in such contract, deed or conveyance.

2.2 All easements and rights-of-way as shown on the Subdivision Plat for the Purpose of constructing, maintaining and repairing a system or systems of electric lighting, electric power, telegraph, fiber optic or future technological advancements and telephone line or lines, gas, sewer, water, cable, drainage or any other utility as determined by Declarant or Governmental agency installed and/or to be installed in, across and/or under the Properties shall be specifically, reserved herein.

2.3 Neither Declarant its agents, employees or servants, assigns or permittees nor any utility company or governmental agency using the easements or rights-of-way as shown on the Subdivision Plat, or that may otherwise be granted or conveyed covering the Properties, or any portion thereof, shall be liable for any damages done by them, or their assigns, agents, employees or servants, to fences, shrubbery, trees or flowers or other property of the Owner situated on the land covered by any such easements or rights-of-way, unless negligent.

2.4 It is expressly agreed and understood that the title to any Lot or parcel of land within the Properties conveyed by contract, deed or other conveyance shall be subject to an easement for roadways or drainage, water, gas, sewer, storm sewer, drainage, electric light, electric power, telegraph, telephone or cable purposes and such future utilities as may be developed without limitation and no deed or other conveyance of the Lot shall convey any interest in any pipes, lines, poles or conduits, or in any utility facility or appurtenances thereto constructed by or under any easement Owner, or their agents, though, along or upon the premises affected thereby, or any part thereof, to serve said Properties or other lands appurtenant thereto. The right to maintain, repair, sell or lease such appurtenances to any municipality or other governmental agency or to any public service corporation or to any other party, is hereby expressly reserved to Declarant.

ARTICLE III
USE RESTRICTIONS

3.1 Land Use and Building Type. All Lots shown in Exhibit "A" attached hereto shall be known and described and used at all times solely as Lots for single family residential purposes only (hereinafter referred to as "Residential Lots"), and no structure shall be erected, altered, placed or permitted to remain on any Residential Lot other than one detached

single-family dwelling not to exceed two stories in height and or 42 feet of height above the road immediately adjacent to the lot. The home shall be laid out in accordance with the subdivision master plan with in that each garage shall be and must have a garage capable of housing not less than two (2) cars and provide a minimum of two (2) parking spaces per dwelling unit per governmental direction. As used herein, the term "single family residential purposes" shall be construed to prohibit the use of said Lots for Parking or use in any way of camping trailers, motor homes, mobile homes or other types of manufactured housing whether factory built or not, or housing which is re-tasked from other uses and or is mobile in nature either presently or at any point in its existence without limitation, duplex houses or apartment houses. Garage apartments shall also be prohibited except as used by the property owner for their own personal use and not leased or rented unless included with the entire home. No Lot shall be used for business or professional purposes of any kind this would include short term leases or rentals of less than 12 months, nor for any commercial or manufacturing purposes.

Specifically exempted from this description of mobile in nature shall be homes built on site which use off site constructed individual wall sections and roof trusses.

The following specific restrictions and requirements shall apply to all Lots in the Property:

(a) Outbuilding Provided the express written consent of the Architectural Control Committee is secured prior to installation and placement on a Lot, a structure on not more than 8 feet in height shall be permitted between the rear line of the home and the rear property line. In no case can the outbuilding be permanently placed in a utility easement, and must be placed so that it does not at any time enter or violate the setbacks.

(b) Garages. No garage shall ever be changed, altered or otherwise converted for any purpose inconsistent with the housing of a minimum of two (2) automobiles at all times. All Owners, their families, tenants and contract purchasers shall, to the greatest extent practicable, utilize such garages for the garaging of vehicles belonging to them and their guests. Garages may contain living quarters so long as the garage still has parking for 2 vehicles. No rental of this garage-based living space shall be permitted unless the rental

also includes the entire home; this is specifically intended to prevent rental garage apartments.

Garages shall be constructed in such a way that the garage door wall is parallel to the front wall of the home and the front property line adjacent to the street. Garages shall be placed in accordance with the subdivision master plan:

(c) Exterior Wall. No residence shall have less than one hundred (100) percent masonry construction or natural wood on its exterior wall area. As used in this paragraph, the term masonry construction shall include brick, stone, artificial stone, stucco or equivalent material acceptable to the Architectural Control Committee. Fibrous cement siding (i.e. Hardiplank) shall be included within the term masonry construction. No use of exposed concrete for walls other than as foundation shall be permitted. No materials that are in sheets of greater than 1ft by 3 ft shall be permitted except as cover of foundations or soffits. Exterior must be in a cottage type design or other appropriate design the sole determination of appropriate shall rest with the Architectural Control Committee.

(d) Detached Garages must be of the same material and quality of construction as the main living structure and are subject to all terms and restrictions as above on the Lot.

(e) Roof Materials. Unless otherwise approved in accordance with the last sentence of this subsection (d), the roof of all buildings on the Property shall be constructed or covered with asphalt composition shingles, metal R panel roofing, (specifically prohibiting the use of corrugated style metal or fiberglass on roofs and or walls. The color of any roofing shall be of wood tone, earth tone, forest green, Black or in harmony with earth tone and shall be subject to written approval by the Architectural Control Committee prior to installation. Any other type or color of roofing material may be used only if approved in writing prior to installation by the Architectural Control Committee. All materials used for roofing must be new and not distressed.

(f) Air Conditioners. No window or wall type air conditioners shall be permitted to be used, erected, placed, or maintained on or in any building or on any Lot.

(g) Paint Colors. The following colors are approved for homes within Crown Point

. All homes shall have a minimum of 2 colors with separate colors for trim and Body.

(h) All trim is to be SW7005 Pure white.

(i) Body Shall be 2 or more of the following Storm Cloud SW6249, Rainwashed SW6211, Worldly Gray SW7043, Silver Strand SW7057, Misty SW6232, Nearly Peach SW6336, Sagey SW6175, Gardenia SW6665, Alabaster SW7008, Cultured Pearl SW6028, Wool Skein SW6148, Halcyon Green SW6213, Agreeable Gray SW7029, Svelte Sage SW6164, Resolute Blue SW6507, Rosemary SW6187, Haven SW6437, Raindrop SW6485, Peach Blossom SW6624, Lantern Light SW6687.

No requirement to use any specific brand of paint is made. No homes within the community shall be painted the same color as another home located with less than at least 3 separating homes as to avoid color duplication.

3.2 Minimum Square Footage Within Improvement. Each dwelling constructed shall contain a minimum of 1000 square feet of HVAC controlled area not including garage, storage, or non-occupied but HVAC controlled areas. Each unit shall have not less than 2 bedrooms and 2 baths. All kitchens shall provide a garbage disposal unit and same must be kept in working order at all times.

3.3 Landscaping. The Owner or builder of each Lot, as a minimum, prior to Completion of the construction of a residential dwelling shall solid sod with grass the area between its residential dwelling and the curb line(s) of the abutting street(s) and Installation of one 3-inch diameter tree and 6 shrubs adjacent to the front of the home. This minimum standard shall automatically be modified for future construction at any time a governmental agency with modifies its minimum landscaping requirements.

However, no reduction of the governmental agency standards shall be construed to reduce below the minimums herein stated. At no time may any area of any Lot covered with sod be used for parking of any vehicle.

3.4 Sidewalk. No sidewalk, walkway, improved pathway, deck, patio, driveway or other improvement shall be constructed on any Lot unless and until the plans and specifications therefor are submitted to and approved by the Architectural Control Committee as provided by Article IV below. Driveways must be constructed of concrete with reinforcement and shall contain a suitable culvert if streets are other than curb and gutter. At no time shall ditches if provided for in the original site plan be filled in or reduced.

Drainage structures under private driveways shall have a net drainage opening area of sufficient size to permit the free flow of water without backwater, and shall be a minimum of one and three quarters square feet (18" in diameter pipe culvert)

3.5 Location of the Improvements Upon the Lot. No building shall be located on any lot nearer to the front line or nearer to the street side line than the minimum building setback line shown on the recorded Subdivision Plat or replat(s) or 20 feet whichever is greater thereof Subject to the provisions of Section 3.6 below, no part of the house building shall be located nearer than five (5) feet to an interior side Lot line or Twenty (20) feet to any side exterior Lot line on a corner Lot. Any detached or semidetached garage may be located not less than five (5) feet from an interior side Lot line. Notwithstanding any provision hereof to the contrary, no building or structure constructed on a Lot shall be allowed to encroach upon another Lot or to be situated closer than ten (10) feet to a building or structure on any adjoining Lot.

