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**DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS**  
**FOR**  
**THE RESERVE ON LAKE CONROE**

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**DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS  
FOR  
THE RESERVE ON LAKE CONROE**

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THE STATE OF TEXAS           §  
  §  
COUNTY OF MONTGOMERY   §

This Declaration of Covenants, Conditions and Restrictions for The Reserve on Lake Conroe is made on the date hereinafter set forth by Lake Conroe Holdings, LLC, a Texas limited liability company, hereinafter referred to as “**Declarant**”.

**WITNESSETH:**

WHEREAS, Declarant is the owner of certain property in Montgomery County, Texas platted as The Reserve on Lake Conroe, according to the map or plat thereof filed in the Map Records of Montgomery County, Texas, under Film Code No. \_\_\_\_\_ (the “**Property**”); and

WHEREAS, Declarant desires to develop the Property as a single-family, residential subdivision, and to provide and adopt a uniform plan of development, including conditions, covenants, easements, reservations, and restrictions designed to govern, control and preserve the plan of development for the Property and the improvement, use and enjoyment of the Property; and

WHEREAS, Declarant desires to subject the Property to the conditions, covenants, easements, reservations, and restrictions and charges hereinafter set forth for the benefit of the owners of the Property;

NOW, THEREFORE, Declarant hereby declares that the Property will be developed, improved, sold, used and enjoyed in accordance with, and subject to the provisions of this Declaration, including the conditions, covenants, easements, reservations, restrictions, liens and charges hereinafter set forth, all of which are hereby adopted for, and placed upon the Property and will run with the Property and be binding on all parties, now and at any time hereinafter having or claiming any right, title or interest in the Property or any part thereof, their heirs, executors, administrators, successors and assigns, regardless of the source of or the manner in which any such right, title or interest is or may be acquired, and will inure to the benefit of each owner of any part of the Property.

**ARTICLE I  
DEFINITIONS**

As used in this Declaration, the terms set forth below have the following meanings:

**A. ANNUAL MAINTENANCE CHARGE** - The assessment made and levied by the Association against each Owner and the Owner’s Lot in accordance with the provisions of this Declaration.

**B. ARCHITECTURAL REVIEW COMMITTEE** - The Architectural Review Committee established and empowered in accordance with Article IV of this Declaration.

**C. ASSOCIATION** - The Reserve on Lake Conroe Homeowners Association, a Texas non-profit corporation, its successors and assigns.

**D. BOARD or BOARD OF DIRECTORS** - The Board of Directors of the Association.

**E. BUILDER** - A person or entity other than Declarant who is regularly engaged in the construction of homes for sale to individuals and who either purchases a Lot within the Community for the purpose of constructing a Residential Dwelling thereon or is engaged by the Owner of a Lot within the Community for the purpose of constructing a Residential Dwelling on the Owner's Lot. The Architectural Review Committee has the authority to approve or disapprove a Builder prior to the commencement of construction on the basis of the experience and reputation of the Builder and the ability of the Builder to obtain (and maintain throughout the entire construction period) all insurance required to be maintained by the Builder. The intent of the requirement that a Builder be approved by the Architectural Review Committee prior to the commencement of construction is to attempt to ensure that the Builder has sufficient experience and financial responsibility to complete the work in accordance with the approved Plans and in a timely manner. **THE APPROVAL OF A BUILDER WILL NOT BE CONSTRUED IN ANY RESPECT AS A REPRESENTATION OR WARRANTY BY THE ARCHITECTURAL REVIEW COMMITTEE, DECLARANT, THE ASSOCIATION, OR ANY OF THEIR RESPECTIVE AGENTS, EMPLOYEES OR REPRESENTATIVES, TO ANY PERSON OR ENTITY THAT THE BUILDER HAS ANY PARTICULAR LEVEL OF KNOWLEDGE OR EXPERTISE OR THAT ANY RESIDENTIAL DWELLING CONSTRUCTED BY THE BUILDER WILL BE A PARTICULAR QUALITY. ALTHOUGH ALL OWNERS ARE REQUIRED TO COMPLY WITH THE PROVISIONS OF THIS DECLARATION RELATING TO ARCHITECTURAL REVIEW, IT IS THE RESPONSIBILITY OF EACH PERSON OR ENTITY THAT EITHER PURCHASES A LOT AND RESIDENTIAL DWELLING FROM A BUILDER OR ENGAGES A BUILDER TO CONSTRUCT A RESIDENTIAL DWELLING OR OTHER IMPROVEMENT ON THE OWNER'S LOT TO DETERMINE THE QUALITY OF THAT BUILDER'S WORKMANSHIP AND THE SUITABILITY OF THE BUILDER TO CONSTRUCT A RESIDENTIAL DWELLING OR OTHER IMPROVEMENT OF THE TYPE AND DESIGN CONSTRUCTED OR TO BE CONSTRUCTED ON THE LOT.**

**F. BYLAWS** - The Bylaws of the Association.

**G. CERTIFICATE OF FORMATION** - The Certificate of Formation of the Association.

**H. COMMON AREA** - Any real property and Improvements thereon owned by the Association for the common use and benefit of the Owners and any real property regularly maintained by the Association for the benefit of the Community per an agreement with the Owner of the real property, such as, by way of example and not in limitation, an esplanade in a public right-of-way.