Unless otherwise approved in writing by the Architectural Control Committee, each main residential building shall face the front of the Lot. For the purpose hereof, the term "front Lot line" shall mean the property line of a Lot that is adjacent and continuous to a street or road shown on the, Subdivision Plat, or if two or more property lines are adjacent to a street, the "front Lot line" shall be the property line adjacent to a street that has the shortest dimension, and the term "street side Lot line" shall mean and refer to all property lines of any Lots that are adjacent to a street except the front Lot line, and the "interior side Lot line" shall mean and refer to all property lines other than the front Lot line and the street side Lot line. For the purposes of this covenant, eaves, steps, and unroofed terraces shall not be considered as part of a building provided, however, this shall not be construed to permit any portion of the construction on a Lot to encroach upon another Lot.

3.6 Composite Building Site. Subject to the approval of the Architectural Control Committee, any Owner of one or more adjoining Lots or portions thereof may consolidate or re divide such Lots or portions into one or more building sites with the privilege of placing or constructing improvements on such resulting sites, in which case the front footage at the building setback lines shall be measured from the resulting side property lines rather than from the Lot lines indicated on the recorded plats. Any such

resulting building site must have a frontage at the building setback line consistent with the original restrictions contained herein.

If an Owner consolidates two or more adjoining Lots, each original Lot shall continue to be assessed for maintenance as provided in Article VII. If an Owner re-divides a Lot, the resulting Lots shall be assessed for maintenance as provided in Article VII as if each resulting Lot were an original Lot.

3.7 Prohibition of Offensive Activities. No activity, whether for profit or not, shall be carried on any Lot which is not related to single family residential purposes. No noxious or offensive activity of any sort shall be permitted, nor shall anything be done on any Lot which may; be or become an annoyance or a nuisance to the neighborhood. This restriction is not applicable in regard to the normal sales activities required to sell new homes in the Subdivision and the lighting effects utilized to display the model homes.

3.8 Use of Temporary Structures. No structure, of temporary character, whether trailer, tent, shack, garage, barn, container or other outbuilding shall be maintained or used on any Lot at any time as a residence, or for any other purpose including structures constructed with prior express written consent of the Architectural Control Committee; provided, however, Declarant reserves the right to grant the exclusive right to erect, place and maintain such facilities in or upon any portions of the Lots or Reserves as in its sole discretion may be necessary or convenient while selling Lots, selling or constructing residences and constructing other improvements upon the Properties. Such facilities may include, but not necessarily be limited to, sales and construction offices, storage areas, model Homes, signs and portable toilet facilities. Garages, if used during the development phase or new home construction as a sales office, are permissible provided it is converted to a regular garage capable of housing a minimum of two (2) automobiles prior to conveyance for occupancy by an Owner.

3.9 No Storage Buildings

No structure of any type may be located between the street and the garage or home wall closest to the street. Storage buildings regardless of location may not be metal and should not be higher than 8 feet. Basketball goals are permitted on lots adjacent to the driveway and not closer than 5 ft from side lot lines and 20 ft from front lot line.

3.10 Storage of Automobiles, Boats, Trailers and Other Vehicles. No vehicle with or without motor may be parked or stored on any part of any Lot, easement, right-of-way, or Common Area unless such vehicle is concealed from public view inside a legally permitted garage provided the doors may be closed and secured or other approved enclosure, except

passenger automobiles, passenger vans or pick-up trucks that: (1) are in operating condition; (2) have current license plates and inspection stickers; (3), are in daily use as motor vehicles on the streets and highways of the State of Texas; and (4) which do not exceed six feet six inches in height, or seven feet six inches in width or twenty-one feet in length, and may be parked in the driveway on such Lot. No non-motorized vehicle, trailer, boat, marine craft, hovercraft, aircraft, machinery or equipment of any kind may be parked or stored, on any part of any Lot, easement, right-of-way, or Common Area unless such object is concealed from public view inside a garage provided the doors may be closed and secured or other approved enclosure. No repair work, dismantling or assembling of motor vehicles or other machinery or equipment shall be done or permitted on any street, driveway or any portion of the Property unless such object is concealed from public view inside a garage provided the doors may be closed and secured or other approved enclosure. No motor bikes, non-licensed motorcycles or motor scooters, "go-carts" or other similar vehicles shall be permitted to be operated on the Properties or Crown Point if, in the sole judgment of the Board of Directors of the Association with the Declarant's consent, such operation, by reason of noise or fumes emitted, or by reason of manner of use, shall constitute a nuisance or jeopardize the safety of the Owners, their tenants, and their families. The Board of the Association or Declarant may adopt rules for the regulation of the admission and parking of vehicles within the Common Areas, including the assessment of charges to Owners who violate, or whose invitees violate, such rules. No vehicle shall be parked without being moved for more than 72 hours upon the common areas or along the streets. The movement of said vehicle shall require it to not be located upon the common area or streets for at least 48 hours. If a complaint is received about a violation of any part of this section, the Board of Association will be the final authority on the matter. This restriction shall not apply to any vehicle, machinery, or maintenance equipment temporarily parked and in use for the construction, repair or maintenance of subdivision facilities or of a house or houses in the immediate vicinity.

3.11 Mineral Operations. No derrick or other structures designed for the use in Boring for oil, natural gas or minerals shall be erected, maintained, or permitted

upon any Lot, nor shall any tanks be permitted upon any Lot.

3.12 Animal Husbandry. No animals, snakes, livestock or poultry of any kind regardless of claims or proof of domestication or being support animals shall be raised, bred or kept on any Lot except dogs or cats provided they are not kept, bred or maintained for commercial purposes. No more than three common household pets will be permitted on each Lot. If common household pets are kept, such pets must be restrained and confined on the Owner's Lot. It is the pet owner's responsibility to keep the Lot clean and free of pet debris. Pets must be on a leash when away from the Lot. At no time shall any animal be kept, bred or maintained on any Lot which is deemed to be inherently dangerous in the sole and exclusive opinion of the Association nor any animal which is trained and/or utilized for fighting. For purposes of this paragraph, the breeds of dogs regardless of mix commonly known as pit bull terriers, Dobermans, and rottweilers are presumptively deemed to be inherently dangerous. Notwithstanding the above any owner with a breed of animal otherwise permitted which normally grows to be more than 45 pounds agrees to provide a liability insurance policy naming the POA and its members as additional insured as a condition prior to bringing the animal into Crown Point.

3.13 Exterior Lighting. All installation of exterior lighting must first be approved by the Architectural Control Committee. No mercury vapor or similar technology lights will be approved and all exterior lighting on the property including home, garage or any other structure without limitation must be designed and installed so that light transmission is limited to the Lot area and not extended beyond same so as to illuminate all or any portion of any adjoining Lot, common areas or the Streets. It is the intent of this paragraph to eliminate light pollution both vertical and horizontal and preserve the darkness around the homes and sky above. The provisions of the Dark Sky Initiative shall be enforced.

3.14 Visual Obstruction at the Intersections of Streets. No object, structure or thing which obstructs site lines at elevations between two (2) feet and eight (8) feet above roadways within the triangular area formed by the intersecting street property lines and a line connecting them at points ten (10) feet from the intersection of the street property lines or extension thereof shall be placed, planted or permitted to remain on any corner

Lots.

3.15 Maintenance of Lots and Improvements. The Owners or occupants of all Lots shall at all times maintain the Lot and all improvements thereon in a sanitary, healthful and attractive manner. Such maintenance shall include but not be limited to:

- (a) Prompt removal of all litter, trash, refuse and waste;
- (b) Lawn mowing;
- (c) Tree and Shrub pruning;
- (d) Watering;
- (e) Keeping exterior lighting and mechanical facilities in working order;
- (f) Keep lawn and garden areas alive and attractive, free of weeds;
- (g) Comply with all governmental health and safety requirements, as well as direction of county officials and directions of the Association;
- (h) Repair any damages to exterior components; and
- (i) Repaint as needed (with approved colors) improvements.