**I. COMMUNITY** - All of The Reserve on Lake Conroe, a subdivision in Montgomery County, Texas, according to the plat thereof recorded under Film Code No. \_\_\_\_\_ of the Map Records of Montgomery County, Texas and all land hereafter annexed and subjected to the provisions of this Declaration by annexation document duly executed and recorded in the Official Public Records of Real Property of Montgomery County, Texas. Declarant reserves the right to facilitate the development, construction, and marketing of the Community and the right to direct the size, shape, and composition of the Community until such time that the Development Period expires.

**J. DECLARANT** – Lake Conroe Holdings, LLC, a Texas limited liability company, its successors and assigns that have been designated as such by Declarant pursuant to a written instrument duly executed by Declarant and recorded in the Official Public Records of Real Property of Montgomery County, Texas.

**K. DECLARATION** - This Declaration of Covenants, Conditions and Restrictions for The Reserve on Lake Conroe.

**L. DEVELOPMENT PERIOD** - The period during which Declarant may appoint and remove Board members and officers of the Association, other than Board members elected by Owners other than Declarant, as provided in the Bylaws of the Association. The Development Period will exist for ten (10) years or so long as Declarant or a Builder in the business of constructing homes who purchased Lots from the Declarant for the purpose of selling completed Residential Dwellings constructed on Lots owns a Lot subject to the provisions of this Declaration, whichever period is longer, unless Declarant terminates the Development Period on an earlier date by an instrument duly executed by Declarant and recorded in the Official Public Records of Real Property of Montgomery County, Texas.

**M. IMPROVEMENT** - A Residential Dwelling, building, structure, fixture, or fence constructed or to be constructed on a Lot; a transportable structure placed or to be placed on a Lot, whether or not affixed to the land; and an addition to or modification of an existing Residential Dwelling, building, structure, fixture or fence.

**N. LOT or LOTS** - Each of the Lots shown on the Plat for any property subject to the provisions of this Declaration and the jurisdiction of the Association.

**O. MAINTENANCE FUND** - Any accumulation of the Annual Maintenance Charges collected by the Association in accordance with the provisions of this Declaration and interest, penalties, other assessments and other sums and revenues collected by the Association pursuant to the provisions of this Declaration.

**P. MEMBER or MEMBERS** - All Lot Owners who are members of the Association as provided in Article V hereof.

**Q. MORTGAGE** - A security interest, mortgage, deed of trust, or lien instrument granted by an Owner of a Lot to secure the payment of a loan made to such Owner, duly recorded in the Official Public Records of Real Property of Montgomery County, Texas, and creating a lien or security interest encumbering a Lot and some or all Improvements thereon.

**R. OWNER or OWNERS** - Any person or persons, firm, corporation or other entity or any combination thereof that is the record owner of fee simple title to a Lot, including contract sellers, but excluding those having an interest merely as a security for the performance of an obligation.

**S. PLAT** – The plat for the Community recorded in the Map Records of Montgomery County, Texas under Film Code No. \_\_\_\_\_; the plat for any subdivision annexed and made a part of the Community; and any amending plat, replat or partial replat of any such plat.

**T. PLANS** - The final construction plans and specifications (including a related site plan) of any Residential Dwelling or other Improvement of any kind to be erected, placed, constructed, maintained or altered on a Lot.

**U. RESERVE ASSESSMENT** - The Reserve Assessment as provided in Article VI, Section 6.8., of this Declaration.

V. **RESIDENTIAL DWELLING** -The single family residence constructed on a Lot.

X. **RULES AND REGULATIONS** - Rules and regulations adopted from time to time by the Board concerning the management and administration of the Community for the use, benefit and enjoyment of the Owners, including without limitation, rules and regulations governing the use of Common Area. **ALL REMEDIES AVAILABLE TO THE ASSOCIATION FOR THE ENFORCEMENT OF THIS DECLARATION ARE AVAILABLE TO THE ASSOCIATION FOR THE ENFORCEMENT OF ALL DULY RECORDED RULES AND REGULATIONS.**

Y. **SPECIAL ASSESSMENT** - Any Special Assessment as provided in Article VI, Section 6.5., of this Declaration.

## **ARTICLE II** **USE AND OCCUPANCY**

### **SECTION 2.1. USE RESTRICTIONS.**

A. **SINGLE FAMILY RESIDENTIAL USE.** Each Owner must use his Lot and the Residential Dwelling on his Lot for single family residential purposes only. As used herein, the term “single family residential purposes” is deemed to specifically prohibit, without limitation, the use of a Lot for a duplex apartment, a garage apartment or any other apartment or for any multi-family use or for any business, professional or commercial activity of any type, unless such business, professional or commercial activity is unobtrusive and merely incidental to the primary use of the Lot and the Residential Dwelling on the Lot for residential purposes. As used herein, the term “unobtrusive” means, without limitation, that there is no business, professional, or commercial related sign, logo or symbol displayed on the Lot; there is no business, professional, or commercial related sign, logo or symbol displayed on any vehicle on the Lot; there are no clients, customers, employees or the like who go to the Lot for any business, professional, or commercial related purpose on any regular basis; and the conduct of the business, professional, or commercial activity is not otherwise apparent by reason of noise, odor, vehicle and/or pedestrian traffic and the like.

No Owner may use or permit the Owner's Lot or Residential Dwelling to be used for any purpose that would (i) void any insurance in force with respect to the Community; (ii) make it impossible to obtain any insurance required by this Declaration; (iii) constitute a public or private nuisance, which determination may be made by the Board; (iv) constitute a violation of the provisions of this Declaration, any applicable law, or any published Rules and Regulations of the Association or (v) unreasonably interfere with the use and occupancy of any Lot in the Community or the use of Common Area by other Owners.

No Owner is permitted to lease his Lot for a period of less than six (6) consecutive months. No Owner is permitted to lease a room or rooms in the Residential Dwelling on the Owner's Lot or any other portion of the Residential Dwelling or other Improvement on the Owner's Lot. An Owner may only lease the entirety of the Lot, together with the Residential Dwelling and other Improvements on the Lot, for the minimum six (6) month period. Every lease must provide that the lessee is bound by and subject to all the obligations under this Declaration and a failure to comply with the provisions of this Declaration will be a default under the lease. The Owner making such lease is not, by virtue of the lease, relieved from any obligation to comply with the provisions of this Declaration.



Unless otherwise approved in writing by Declarant during the Development Period and, thereafter, by the Board of Directors, not more than one (1) full-time, live-in domestic worker, "nanny" or the like is entitled to reside on a Lot; for purposes of this Section, the one (1) permitted domestic worker, nanny or the like is considered an immediate member of the family occupying the Lot.

No garage sale, rummage sale, estate sale, moving sale or similar type of activity is permitted on a Lot.

**B. PASSENGER VEHICLES.** No Owner, lessee, or other occupant of a Lot, including all persons who reside with such Owner, lessee or other occupant of the Lot, may park, keep or store any vehicle on a Lot which is visible from a street in the Community or a neighboring Lot other than a passenger vehicle or pick-up truck. For purposes of this Declaration, the term "passenger vehicle" is limited to (i) an operable vehicle which displays a passenger vehicle license plate issued by the State of Texas or which, if displaying a license plate issued by another state, would be eligible to obtain a passenger vehicle license plate from the State of Texas, and (ii) an operable sport utility vehicle used as a family vehicle (whether or not the sport utility vehicle displays a passenger or truck vehicle license plate). The term "pick-up truck" is limited to an operable three-quarter (3/4) ton capacity pick-up truck which has not been adapted or modified in any manner for commercial use. A passenger vehicle or pick-up truck that is parked on the driveway of a Lot is required to be used on a regular basis; a passenger vehicle or pick-up truck which is not in regular use must be stored in the garage and not on the driveway. In the event of a dispute concerning whether a passenger vehicle or pick-up truck is being used on a regular basis, the Board of Directors of the Association has the authority to make the determination and its reasonable, good faith decision will be binding on all parties.

**A passenger vehicle or pick-up truck owned or used by the Owner, lessee or other occupant of a Lot is not permitted to be parked overnight on any street in the Community. Each Owner, lessee or other occupant of a Lot acknowledges by accepting a deed to the Lot, entering into a lease agreement relating to the Lot, or taking occupancy of the Lot that a vehicle parked on a street within the Community is restricted for the purposes of preserving the appearance of the Community and preventing sight and vehicle obstructions and agrees that this restriction on parking on streets is for the benefit of all Owners, lessees and other occupants of Lots in the Community.**

No guest of an Owner, lessee or other occupant of a Lot may park his/her vehicle on a street in the Community overnight. No vehicle of any kind may be parked on an unpaved portion of a Lot for any length of time. The Association has the right to cause a vehicle parked on Common Area in violation of the provisions of this Declaration or the Rules and Regulations to be towed in the manner provided in the Texas Occupations Code. No vehicle may be parked on a street (during a permitted period) in a manner that obstructs or impairs traffic flow on the street or obstructs or impairs vehicle access to another Lot.