In no event shall any Lot be used for storage of materials and equipment except for normal residential requirements or incident to construction of improvements thereon as herein permitted, which materials and equipment shall be stored so as not to be visible from any street. The drying of clothes in public view is prohibited. Similarly, all yard equipment, wood piles, or storage piles shall be kept screened by a fenced service yard or other similar facilities so as to conceal them from view of neighboring Lots, any street, or other property. No Lot shall be used or maintained as a dumping ground for trash, nor will the accumulation of garbage, trash or unused items regardless of value, rubbish of any kind thereon be permitted. Burning of trash, garbage, plastics, and any building materials is prohibited. Burning of leaves, grass, limbs or anything else not prohibited above will not be permitted without the prior, express, written consent from the Association, applicable governmental agency, and with the Declarant's consent. Trash, garbage or other waste materials shall be kept in sanitary containers constructed of metal, plastic or masonry materials with sanitary covers or lids or as required by Walker County or City of Huntsville. Equipment for the storage or disposal of such waste materials used in the construction of improvements erected upon any Lot may be placed upon such Lot at the time construction is commenced and may be maintained thereon for a reasonable time, so long as the construction progresses without undue delay, until the completion of the improvements, after which these materials shall either be removed from the Lot or stored in a suitable enclosure on the Lot. In the event of default on the part of the Owner or occupant of any Lot in observing any of the above requirements, such default continuing

after ten (10) days' written notice thereof from the Association, being placed in the U. S. mail without the requirement of certification, Association may, without liability to the Owner or occupant, enter upon said Lot and initiate any such maintenance deemed needed to the Lot or Improvement, and/or remove or cause to be removed any such Improvement, garbage, trash and/or rubbish, or do any other thing necessary to secure compliance with these restrictions so as to place said Lot and Improvements in a neat, attractive, healthful, and sanitary condition, and may reasonably charge the Owner or occupant of such Lot for the cost of the work. Said charges shall become an assessment against the Lot as provided in Article VII. Minimum standards are defined for any property wherein the grass exceeds the height of six (6) inches or wherein the Directors or their agent determines weeds not to be consistent with the standard of surrounding properties. Further, Declarant or its assignee reserves the right to contract or arrange for regular garbage pickup service for the Lot Owners. The Owner or occupant, as the case may be, agrees by the purchase or occupancy of the property to pay for such work or service immediately upon receipt of a statement, the amount thereof may be added to the annual maintenance charge assessed against such Lot and become a charge thereon in the same manner as the regular annual maintenance charge provided for herein.

3.16 Signs, Advertisements, Billboards, Flags. No signs, billboards, posters or advertising devices of any character shall be erected on any Lot or group of lots of which any portion is under common ownership except one sign of not more than three (3) square feet, advertising the property for sale or signs used by a builder to advertise the property for sale during the construction and sales period. Association with the Declarant's consent shall have the right to remove any nonconforming sign, advertisement or billboard or structure which is placed on a Lot and in so doing shall not be subject to any liability or damages for trespass, tort or otherwise in connection therewith arising from such removal. The right is reserved for builders, provided, consent is obtained from the Association, which cannot be unreasonably withheld, to construct and maintain signs, billboards, or advertising devices for the purpose of advertising for sale dwellings constructed by the builders and not previously sold by such

builder. Signs identifying the homeowner or the homeowner's choice of name for their property shall be permitted upon approval by the Association with the Declarant's consent. No flags shall be permitted other than the American Flag, Flags of other nations, State Flags, or US Military flags. Specifically, this shall prohibit any advertising messages, political signs or flags which in the sole opinion of Declarant or Board of directors are divisive in nature. Election signs shall be permitted as per the state code.

3.17 Antennas, Satellite Dishes and Related Masts. Any antenna, satellite dish and related masts are permitted to be placed on a Lot only in accordance with guidelines, conditions, standards and requirements adopted by the Board of Directors of the Association with Declarant's consent from time to time and as may be amended by the Board of Directors of the Association with Declarant's consent from time to time.

3.18 Noise. Except in an emergency or when unusual circumstances exist (as determined by the Board of Directors), outside construction work or noisy interior construction work shall be permitted only after 6:00 a.m. and before 9:00 p.m.

3.19 Fences are required on the perimeter property lines beginning not more than 3 feet behind the front face of the home as measured from the street but in no case in front of the street side face of the home.

Fences shall be constructed of treated wood, cedar pickets, or vinyl not more than 6 inch in width and be what is commonly known as a privacy fence not to be less than nor more than 6 feet in height. No chain link, or metal fences shall be permitted. If builder does not install such fence then homeowner has 6 months from initial occupancy to submit application and complete erection of said fence.

3.20 Deviations in Restrictions. The Association, at its sole discretion provided consent of Declarant is first obtained, is hereby permitted to approve deviations in the restrictions set forth herein in instances where in its sole judgment, such deviation will result in a more common beneficial use.

Such approvals must be granted in writing and recorded at the county. Any deviations granted must be in the spirit and intent of the welfare of the overall community.

3.21 No Liability. Neither Board of Directors of the Association, nor the respective agents, employees and architects of each, shall be liable to any Owner or any other party for any loss, claim or demand asserted on account of the administration of these restrictions or the performance of the duties hereunder, or any failure or defect in such administration and performance. These restrictions can be altered or amended only as provided herein and no person is authorized to grant exceptions or make representations contrary to the intent of this Declaration. No approval of plans and specifications and no publication of minimum construction standards shall ever be construed as representing such plans, specifications or standards will, if followed, result in a properly designed residential structure. Such approvals and standards shall in no event be construed as representing or guaranteeing any residence will be built in a good, workmanlike manner. The acceptance of a deed to a residential Lot by the Owner in the subdivision shall be deemed a covenant and agreement on the part of the Owner, and the Owner's heirs, successors and assigns, that they will fully honor and comply with the restrictions and that Board of Directors of the Association, as well as their agents, employees and architects, and the declarant as well as their agents, employees and contractors shall have no liability under this Declaration except for willful misdeeds.

3. 22 Interpretation. If this Declaration or any word, clause, sentence, paragraph or other part thereof shall be susceptible of one or more conflicting interpretations, the interpretation which is most nearly in accord with the general purposes and objectives of this Declaration shall govern. Declarant reserves the right to modify all language to more accurately define its intent if a party claims in any way said language is not in keeping with the Declarants original intent in its sole discretion.

3.23 No Business Use No trade or business may be conducted in or from any Home, except that an Owner or occupant may conduct business activities that are incidental to the Owner's residential use within a Home so long as (a) the existence or operation of the business activity is not apparent or detectable by sight, sound or smell from outside the Home; (b) the business activity conforms to all zoning requirements and other restrictive covenants applicable to the Property; (c) the business activity does not involve visitation of the improvements by clients, customers, suppliers or other business invitees or door-to-door solicitation of residents of the Property; and (d) the business activity is consistent with the residential character of the Property and does not constitute a nuisance, or a hazardous or offensive use, or threaten the security of other

residents of the Property, as may be determined in the sole discretion of the Declarant or Board with Declarants consent. By way of illustration but not limitation, a day-care facility, church, nursery, home day care facility, lawyer, accountant, or other professional office, beauty parlor, barber shop, pre-school, mechanical, welding, trades shop of any nature, or other similar facilities are expressly prohibited.

The terms "business" and "trade" as used in this provision shall be construed to have their ordinary, generally accepted meanings and shall include, without limitation, any occupation, work or activity undertaken on an ongoing basis that involves the manufacture or provision of goods or services for or to persons other than the provider's family, regardless of whether: (i) such activity is engaged in full or part-time; (ii) such activity is intended to or does not generate a profit; or (iii) a license is required therefor. Notwithstanding the above, the leasing of a Home shall not be considered a trade or business within the meaning of this Section. This Section does not apply to any activity conducted by the Declarant with respect to its development and sale of the Property.

3.24 Registered Sex Offender. At no time may an Owner of a Lot enter into a contract for rental or sale of the Lot and/or any Improvement located thereon to any individual who is at that time known or should have been known to the Owner to be a registered sex offender as said term as defined in the Texas Penal Code.

3.25 Maximum Occupants of Improvements. At no time shall any improvement on Lot be occupied by more than three (3) adults and six (6) children claiming said Lot as their residential homestead pursuant to the laws of the State of Texas.

3.26 Ingress and Egress to Subdivision. At no time shall any Owner of any Lot, their licensee or invitee make entry into and/or exit from the Subdivision over, across and/or through any portion of the Property other than the then existing, designated private or public streets in the Subdivision.

3.27 Speed Limits on Private Streets. The Board of Directors of the Association with Declarant's consent shall have the sole and exclusive right to establish maximum and/or minimum speed limits for vehicular traffic over and across the private streets in the Subdivision and shall further have the sole and exclusive right to establish and impose fines to be imposed on any violator of such speed limits in the initial amounts of \$50.00 per infraction.