An inoperable vehicle is not permitted to be parked, kept or stored on a Lot if visible from a street in the Community or a neighboring Lot. For purposes of this Section, a vehicle is deemed to be inoperable if (a) it does not display all current and necessary licenses and permits, (b) it does not have fully inflated tires, (c) it is on a jack, blocks or the like, (d) it is covered with a tarp, plastic or other type of covering, or (e) it is otherwise not capable of being legally operated on a public street or right-of-way.

**C. OTHER VEHICLES.** No mobile home trailer, utility trailer, recreational vehicle, boat or the like may be parked, kept or stored on a street in the Community or on any portion of a

Lot if visible from a street in the Community or a neighboring Lot. A mobile home trailer, utility trailer, recreational vehicle, boat or the like may be parked in the garage on a Lot or in some other structure approved by the Architectural Review Committee, but only if fully concealed from view from all streets in the Community.

**D. VEHICLE REPAIRS AND CARE.** No passenger vehicle, pick-up truck, mobile home trailer, utility trailer, recreational vehicle, boat or other vehicle of any kind may be constructed, reconstructed, or repaired on a Lot if visible from a street in the Community or a neighboring Lot. No vehicle repair work performed within a garage may be offensive to persons of ordinary sensitivities by reason of noise, dust, fumes or odor. Under no circumstances may an Owner, lessee or other occupant of a Lot cause or allow oil or any other automotive fluid to be deposited into a street or storm sewer or to migrate into a street or storm sewer.

**E. NUISANCES.** No Lot or Residential Dwelling or other Improvement on a Lot may have a conspicuous infestation of pests, rodents, insects or other vermin or an accumulation of trash, debris or other waste which the Board of Directors, acting reasonably and in good faith, determines to be offensive to surrounding residents or detrimental to the health or well-being of surrounding residents. No condition or activity is permitted on a Lot which is offensive to surrounding residents of ordinary sensibilities by reason of noise, odor, dust, fumes or the like or which adversely affects the desirability of the Lot or surrounding Lots. No nuisance is permitted to exist or operate on a Lot. The Board of Directors has the authority to determine whether an activity or condition on a Lot is offensive or an annoyance to surrounding residents of ordinary sensibilities, or is a nuisance, or adversely affects the desirability of the Lot or surrounding Lots, and its reasonable good faith determination will be conclusive and binding on all parties.

**F. TRASH; TRASH CONTAINERS.** No garbage, trash, or garbage or trash container may be maintained on a Lot so as to be visible from a street in the Community or a neighboring Lot at ground level except to make the same available for collection and then only the shortest time reasonably necessary to effect such collection. Garbage and trash made available for collection must be placed in tied trash bags or covered containers, or as otherwise provided in any trash disposal contract entered into by the Association.

**G. CLOTHES DRYING.** No outside clothesline or other outside facility for drying or airing clothes may be erected, placed or maintained on a Lot if visible from a street in the Community or a neighboring Lot at ground level. No clothes may be dried or aired outside if visible from a street in the Community or a neighboring Lot at ground level.

**H. RIGHT TO INSPECT.** During reasonable hours, Declarant, any member of the Architectural Review Committee, any member of the Board, or any authorized representative of any of them, has the right to go onto a Lot and inspect the Lot, and the exterior of the Improvements thereon, for the purpose of ascertaining whether or not the provisions of this Declaration have been or are being complied with, and such persons will not be deemed guilty of trespass by reason of such entry.

**I. ANIMALS.** No animals, other than a reasonable number (in the aggregate) of generally recognized house or yard pets, may be maintained on a Lot and then only if they are kept thereon solely as domestic pets and not for commercial purposes. Provided that, in no event may more than two (2) dogs two and (2) cats be kept on a particular Lot. Provided further that, no waterfowl or poultry of any kind may be kept on a Lot. A Vietnamese potbelly pig is hereby declared not to be a generally recognized house or yard pet and is, therefore, prohibited. No exotic animal or breed of animal that is commonly recognized to be inherently aggressive or vicious

toward other animals and/or humans is permitted in the Community. No unleashed dog is permitted on a street in the Community or on the Common Area. Each dog must be kept either in the Residential Dwelling or other Improvement on the Lot or in a yard fully enclosed by a fence. An "invisible" fence that controls dogs through underground electrical wiring is an acceptable form of maintaining a dog in the yard of a Lot but only if the invisible fence effectively confines the dog(s) of the Owner, lessee or other occupant of the Lot within the yard of the Lot. No animal is allowed to make an unreasonable amount of noise or to become a nuisance. No structure for the care, housing or confinement of an animal may be constructed or placed on a Lot if visible from a street in the Community or a neighboring Lot at ground level without the prior written consent of the Architectural Review Committee. The Board has the authority to determine, in its sole and absolute discretion, whether, for the purposes of this Section, a particular animal is a generally recognized house or yard pet (with the exception of a Vietnamese potbelly pig which is declared in this Section not to be a generally recognized house or yard pet), an exotic animal, an inherently aggressive or vicious animal, or a nuisance, or whether the aggregate number of animals kept on a Lot is reasonable, and its reasonable, good faith determination will be conclusive and binding on all parties.

**J. DISEASES AND INSECTS.** No Owner or occupant may cause or permit any thing or condition to exist on a Lot which induces, breeds or harbors infectious plant diseases or noxious insects, including, by way of example and not in limitation, the failure to properly maintain a swimming pool or other water amenity.

**K. RESTRICTION ON FURTHER SUBDIVISION.** No Lot may be further subdivided and no portion less than the entirety of a Lot as shown on the Plat may be conveyed by an Owner to another party.

**L. CONSOLIDATION OF LOTS.** Notwithstanding any provision in this Declaration to the contrary, the Owner of one or more adjoining Lots may consolidate such Lots into one (1) building site, with the privilege of constructing a Residential Dwelling on the resulting site, in which event setback lines will be measured from the resulting side property lines rather than from the lot lines indicated on the Plat. Provided that, the Owner of the Lots to be consolidated must comply with replatting requirements, if any, imposed by any governmental entity having jurisdiction (as determined by the governmental entity having jurisdiction). Provided further that, during the Development Period, the consolidation of Lots requires the written approval of Declarant. Any such consolidated building site must have a frontage at the building setback line of not less than the minimum frontage shown on the Plat. Upon the consolidation of one or more adjoining Lots, and the substantial completion of a Residential Dwelling thereon, the consolidated building site will be considered a single Lot for purposes of membership in the Association, voting rights, Annual Maintenance Charges, and other types of assessments.

- M. SIGNS.** No sign may be erected or maintained on a Lot except:
- (i) Street signs and such other signs as may be required by law;
  - (ii) During the time of marketing a Builder-owned Lot (such time being from the date of acquisition by the Builder until the date title is conveyed by the Builder), one (1) ground-mounted Builder identification sign having a face area not larger than six (6) square feet and located in the front yard of the Lot;
  - (iii) One (1) ground-mounted "for sale" or "for lease" sign not larger than six (6) square feet and not extending more than four (4) feet above the ground;

- (iv) Ground mounted political signs as permitted by law; provided that, only one (1) sign for each candidate or ballot item may be displayed on a Lot earlier than the 90<sup>th</sup> day before the date of the election to which the sign relates or longer than the 10<sup>th</sup> day after the election date; and
- (v) Home security signs and/or school spirit signs, if approved by the Architectural Review Committee.

Declarant, during the Development Period, and, thereafter, the Association, has the authority to go onto a Lot and remove and dispose of any sign displayed on the Lot in violation of this Section without liability in trespass or otherwise.

**N. EXEMPTIONS.** So long as Declarant or a Builder owns a Lot in the Community, Declarant has the authority to erect and maintain structures or signs necessary for or convenient to the development, marketing, sale, operation or other disposition of property within the Community and to allow Builders to erect and maintain structures or signs necessary for or convenient to the development, marketing, sale, operation or other disposition of property within the Community. Moreover, a bank or other lender providing financing to Declarant in connection with the development of the Community or Improvements thereon may erect signs on Lots owned by Declarant to identify such lender and the fact that it is providing such financing.