3.28 Painting and Yard Art. No painting of trees, stones or any other yard art shall be permitted. No Adornment of the home or garage of any type will be permitted.

3.29 Religious or Political Use of Lots. No improvement on nor any Lot shall be utilized primarily for the promotion of any religion, social position, political party, or political or religious activity irrespective of faith, political affiliation or social position.

3.30 Outside Plumbing Facility. No outside toilet facilities, or exposed plumbing pipes or equipment shall be permitted.

3.31 Firearms. Discharge of any firearm on any Lot shall be prohibited.

3.32 Garage Sales No more than two (2) garage, estate or similar sales may be conducted by any owner in any given calendar year and must be held in conjunction with and at the same time and location as the semiannual community garage sale if any.

3.33 Boats in Ponds. No boats are permitted in ponds if any and/or any other common area.

3.34 Fishing in Ponds. Fishing is allowed in ponds if any and/or other common areas only for those owners and/or guest under the age of 17 years of age and over the age of 65 years of age.

3.35 Trash Service. Trash service if arranged must be subscribed to by each member must contract with this waste disposal company to remove their trash on the same basis as other members of the community.

3.36 Fireworks. Fireworks are not allowed in the Subdivision at any time.

3.37 Invited Guests: All invited guests are the responsibility of the property owner and owner agrees by covenant created upon purchase of property to be responsible for the actions of its guests. As such any infractions of rules or damages caused to the common areas, the roads, or private property of other owners shall be the responsibility of the property owner that invited the guest.

3.38 Leases must be approved by the Property Owners association as well as occupants under said leases in the form currently used by the Association.

3.39 Window Treatments

Owner shall install appropriate window treatments, over the windows, and Balcony doors that Owner elects to cover, consistent with the aesthetics of the Home within three (3) months of occupying a Home. Appropriate window treatments include, by way of illustration, blinds or mini-blinds of wood or "faux wood" of a neutral color, and/or shutters of the same color or natural wood. Any window treatment or covering visible from the exterior of the Home shall be subject to Rules and Regulations, if any, and/or the Guidelines.

Expressly prohibited before, during, and after the initial three (3) months of occupancy are any temporary or disposable coverings not consistent with the aesthetics of the subdivision, such as reflective materials, newspapers, shower curtains, fabric not sewn into finished curtains or draperies, other paper, plastic, cardboard, or other materials not expressly made for or commonly used by the general public for window coverings in a subdivision of the same caliber as the subdivision.

3.40 Leasing

Leasing a Home for residential purposes shall not be considered a business use, provided that the Owner and any other Owners with whom such Owner is affiliated do not collectively lease or offer for lease more than one Home at any time, unless they have identified themselves to the Association as professional investors, and further provided that the lease complies with all of the requirements herein. Permitted leasing for purposes of this Declaration shall not include vacation rentals, boarding house, bed and breakfast, "Airbnb", "Home Away", "VRBO", or other short-term rental services, and such uses are strictly prohibited and shall conclusively be considered a business use prohibited by this Declaration and a violation of this Declaration. "Leasing" for purposes of this Declaration, is defined as occupancy of a Home by any person other than the record Owner, for which the Owner receives any consideration or benefit, including, but not limited to, a fee, service, gratuity, or emolument. The Declarant or Board with Declarants consent is vested with the absolute authority to determine if a lease for a Home complies with this Article VIII and any other Dedicatory Instrument that applies to leasing, and the Declarants or Board's determination shall be final. Homes may be leased to no more than one single family which single family must intend to inhabit the Home as their primary or vacation residence. This provision shall not preclude the leasing

of a home for student housing while attending the local university so long as there will not more than 1 student with spouse per bedroom. It is agreed that this use shall supersede the maximum occupancy provisions listed above. This provision shall not preclude the Association, Declarant, or an institutional lender from leasing a Home upon taking title following foreclosure of its security interest in the Home or upon acceptance of a deed in lieu of foreclosure.

Owners hereby acknowledge and agree that the Declarant and Board have the authority to promulgate and enforce these leasing restrictions and may promulgate and enforce additional Leasing Rules. All rental units must meet the current standards for HUD approved leasing and submit annually an inspection report by a HUD authorized inspector certifying the home would be eligible for HUD rental.

Additionally, the Board is vested with the authority to impose fines upon the Owner for violations of this Article VIII and any Dedicatory Instrument that applies to leasing.

The Board with Declarants consent is vested with the unilateral authority to set the amount of fines for violations of these leasing restrictions.

Subject to notice as may be required by law, fines will be assessed against the record Owner, and are supported by the Association's assessment lien created herein which runs with title to each lot. The decision as to the amount of the fine to be imposed in any particular case shall be left to the Board's sole and absolute discretion. Such decision shall not be construed a waiver of the Board's right to set a different fine at a later time under other circumstances or preclude the Board from imposing a fine. In the event of a violation of these leasing restrictions, every day of lease in violation hereof, will be considered a separate violation subject to the full amount of the fine imposed by the Board which shall continue until the lease is terminated and the tenant is removed from the Home.

No Home shall be leased for a term of less than twelve (12) full consecutive calendar months, nor shall any lease be for less than the entire Home except as student housing. No Home shall be leased unless the terms and provisions of such lease specifically provide that such Home may not be sublet to or be occupied by persons other than those named in the lease without the prior written approval of the Board being first obtained, and any lease shall provide that the lessee or occupant and any guest or

invitee of such lessee or occupant shall comply with and abide by all of the restrictions pertaining to the use of Homes and the Common Elements set forth in this Declaration and the Dedicatory Instruments and the laws of any governmental agency applicable to the subdivision or association now or hereafter established governing the use of such Lots and the Common Elements. In addition, prior to executing a lease, the lessee shall sign a written agreement provided by the Association, agreeing to not violate the dedicatory instruments and any other rules set out by the Association. It is not the intent of the Declarant to exclude from a home any individual who is authorized to so remain by any state or federal law. All landlords shall provide liability insurance naming the HOA as an additional insured as a condition of leasing.

During the Marketing Period, the Declarant may rent/lease the Declarant owned homes for a rental/lease term as decided upon by the Declarant, whether such rental/lease term is for one (1) evening or longer, in its sole and absolute discretion.

Notwithstanding anything contained herein to the contrary, no Home may be used as a Timeshare Home or put to Timeshare Use, as those terms are defined in the Texas Property Code, or its successor statute.

3.41 Easements

Prior to the termination of the Marketing Period (and the Association thereafter) the Declarant has the right to grant to utility companies and other entities, such easements, rights-of way, and other rights as may be reasonably necessary to service the subdivision and establish, operate or maintain the same as a viable subdivision, without the approval or joinder of any other Owners or any Mortgagee.

Each Owner is hereby granted an easement in common with each other Owner for ingress and egress through all Common Elements subject to this Declaration and Crown Point Section 1 the Dedicatory Instruments promulgated from time to time. Such easement shall be used jointly and in common with the other Owners and tenants of any Owners, each Mortgagee, and the agents, employees, guests, licensees and invitees

of each Owner, tenant of each Owner, and each such Mortgagee. Nothing contained herein shall be construed to create any rights of any nature in the public, nor shall any portion of the Common Elements, be deemed to be dedicated for public use.

3.42 Ditches and Drainage

At no time shall any party fully or partially obstruct, including filling in of the ditches, as designed by the declarant nor alter the sheet water drainage areas nor take any action or lack of action that will affect the flow of water in any way through them or the subdivision. Culverts used to create driveway access from the street to the private property lot for each home shall be a minimum of 18 inches in diameter and not more than 30 nor less than 22 feet in length and shall be maintained as to not restrict water flow other than set out in the subdivision plat, rules and engineering drawings. Nothing shall be done to change the water management and flow pattern established by the Declarant.

ARTICLE IV

ARCHITECTUAL APPROVAL

4.1 Architectural Control Committee. As used in this Declaration, the term "Architectural Control Committee" shall mean a committee of three (3) members, all of whom shall be appointed by the Declarant, except as otherwise set forth herein. Members of the Architectural Control Committee appointed by the Declarant may be removed at any time by Declarant and shall serve until death, resignation, or removal by Declarant. Builders which submit a home portfolio will have each home within that portfolio approved or disapproved and those approved shall thereafter not require individual approvals of each home built so long as they comply with the pre-approved plan portfolio, color selections and all applicable design elements. No duplication of exterior features of a home shall be allowed with less than three other homes separating said home on the same street.

4.2 Approval of Improvements Required. Notwithstanding anything contained in Declaration to the contrary, the approval of a majority of the members and the Chairman

of the Architectural Control Committee shall be required for the construction of the initial dwelling Home on a Lot ("New Construction") or for any subsequent Improvement to Property following the construction of the initial dwelling Home on a Lot, ("Modification Construction"). Improvements include any man-made changes to a developed or undeveloped lot.

For purposes of this Article IV, the Board and the Architectural Control Committee are each sometimes referred to as the "Approval Entity".

4.3 Address of Approval Entity. The address of the Architectural Control Committee shall be 185 Cedar Point Drive, Livingston, Texas 77351 or such address that may be later filed for record with Walker County.

4.4 Submission of Plans. Before commencement of work to accomplish any Proposed Improvement to Property, the Owner proposing to make such Improvement to Property (the "Applicant") shall submit to the proper Approval Entity at its respective office copies of such descriptions, surveys, plot plans, drainage plans, elevation drawings, construction plans, specifications, and samples of materials and colors which comply with the subdivision color palette as the Approval Entity reasonably shall request, showing the nature, kind, shape, height, width, color, materials, and location of the proposed Improvement to Property, as may be more particularly described from time-to-time in any minimum construction standards and/or architectural guidelines adopted by the Architectural Control Committee (in the case of New Construction) and or the Board (in the case of Modification Construction) (the "Architectural Guidelines"). The Approval Entity may require submission of additional plans, specifications, or other information before approving or disapproving the proposed Improvement to Property. Until receipt by the Approval Entity of all required materials in connection with the proposed Improvement to Property, the Approval Entity may postpone review of any materials submitted for approval.

4.5 Criteria for Approval. The proper Approval Entity shall approve any Proposed Improvement to Property only if it determines in its reasonable discretion that the Improvement to Property in the location indicated will not be detrimental to the appearance of the surrounding areas of the Properties as a whole; that the appearance of the proposed Improvement to Property will be in harmony with the surrounding areas

of the Properties, including, without limitation, quality, and color of materials and location with respect to topography and finished grade elevation; that the Improvement to Property will comply with the provisions of this Declaration and any applicable plat, ordinance, governmental rule, or regulation; that the Improvement to Property will not detract from the beauty, wholesomeness, and attractiveness of the Property or the enjoyment thereof by Owners; and that the upkeep and maintenance of the proposed Improvement to Property will not become a burden on the Association. Each Approval Entity is specifically granted the authority to disapprove proposed Improvements because of the unique characteristics or configuration of the Lot on which the proposed Improvement would otherwise be constructed, even though the same or a similar type of Improvement might or would be approved for construction on another Lot. The Approval Entity may condition its approval of any proposed Improvement to Property upon the making of such changes thereto as the Approval Entity may deem appropriate.

4.6 Architectural Guidelines. Each Approval Entity from time to time may create, supplement or amend Architectural Guidelines. The Architectural Guidelines may serve as a guideline only and an Approval Entity may impose other requirements in connection with its review of any proposed Improvements; provided, however, that such other requirements are not inconsistent with this Declaration.

4.7 Decision of Approval Entity. The decision of the Approval Entity shall be Made within thirty (30) days after receipt by the proper Approval Entity of all materials required by the Approval Entity. The decision shall be in writing and, if the decision is not to approve a proposed Improvement to Property, the reasons therefor shall be stated. The decision of the Approval Entity promptly shall be transmitted to the Applicant at the address furnished by the Applicant to the Approval Entity. The Owner, however, is responsible under all circumstances to conform to the provisions of these restrictions in their entirety.

4.8 Failure of Approval Entity to Act on Plans. Any request for approval of a Proposed Improvement to Property shall be deemed approved by the appropriate Approval Entity, unless disapproval or a request for additional information or materials is transmitted to the Applicant by the Approval Entity, within thirty (30) days after the date of receipt by the appropriate Approval Entity of all required materials; provided, however,

that no such deemed approval shall operate to permit any Owner to construct or maintain any Improvement to Property that violates any provision of this Declaration or the Architectural Guidelines. The Approval Entity shall at all times retain the right to object to any Improvement to Property that violates any provision of this Declaration or the Architectural Guidelines.

4.9 Prosecution of Work After Approval. After approval of any proposed Improvement to Property, the proposed Improvement to Property shall be accomplished as promptly and diligently as possible and in strict conformity with the description of the proposed Improvement to Property in the materials submitted to the Approval Entity. Failure to complete the proposed Improvement to Property within nine (9) months after the date of approval or such other period of time as shall have been designated in writing by the Approval Entity (unless an extension has been granted by the Approval Entity in writing) or to complete the Improvement to Property in strict conformity with the description and materials furnished, to the Approval Entity, shall operate automatically to revoke the approval by the Approval Entity of the proposed Improvement to Property. No Improvement to Property shall be deemed completed until the exterior fascia and trim on the structure have been applied and finished and all construction materials and debris have been cleaned up and removed from the site and all rooms in the dwelling Home, other than attics, have been finished. Removal of materials and debris shall not take in excess of thirty (30) days following completion of the exterior.

4.10 Inspection of Work. The Approval Entity or its duly authorized representative shall have the right, not the obligation, to inspect any Improvement to Property before or after completion, provided that the right of inspection shall terminate once the Improvement to Property becomes occupied.

4.11 Notice of Noncompliance. If, as a result of inspections or otherwise, the Approval Entity finds that any Improvement to Property has been constructed or undertaken without obtaining the approval of the Approval Entity or has been completed other than in strict conformity with the description and materials furnished by the Owner to the Approval Entity or has not been completed within the required time period after the date of approval by the Approval Entity, the Approval Entity shall notify the Owner in writing of the noncompliance

("Notice of Noncompliance"). The Notice of Noncompliance shall specify the particulars of the noncompliance and shall require the Owner to take such action as may be necessary to remedy the noncompliance within the period of time set forth therein.

4.12 Correction of Noncompliance. If the Approval Entity finds that a noncompliance continues to exist after such time within which the Owner was to remedy the noncompliance as set forth in the Notice of Noncompliance, the Association may, at its option but with no obligation' to do so, (a) record a Notice of Noncompliance against the Lot on which the noncompliance exists in the Office of the County Clerk of Walker County, Texas; (b) remove the noncomplying Improvement to Property; and/or (c) otherwise remedy the noncompliance (including, if applicable, completion of the Improvement in question), and, if the Board elects to take any action with respect to such violation, the Owner shall reimburse the Association upon demand for all expenses incurred therewith. If such expenses are not promptly repaid by the Owner to the Association, the Board may levy an assessment for such costs and expenses against the Owner of the Lot in question and such assessment will become a part of the assessment provided for in Article 7 hereof. The permissive (but not mandatory) right of the Association to remedy or remove any noncompliance (it being understood that no Owner may require the Association to take such action) shall be in addition to all other rights and remedies that the Association may have at law, in equity, under this Declaration, or otherwise.

4.13 No Implied Waiver or Estoppel. No action or failure to act by an Approval Entity shall constitute a waiver or estoppel with respect to future action by the Approval Entity with respect to any Improvement to Property. Specifically, the approval by the Approval Entity of any Improvement to Property shall not be deemed a waiver of any right or an estoppel against withholding approval or consent for any similar Improvement to Property or any similar proposals, plans, specifications, or other materials submitted with respect to any other Improvement to Property by such Person or otherwise.

4.14 Power to Grant Variances. Each Approval Entity may authorize variances

from compliance with any of the provisions of Article III and Article IV of this Declaration including restrictions upon placement of structures, the time for completion of construction of any Improvement to Property, or similar restrictions, when circumstances such as topography, natural obstructions, hardship, aesthetic, environmental, or other relevant considerations may require. Such variances must be evidenced in writing and shall become effective when signed by at least a majority of the members of the Approval Entity. If any such variance is granted, no violation of the provisions of this Declaration shall be deemed to have occurred with respect to the matter for which the variance was granted; provided however, that the granting of a variance shall not operate to waive any of the provisions of this Declaration for any purpose except as to the particular property and particular provision hereof covered by the variance, nor shall the granting of any variance affect the jurisdiction of the Approval Entity other than with respect to the subject matter of the variance, nor shall the granting of a variance affect in any way the Owner's obligation to comply with all governmental laws and regulations affecting the Lot concerned.