**O. LOT MAINTENANCE.** The Owner, lessee or other occupant of a Lot must at all times keep all weeds and grass thereon cut in a sanitary, healthful and attractive manner. In no event may an Owner, lessee or other occupant store materials or equipment on a Lot in view from a street or permit the accumulation of garbage, trash or rubbish of any kind thereon. An Owner, lessee or other occupant may not burn any leaves, trash, debris or the like on a Lot or in a street. The Owner, lessee or other occupant of a Lot at the intersection of streets, where the rear yard or portion of the Lot is visible to full public view, must construct and maintain a suitable enclosure approved in writing by the Architectural Review Committee to screen yard equipment, wood piles and storage piles. During the Development Period, Declarant has the exclusive authority to determine whether an Owner, lessee or occupant is maintaining the Lot in a reasonable manner and in accordance with the standards of the Community, and Declarant's determination will be conclusive and binding on all parties; thereafter, the Board of Directors has the exclusive authority to determine whether an Owner, lessee or other occupant is maintaining the Lot in a reasonable manner and in accordance with the standards of the Community and the Board of Directors' determination will be conclusive and binding on all parties. In the event the Owner, lessee or other occupant of a Lot fails to maintain the Lot in a reasonable manner as required by this Section and such failure continues after not less than ten (10) days written notice from the Association, the Association or a contractor engaged by the Association may, at the Association's option, without liability to the Owner, lessee or other occupant in trespass or otherwise, go onto the Lot and cause the Lot to be mowed, edged and cleaned, cause the landscaping beds to be weeded and cleaned, cause shrubs and trees to be trimmed or pruned, and do every other thing necessary to secure compliance with the provisions of this Declaration, and may charge the Owner of such Lot for the cost of such work. The Owner agrees by the purchase of such Lot to pay such charge, plus fifty percent (50%) of such costs for overhead and supervision, immediately upon receipt of the corresponding statement. Payment of such charges is secured by the lien created in Article VI of this Declaration and may be collected in the same manner provided in Article VI for the collection of Annual Maintenance Charges. Interest thereon at the rate of eighteen percent (18%) per annum or the maximum non-usurious rate, whichever is less, will begin to accrue on such sum on the thirty-first (31<sup>st</sup>) day after a written invoice is delivered to the Owner.

## SECTION 2.2. DECORATION, MAINTENANCE, ALTERATION AND REPAIRS.

**A. DECORATIONS.** Subject to the provisions of this Declaration and the Rules and Regulations, each Owner has the right to modify, alter, repair, decorate, redecorate or improve the Residential Dwelling and other Improvements on such Owner's Lot, provided that all such action is performed with a minimum inconvenience to other Owners and does not constitute a nuisance. Notwithstanding the foregoing, the Board of Directors has the authority to require an Owner to remove or eliminate any object situated on such Owner's Lot or the Residential Dwelling or other Improvement on the Lot that is visible from a street in the Community or another Lot if, in the Board of Directors' sole judgment, such object detracts from the visual attractiveness or desirability of the Community.

**B. REPAIR OF BUILDINGS.** No Residential Dwelling or other Improvement on a Lot is permitted to fall into disrepair. Each Residential Dwelling or other Improvement on a Lot must at all times be kept in good condition and repair and adequately painted or otherwise finished by the Owner of the Lot at such Owner's sole cost and expense. During the Development Period, Declarant has the exclusive authority to determine whether an Owner is maintaining his Lot and the Residential Dwelling and other Improvements on the Lot in a reasonable manner and in accordance with the standards of the Community and Declarant's determination will be conclusive and binding on all parties. Thereafter, the Board of Directors has the exclusive authority to determine whether an Owner is maintaining his Lot and the Residential Dwelling and other Improvements on the Lot in a reasonable manner and in accordance with the standards of the Community and the Board of Director's determination will be conclusive and binding on all parties. In the event the Owner of a Lot fails to keep the exterior of the Residential Dwelling or other Improvement on the Lot in good condition and repair, and such failure continues after not less than ten (10) days written notice from the Association, the Association or a contractor engaged by the Association may, at the Association's option, without liability to the Owner, lessee or other occupant in trespass or otherwise, go onto the Lot and repair and/or paint the exterior of the Residential Dwelling or other Improvement on the Lot and otherwise cause the Residential Dwelling or other Improvement on the Lot to be placed in good condition and repair, and do every other thing necessary to secure compliance with this Declaration, and may charge the Owner of the Lot for the cost of such work. The Owner agrees by the purchase of such Lot to pay such charge, plus fifty percent (50%) of such costs for overhead and supervision, immediately upon receipt of the corresponding statement. Payment of such charges is secured by the lien created in Article VI of this Declaration and may be collected in the same manner provided in Article VI for the collection of Annual Maintenance Charges. Interest thereon at the rate of eighteen percent (18%) per annum or the maximum, non-usurious rate, whichever is less, will begin to accrue on such sum on the thirty-first (31<sup>st</sup>) day after a written invoice is delivered to the Owner.

## ARTICLE III MANAGEMENT AND OPERATION OF COMMUNITY

**SECTION 3.1. MANAGEMENT BY ASSOCIATION.** The affairs of the Community will be administered by the Association. The Association has the right, power and obligation to provide for the management, administration, and operation of the Community as herein provided for and as provided for in the Certificate of Formation, the Bylaws and the Rules and Regulations. The business and affairs of the Association will be managed by its Board of Directors. During the

Development Period, Declarant will determine the number of Directors and appoint, dismiss and reappoint all of the members of the Board. The Association, acting through the Board, is entitled to enter into such contracts and agreements concerning the Community as the Board deems reasonably necessary or appropriate to maintain and operate the Community in accordance with the provisions of this Declaration, including without limitation, the right to grant utility and other easements for uses the Board deems appropriate and the right to enter into agreements for maintenance, trash pick-up, repair, administration, patrol services, operation of recreational facilities, or other matters affecting the Community.