4.15 Compensation of Architectural Control Committee. The members of the Architectural Control Committee shall be entitled to reimbursement by the Association for reasonable expenses incurred by them in the performance of their duties hereunder as the Board from time to time may authorize or approve.

4.16 Non-liability for Approval Entity Action. None of the members of the Architectural Control Committee, the Association, any member of the Board of Directors, or shall be liable for any loss, damage, or injury arising out of or in any way connected with the performance of the duties of any Approval Entity except to the extent caused by the willful misconduct or bad faith of the party to be held liable. In reviewing any matter, the Approval Entity shall not be responsible for reviewing, nor shall its approval of an Improvement to Property be deemed approval of, the Improvement to Property from the standpoint of safety, whether structural or otherwise, or conformance with building codes, or other governmental laws or regulations. Furthermore, none of the members of the Architectural Control Committee, any member of the Board of Directors, shall be personally liable for debts contracted for or otherwise incurred by the Association or for any torts committed by or on behalf of the Association, or for a tort of another of such individuals, whether such other individuals were

acting on behalf of the Association, the Architectural Control Committee, the Board of Directors, or otherwise. Finally, neither the Association, the Board, the Architectural Control Committee, or their officers, agents, members, 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.

4.17 Construction Period Exception. During the course of actual construction of any permitted structure or Improvement to Property, and provided construction is proceeding with due diligence, the Approval Entity may temporarily suspend certain provisions of this Declaration as to the Lot upon which the construction is taking place to the extent necessary to permit such construction; provided, however, that during the course of any such construction, nothing shall be done that will result in a violation of any of the provisions of this Declaration upon completion of construction or that will constitute a nuisance or unreasonable interference with the use and enjoyment of other property within the Property.

4.18 No gardens may larger than 10x10 and gardens cannot be located between the home and street.

ARTICLE V

CROWN POINT PROPERTY ASSOCIATION OWNERS, INC.

51 Membership and Voting Rights. Every Owner of a Lot subject to assessment shall be a member of the Association. Membership shall be appurtenant to and may not be separated from ownership of any Lot which is subject to assessment. The foregoing is not intended to include persons or entities who hold an interest merely as security for the performance of an obligation. No Owner shall have more than one membership for each Lot owned by an Owner.

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

5.2 The Association shall have two classes of voting membership:

Class A. Class A members shall be all Owners with the exception of the Declarant and shall be entitled to one (1) vote for each Lot owned. When more than one person holds an interest in any Lot, all such persons shall be members. The vote for such Lot shall be exercised as they among themselves determine, but in no event shall more than one vote be cast with respect to any Lot.

Class B. The Class B member(s) shall be the Declarant or its successors and assigns. Class B members shall be entitled to three (3) votes for each Lot owned. The Class B membership shall cease and be converted to Class A membership on the happening of either of the following events, whichever occurs earlier:

- (a) When the total votes outstanding in Class B equal less than ten percent (10%) of the total authorized votes; or
- (b) January 1, 2035.

The Class A and Class B members shall have no rights as such to vote as a class, except as required by the Texas Non-Profit Corporation Act, the Articles of Incorporation or the Bylaws of the Association or as herein provided, and both classes shall vote upon all matters as one group. Notwithstanding the prior provisions of Section 5.2 above, if additional property is made subject to the jurisdiction of the Association pursuant to a Supplemental Declaration such that Declarant owns more than ten percent (10%) of the total of all Lots, then Class B membership and this Section 5.2 shall be automatically reinstated for an additional 15 years.

5.3 Non-Profit Corporation. CROWN POINT PROPERTY OWNERS ASSOCIATION, INC., a non-profit corporation has been organized; and it shall be governed by its Articles of Incorporation and Bylaws. All duties, obligations, benefits, liens and rights hereunder in favor of the Association, shall be vested in said corporation. The Association, by a majority vote of the Board of Directors of the Association, shall have the authority to borrow money for the purpose of making capital improvements on property owned by the Association.

5.4 Bylaws. The Association may make and establish such rules or bylaws as it chooses to govern the organization and administration of the Association, provided, however, that such rules or bylaws are not in conflict with the terms and provisions hereof. The right and power to alter, amend or repeal the bylaws of the Association, or to adopt new bylaws is

expressly reserved by and delegated by the members of the Association to the Board of Directors of the Association.

5.5 Inspection of Records. The members of the Association shall have the right to inspect the books and records for the Association at reasonable times during the normal business hours by appointment.

ARTICLE VI PROPERTY RIGHTS

6.1 Owner's Easement of Enjoyment. Every Owner shall have a right and easement of enjoyment in and to the Common Area and common facilities, if any, which shall be appurtenant to and shall pass with the title to every Lot subject to the following provisions:

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

(b) The right of the Association to suspend the voting rights and right to use the recreation facility by an Owner; to suspend any other service provided by the Association for an Owner for any period during which any assessment against his Lot remains unpaid; and for a period not to exceed sixty (60) days for each infraction of its published rules and regulations, or breach of any provisions of the Declaration.

(c) The right of the Association to dedicate or transfer all or any part of the Common Area, if any, to any public agency, authority or utility for such purposes and subject to such conditions as may be agreed to by the members. No such dedication or transfer shall be effective unless an instrument signed by two-thirds (2/3) of each class of the members agreeing to such dedication or transfer has been recorded in the Official Public Records of Real Property of Walker County, Texas; provided, however, the Board of Directors by majority vote of the Board is authorized and empowered to cause the dedication and conveyance of utility easements and easements for similar purposes without submitting such matter to a vote of the members, and to authorize any officer of the Association to execute the documents required for such dedication or conveyance.

(d) The right of the Association to collect and disburse those funds as set forth in Paragraph 7.1.

(e) The right of the Association, acting through the Board, to dedicate or transfer all or any part of the Common Area, subject to the approval of sixty-seven percent (67%) of the votes of all Owners.

6.2 Delegation of Use. Any Owner may delegate in accordance with the Bylaws Owner's right of enjoyment to the Common Area and facilities, if any, to the members of the Owner's family, guests, tenants or contract purchasers who occupy the residential dwelling of the Owner's Lot.

ARTICLE VII

MAINTENANCE ASSESSMENTS

7.1 Creation of the Lien and Personal Obligation of Assessments. The Declarant for each Lot owned within the subdivision hereby covenants, and each Owner of any Lot by acceptance of a deed therefor, whether or not it shall be so expressed in such deed is deemed to covenant and agree to pay to the Association; (1) annual assessment or charges, and (2) special assessments for capital improvements, and (3) other charges assessed against an Owner and his Lot as provided in Sections 3.15, 4.12 and 8.2 of this Declaration, such assessments and charges to be established and collected as herein provided. The annual and special assessments, as well as the other charges described in Sections 3.15, 4.12 and 8.2 of this Declaration, together with interest, collection costs and reasonable attorney's fees, shall be a charge on the Lot and shall be secured by a continuing lien upon the Lot against which each such assessment is made. Each such assessment and other charges, together with interest, collection costs and reasonable attorney's fees shall also be the personal obligation of the person who was the Owner of such property at the time when the assessment fell due, and the personal obligation for delinquent assessments shall not pass to subsequent Owners of the concerned Lot unless expressly assumed in writing.

7.2 Purpose of Assessments. Assessments levied by the Association on Section 1 shall be held in an account by the Crown Point Property Owners Association for the use and benefit of the property owners in Section 1 and such sections as may be later added provided the members of the new sections are required to pay maintenance fees equal to or more than those required in section 1.

Said funds shall be used to promote the recreation, health, safety, and welfare of the residents, including the mowing of unoccupied lots and the improvement, maintenance and management of the roads and any Common Area and Common Facilities of the Association as well as any esplanades or landscaped areas within street rights-of-way designated by the Declarant.

The responsibilities of the Association shall include, but not be limited to, the maintenance and repair of the Common Area and Common Facilities if any; constructing and maintaining parkways, green belts, detention areas, drainage facilities, rights-of-way, easements, esplanades, Common Areas, sidewalks, roads, streets, bridges, paths, ponds, and other public areas; construction and operations of all street lights; mail facilities, signage, insecticide services; purchase and/or operating expenses of recreation areas, if any; payment of all legal and other expenses incurred in connection with the collection and enforcement of all charges, assessments, covenants, restrictions, and conditions established under this Declaration; payment of all reasonable and necessary expenses in connection with the collection and administration of the maintenance charges and assessments; employing police and/or security service, if desired; caring for vacant Lots and doing other things necessary or desirable in the opinion of the Declarant to keep the Lots neat and in good order, or which is considered of general benefit to the Owners or occupants of the Lots and other items as solely determined by the declarant.

It is understood that the judgment of the Declarant in the expenditure of said funds shall be final and conclusive so long as such judgment is exercised in good faith. All Lots in the Property shall commence to bear their applicable maintenance fund assessment simultaneously from the date of conveyance of the first Lot by Declarant and or the Builder to a resident Owner. The first annual assessment shall be adjusted according to the number of months remaining in the calendar year. Lots which are or at any time have been occupied, shall be subject to the annual assessment determined by the Board of Directors according to the provisions of Section 7.3.

The rate of assessment for any calendar year for any individual Lot will change within that calendar year as the character of ownership and the status of occupancy changes, however, once any Lot has become subject to assessment at the full rate, it shall not thereafter revert to

assessment at the lower rate. The applicable assessment for each Lot shall be prorated for each calendar year according to the rate applicable for each type of ownership of the Lot during that calendar year.

7.3 Rate of Assessment The current annual maintenance assessment is \$240.00 per year. Property owners that do not reside in Crown Point other than declarants or its assigns which hold property as investors within the subdivision shall pay one full assessment for each lot owned without limitation.

(a) Annually, the Board of Directors of the Association with Declarant's consent (the "Board of Directors") shall fix the amount of the ensuing year's annual assessment (and the annual assessment for each subsequent calendar year) at least thirty (30) days in advance of the annual assessment period, which shall begin on the first day of January 1 of each year. Written notice of the annual assessment shall be sent to every Owner subject thereto at the address of each Lot or at such other address provided to the Association in writing pursuant to Section 5.1 (a). Maintenance fees are due on January 1st of each year and considered delinquent if not received by January 31 of that year. If for any reason the Board of Directors fails to fix the annual assessment for any year by December 2 of the preceding year, it shall be deemed that the annual assessment for such year will be the same as that established for the preceding year, and such annual assessment shall continue unchanged from year to year until the Board of Directors establish a new annual assessment in accordance with the provisions hereof.

(b) From and after January 1, the maximum annual assessment may be increased each year by a majority vote of the Board of Directors of the Association only to an amount which is not more than ten percent (10%) above the maximum annual assessment for the previous year.

(c) From and after January 1, of the year immediately following the conveyance of the first Lot to a resident Owner, the maximum annual assessment may be increased by more than ten (10%) percent of the previous year's maximum annual assessment only if the increase is approved by the affirmative vote of a majority of those members of each class

who are voting, in person or by proxy, at a meeting duly called for the purpose of considering such increase. Subject to the provisions of Section 7.5, the voting process for this action may also be handled by mail ballot as long as the ballots contain the name, property address, certification by the Secretary of the Association, alternate address of the member, if applicable, and the date and signature of the member. Ballots may be returned by U.S. mail in envelopes specifically marked as containing ballots for the special election or may be collected by door to door canvas. Upon levying of any increased assessment pursuant to the provisions of this Section 7.3, the Association shall cause to be recorded in the Official Public Records of Real Property of Walker County, Texas, a sworn and acknowledged affidavit of the President (or any Vice President) and of the Secretary of the Association which shall certify, among other items that- play be appropriate, the total number of each class of members as of the date of the voting, the quorum required, the number of votes represented, the number of each class voting "for" and "against" the levy, the amount of the increased assessment and the date by which such increased assessment must be paid in order to avoid being delinquent.

7.4 Special Assessment for Capital Improvements. In addition to the annual Assessments authorized above, the Board of Directors may levy, in any assessment year, a special assessment applicable to the current year only for the purpose of defraying, in , whole or in part, the cost/of any construction, reconstruction, repair or replacement of a capital improvement upon the Common Area, including fixtures and personal property related thereto, provided any such assessment shall have the approval of two-thirds (2/3) of the votes of those members who are voting in person or by proxy at a meeting duly called for this purpose. Likewise, subject to the provisions of Section 7.5, the voting process for this action may also be handled by mail ballot as long as the ballots contain the name, property address, certification by the Secretary of the Association, alternate address of the member, if applicable, and the date and signature of the member.

Ballots may be returned by U. S. mail in envelopes specifically marked as containing ballots for the special election or may be collected by door to door canvas. Upon the levying of any Special Assessment pursuant to the provisions of this Section 7.4, the Association shall

cause to be recorded in the Real Property Records of the Walker County Clerk's Office a sworn and acknowledged affidavit of the President (or any Vice President) and of the Secretary of the Association which shall certify, among other items that may be appropriate, the total number of each class of members as of the date of the voting, the quorum required, the number of each class of votes represented, the number of each class voting "for" and "against" the levy, the amount of the special assessment authorized, and the date by which the special assessment must be paid in order to avoid being delinquent.

7.5 Notice and Quorum for Action Authorized under Paragraphs 7.3 and 7.4.

Written notice of any meeting called for the purpose of taking any action authorized under Sections 7.3 and 7.4 shall be sent to all members not less than fifteen (15) days nor more than sixty (60) days in advance of the meeting. At the first such meeting called, the presence of members or of proxies entitled to cast sixty (60) percent of all the votes of all membership shall constitute a quorum. If the required quorum is not present, another meeting may be called subject to the same notice requirement, and the required quorum at the subsequent meeting shall be one-half (1/2) of the required quorum at the preceding meeting. No such subsequent meeting shall be held more than sixty (60) days following the preceding meeting. If the vote of the members is conducted by mail or door to door canvas, the approval of two-thirds (2/3) of the total membership is required.

7.6 Effect of Nonpayment of Assessments. Any assessment, annual or special, or other charges assessed in accordance with Sections 3.15 and 4.1 not paid within thirty-one (31) days after its due date shall bear interest from the due date at a rate of ten percent (18%) per annum on the unpaid balance or the maximum then allowed by law. The Association may bring an action at law against the Owner personally obligated to pay the same, or foreclose the lien herein retained against the Lot. Interest, costs and reasonable attorney's fees incurred in any such action shall be added to the amount of such assessment or charge. In order to secure the payment of the assessments or charges hereby levied, a vendor's lien for the benefit of the Association shall be and is hereby reserved in the Deed from the Declarant to the purchaser of each Lot or portion thereof, which lien shall be enforceable through appropriate judicial proceedings by the Association. As additional security for the payment of the assessments hereby levied, each Owner of a Lot in the subdivision, by such party's

acceptance of a deed thereto, hereby grants the Association a lien on such Lot which may be foreclosed on by judicial or non-Judicial foreclosure and pursuant to the provisions of Section 209.0092 of the Texas Property Code (and any successor statute); or such other statutes as are then applicable and each such Owner hereby expressly grants the Association a power of sale in connection therewith. The Association shall, whenever it proceeds with judicial foreclosure pursuant to the provisions of said Section 209.0092 of the Texas Property Code and said power of sale, designate in writing a Trustee to post or cause to be posted all required notices of such foreclosure sale and to conduct such foreclosure sale. The Trustee may be changed at any time and from time to time by the Association by means of a written instrument executed by the President or any Vice President of the Association and filed for record in the Real Property Records of Walker County, Texas.

In the event that the Association has determined to judicially foreclose the lien provided herein pursuant to the provisions of said Section 209.0092 of the Texas Property Code and to exercise the power of sale hereby granted, the Association shall mail to the defaulting Owner a copy of the Notice of Trustee's Sale not less than twenty-one (21) days prior to the date on which said sale is scheduled by posting such notice through the U. S. Postal Service, postage prepaid, registered or certified, return receipt requested, properly addressed to such Owner at the last known address of such Owner according to the records of the Association. If required by law, the Association or Trustee shall also cause a copy of the Notice of Trustee's Sale to be recorded in the Real Property Records of Walker County, Texas. Out of the proceeds of such sale, there shall first be paid all expenses incurred by the Association in connection with such default, including, reasonable attorney's fees and reasonable trustee's fee; second, from such proceeds there shall be paid to the Association an amount equal to the amount in default; and, third, the remaining balance shall be paid to such Owner. Following any such foreclosure, each occupant of any such Lot foreclosed on and each occupant of any improvements thereon shall be deemed to be a tenant at sufferance and may be removed from possession by any and all lawful means, including a judgment for possession in an action of forcible detainer and the issuance of a writ of restitution thereunder.