During the Development Period and thereafter the Association is permitted to enter into a contract or agreement with an entity in which Declarant or an officer, director or member of Declarant has a financial interest or a managerial position so long as the material facts of the interest or relationship are disclosed to or known by the Board of Directors of the Association, the contract or agreement is fair to the Association when approved, and the contract or agreement is approved in good faith and with ordinary care by not less than a majority of the Board of Directors of the Association.

**SECTION 3.2. MEMBERSHIP IN ASSOCIATION.** Each Owner of a Lot, whether one or more persons or entities, will upon and by virtue of becoming such Owner, automatically become and remain a Member of the Association until his ownership ceases for any reason, at which time his membership in the Association will automatically cease. Membership in the Association is mandatory and appurtenant to and will automatically follow the ownership of each Lot and may not be separated from such ownership.

**SECTION 3.3. VOTING OF MEMBERS.** Subject to any limitations set forth in this Declaration or the Bylaws, each Member other than Declarant is a Class A Member entitled to one (1) vote per Lot owned on each matter submitted to a vote of the Members. Declarant is a Class B Member having twenty (20) votes for each Lot owned. No Owner other than Declarant is entitled to vote at any meeting of the Association until such Owner has presented evidence of ownership of a Lot in the Community to the Secretary of the Association. In the event that ownership interests in a Lot are owned by more than one Class A Member of the Association, such Class A Members may exercise their right to vote in such manner as they may among themselves determine, but in no event may more than one (1) vote be cast for each Lot. Such Class A Members must appoint one of them as the Member who is entitled to exercise the vote of that Lot at any meeting of the Association. Such designation must be made in writing to the Board of Directors and will be revocable at any time by actual written notice to the Board. The Board is entitled to rely on any such designation until written notice revoking such designation is received by the Board. In the event that a Lot is owned by more than one Class A Member of the Association and no single Class A Member is designated to vote on behalf of the Class A Members having an ownership interest in such Lot, then the Class A Member exercising the vote for the Lot will be deemed to be designated to vote on behalf of the Class A Members having an ownership interest in the Lot. All Members of the Association may attend meetings of the Association and all Members may exercise their vote at such meetings either in person or proxy. A lessee or other person who occupies a Residential Dwelling on a Lot in the Community but is not an Owner may attend meetings of the Association and serve on committees (other than the Architectural Review Committee after the Development Period expires). Fractional votes and split votes are not permitted. Cumulative voting is not permitted.

Class B membership in the Association will cease and be converted to Class A membership when the Development Period expires, or on any earlier date selected by Declarant and evidenced

by a written notice recorded in the Official Public Records of Real Property of Montgomery County, Texas.

**SECTION 3.4. MEETINGS OF THE MEMBERS.** Annual and special meetings of the Members of the Association will be held at such place and time and on such dates as provided in the Bylaws.

**SECTION 3.5. PROFESSIONAL MANAGEMENT.** The Board has the authority to retain, hire, employ or contract with such professional management companies or personnel as the Board deems appropriate to perform the day to day functions of the Association and to provide for the management, administration and operation of the Community as provided for in this Declaration and in the Bylaws.

**SECTION 3.6. BOARD ACTIONS IN GOOD FAITH.** Any action, inaction or omission by the Board made or taken in good faith will not subject the Board or any individual member of the Board to any liability to the Association, its Members or any other party.

**SECTION 3.7. IMPLIED RIGHTS; BOARD AUTHORITY.** The Association may exercise any right or privilege given to it expressly by the provisions of this Declaration or its Certificate of Formation or Bylaws, or reasonably implied from or reasonably necessary to effectuate any such right or privilege. All rights and powers of the Association may be exercised by the Board of Directors without a vote of the membership except where any provision in this Declaration, the Certificate of Formation, the Bylaws or applicable law specifically requires a vote of the membership.

The Board may institute, defend, settle or intervene on behalf of the Association in litigation, administrative proceedings, binding or non-binding arbitration or mediation in matters pertaining to (a) Common Areas or other areas in which the Association has or assumes responsibility pursuant to the provisions of this Declaration, (b) enforcement of this Declaration or the Rules and Regulations, or (c) any other civil claim or action. However, no provision in this Declaration or the Certificate of Formation or Bylaws will be construed to create any independent legal duty to institute litigation on behalf of or in the name of the Association.