In addition to foreclosing the lien hereby retained, in the event of nonpayment by any Owner, of such Owner's portion of any assessment, the Association may, acting through the Board, upon ten (10) days' prior written notice thereof to such nonpaying Owner, in addition to all other rights and remedies available at law or otherwise, restrict the right of such nonpaying Owner to use the Common Areas, if any, in such manner as the Association, deems fit or appropriate and/or suspend the voting rights of such nonpaying Owner so long as such default exists.

It is the intent of the provisions of this Section 7.6 to comply with the provisions of said Section 209.0092 of the Texas Property Code or such other statutes as are then applicable relating to judicial and non-Judicial sales by power of sale and, in the event of the amendment of said Section 209.0092 of the Texas Property Code hereafter or such other statutes as are then applicable, the President or any Vice President of the Association, acting without joinder of any other Owner or mortgagee or other person may, by amendment to this Declaration filed in the Real Property Records of Walker County, Texas, amend the provisions hereof so as to comply with said amendments to Section 209.0092 of the Texas Property Code.

No Owner may waive or otherwise escape liability for the assessments provided for herein by non-use of the Common Area or abandonment of his Lot. In addition to the above rights, the Association shall have the right to refuse to provide the services of the Association to any Owner who is delinquent in the payment of the above-described assessments.

7.7 Subordination of the Lien to Mortgages. As hereinabove provided, the title to each Lot shall be subject to a vendor's lien and power of sale judicial foreclosure securing the; payment of all assessments and charges due the Association but said vendor's lien and power of sale and judicial foreclosure shall be subordinate to any valid purchase money lien or mortgage covering a Lot and any valid lien securing the cost of construction of home improvements. Sale or transfer of any Lot shall not affect said vendor's lien or power of sale and judicial foreclosure. However, the sale or transfer of any Lot which is subject to any valid purchase money lien or mortgage pursuant to a judicial foreclosure under such lien or mortgage shall extinguish the vendor's lien and power of sale foreclosure securing such

assessment or charge only as to payments which became due prior to such sale or transfer. No sale or transfer shall relieve such Lot or the Owner thereof from liability for any charges or assessments thereafter becoming due or from the lien thereof. In addition to the automatic subordination provided hereinabove, the Association, in the discretion of the Board of Directors, may subordinate the lien securing any assessment provided for herein to any other mortgage, lien or encumbrance, subject to such limitations, if any, as such Board may determine.

7.8 Future Sections. The Association shall use the proceeds of the assessments for the use and benefit of all residents of the Property, provided, however, that any additional property made a part of the Property by annexation under Section 8.7 of this Declaration, to be entitled to the benefit of this maintenance fund, must be impressed with and subjected to the annual maintenance charge and assessment on a uniform per Lot basis equivalent to the maintenance charge and assessment imposed hereby, and further, made subject to the jurisdiction of the Association.

ARTICLE VIII

GENERAL PROVISIONS

8.1 Term. The covenants and restrictions of this Declaration shall run with and bind the land and shall inure to the benefit of and be enforceable by the Association or the Owner of any land subject to this Declaration or any Supplemental Declaration, their respective legal representatives, heirs, successors and assigns, for an initial term of twenty (20) years from the date these covenants are recorded. During such initial term, the covenants and restrictions of this Declaration may be changed or terminated only by an instrument executed by the then Owners of not less than sixty-seven (67%) percent of all the Lots within the Property, and properly recorded in the Official Public Records of Real Property of Walker County, Texas. Upon the expiration of such initial term, unless terminated as below provided, said covenants and restrictions (as changed, if changed), and the enforcement

rights relative thereto, shall be automatically extended for successive periods often (10) years each. At any time during the initial term above stated and at any time during any such ten (10) year automatic extension period, the covenants and restrictions of this Declaration may be changed or terminated only by an instrument signed by the then Owners of not less than sixty-seven (67%) percent of all the Lots in the Property and properly recorded in the Official Public Records of Real Property of Walker County, Texas. In addition, Declarant shall have the right at any time and from time-to-time, without the joinder or consent of any other party, to amend this Declaration by an instrument in writing duly signed, acknowledged, and filed for record in Walker County, Texas, for the purpose of correcting any typographical or grammatical error, ambiguity, or inconsistency appearing herein, or for the purpose of complying with any statute, regulation, ordinance, resolution, or order of the Federal Housing Administration (the "FHA"), the Veterans Administration (the "VA"), or any federal, state, county, or municipal governing body, or any agency or department thereof; provided that any such amendment shall be consistent with and in furtherance of the general plan and scheme of development as evidenced by this Declaration and any Supplemental Declaration taken collectively and shall not impair or effect the vested rights of any Owner or mortgagee.

8.2 Enforcement. The Association, any Owner, the City, County, State or the Declarant, and their respective successors and assigns, shall have the right to enforce by a proceeding at law or in equity all easements, restrictions, conditions, covenants, reservations, liens and charges now or hereafter imposed by the provisions of this Declaration and in connection therewith, shall be entitled to recover all reasonable collection costs and attorney's fees. Failure by the Association or by any other person entitled to enforce any covenant or restriction herein shall in no event be deemed a waiver of the right to do so thereafter. It is hereby stipulated, the failure or refusal of any Owner or any occupant of a Lot to comply with the terms and provisions hereof would result in irreparable harm to other Owners, to Declarant and to the Association. Thus, the covenants, conditions, restrictions and provisions of this Declaration may not only be enforced by an action for damages at law, but also may be enforced by injunctive or other equitable relief (i.e., restraining orders

and/or injunctions) by any court of competent jurisdiction, upon the proof of the existence of any violation or any attempted or threatened violation. Any exercise of discretionary authority by the Association concerning a covenant created by this Declaration is presumed reasonable unless the court determines by a preponderance of the evidence the exercise of discretionary authority was arbitrary; capricious or inconsistent with the scheme of the development (i.e., the architectural approval or disapproval for similar renovations relative to a given location within the Property).

The Association on its own behalf or through the efforts of its management company may initiate, defend or intervene in litigation or any administrative proceeding affecting the enforcement of a covenant created by this instrument or for the protection, preservation or operation of the Property covered by this Declaration. Notification will be deemed to have been given upon deposit of a letter in the U. S. mail addressed to the Owner alleged to be in violation. Any cost that has accrued to the Association pursuant to this Section shall be secured and collectable in the same manner as established herein for the security and collection of annual assessments as provided in Article VII.

8.3 Severability. Invalidation of any one of these covenants by judgment or other court order shall in no way affect any of the other provisions which shall remain in full force and effect.

8.4 It is further specifically the intention of the membership that acceptance and approval of the Declaration of these declaration of covenants conditions and restrictions of Crown Point , Section 1 shall also comply with the provisions for amendment as provided.

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

8.6 Omissions. If any punctuation, word, clause, sentence or provision Necessary to give meaning, validity or effect to any other word, clause, sentence or provision

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

8.7 Annexation. Additional residential property and "Common Area" may be annexed to the Properties: With the consent of two-thirds (2/3) of each Class of Members:

(a) Notwithstanding anything contained in (a) above, additional land representing future sections or phases of Crown Point may be annexed from time to time by the Declarant, its successors or assigns, without the consent of other Owners, or their mortgagees;

(b) Existing sections may be modified, re-platted and made into new sections with the same or different restrictions by Declarant at its sole discretion

(c) The annexation, replat, or addition may be accomplished by the execution and filing for record in the Real Property Records of Walker County, Texas by the owner of the property being added or annexed, of an instrument which may be called "Supplemental Declaration". Each such instrument evidencing the annexation of additional property shall describe the portion of the property comprising the Lots and Common Area, if any. Such "Supplemental Declaration" may contain such other provisions which are different provided they are not wholly inconsistent with the provisions of this Declaration of Covenants, Conditions and Restrictions or the general scheme or plan of Crown Point as a residential development. Nothing in this Declaration shall be construed to represent or imply that Declarant, its successors or assigns, are under any obligation to add or annex additional property to this residential development;

(d) At such time as the "Supplemental Declaration" is filed for record as hereinabove provided, the annexation shall be deemed accomplished and the annexed area shall be a part of the properties and subject to each and all of the provisions of this Declaration of Covenants, Conditions and Restrictions and to the jurisdiction of the Association in the same manner and with the same force and effect as if such annexed property had been originally included in this Declaration of Covenants, Conditions and Restrictions as part of the original