**SECTION 3.8. STANDARD OF CONDUCT.** The Board of Directors, the officers of the Association, and the Association have a duty to represent the interests of the Owners in a fair and just manner. Any act or thing done by any Director, officer or committee member taken in furtherance of the purposes of the Association, and accomplished in conformity with the Declaration, Certificate of Formation, Bylaws and the laws of the State of Texas, will be reviewed under the standard of the Business Judgment Rule as established by the common law of Texas, and such act or thing will not be a breach of duty on the part of the Director, officer or committee member if taken or done within the exercise of their discretion and judgment. The Business Judgment Rule means that a court may not substitute its judgment for that of the Director, officer or committee member. A court may not re-examine the decisions made by a Director, officer or committee member by determining the reasonableness of the decision as long as the decision is made in good faith and in what the Director, officer, or committee member believed to be in the best interest of the Association.

**ARTICLE IV**  
**MAINTENANCE EXPENSE CHARGE AND MAINTENANCE FUND**

**SECTION 4.1. MAINTENANCE FUND.** All Annual Maintenance Charges collected by the Association and all interest, late charges, penalties, other assessments and other sums and revenues collected by the Association constitute the Maintenance Fund. The Maintenance Fund will be held, managed, invested and expended by the Board, at its discretion, for the benefit of the Community and the Owners of Lots therein. The Board may, by way of illustration and not by way of limitation, expend the Maintenance Fund for the administration, management, and operation of the Community; for the maintenance, repair and improvement of the Common Area; for the maintenance of any easements granted to the Association; for the enforcement of the provisions of this Declaration by action at law or in equity, or otherwise, and the payment of court costs as well as reasonable and necessary legal fees; and for all other purposes that are, in the discretion of the Board, desirable in order to maintain the character and value of the Community and the Lots therein. The Board and its individual members are not liable to any person as a result of actions taken by the Board with respect to the Maintenance Fund, except for willful neglect or intentional wrongdoings.

**SECTION 4.2. COVENANTS FOR ANNUAL MAINTENANCE CHARGES AND ASSESSMENTS.** Subject to Article VI, Section 6.7., below, each and every Lot in the Community is hereby severally subjected to and impressed with an Annual Maintenance Charge in an amount to be determined annually by the Board, which Annual Maintenance Charge will run with the land. Each Owner of a Lot, by accepting a deed to any such Lot, whether or not it is so expressed in such deed, is hereby conclusively deemed to covenant and agree, as a covenant running with the land, to pay to the Association, its successors or assigns, each and all of the Annual Maintenance Charges and other assessments levied against his Lot and/or assessed against him by virtue of his ownership thereof, as the same becomes due and payable, without demand. The Annual Maintenance Charges and other assessments herein provided for, together with interest, late charges, costs, and reasonable attorney's fees, is a charge and a continuing lien upon each Lot, together with all Improvements thereon, as hereinafter more particularly stated. Each Annual Maintenance Charge and other assessment, together with interest, late charges, costs, and reasonable attorney's fees, is also the personal obligation of the person who was the Owner of the Lot at the time the obligation to pay such Annual Maintenance Charge or assessment accrued, but no Member is personally liable for the payment of any Annual Maintenance Charge or other assessment made or becoming due and payable after his ownership ceases. No Member is exempt or excused from paying any such Annual Maintenance Charge or other assessment by waiver of the use or enjoyment of the Common Area, or any part thereof, or by abandonment of his Lot or his interest therein.

**SECTION 4.3. BASIS AND MAXIMUM ANNUAL MAINTENANCE CHARGE.** Until January 1 of the year immediately following the date this Declaration is recorded in the Official Public Records of Real Property of Montgomery County, Texas, the maximum Annual Maintenance Charge will be \$300.00 for non-waterfront lots and \$600 for waterfront lots per Lot. From and after January 1 of the year immediately following the date this Declaration is recorded in the Official Public Records of Real Property of Montgomery County, Texas, the maximum Annual Maintenance Charge may be automatically increased, effective January 1 of each year, by an amount equal to a fifteen percent (15%) increase over the prior year's maximum Annual Maintenance Charge without a vote of the Members of the Association. From and after January 1



of the year immediately following the date this Declaration is recorded in the Official Public Records of Real Property of Montgomery County, Texas, the maximum Annual Maintenance Charge may be increased above fifteen percent (15%) only if (a) approved in writing by a majority of the Members or (b) by the vote of not less than two-thirds (2/3) of the Members present and voting, in person or by proxy, at a meeting of the Members called for that purpose at which a quorum is present. After consideration of current maintenance costs and future needs of the Association, the Board of Directors may fix the Annual Maintenance Charge at an amount not in excess of the maximum amount established pursuant to this Section. Except as provided in Section 6.7., the Annual Maintenance Charge levied against each Lot must be uniform.

**SECTION 4.4. DATE OF COMMENCEMENT AND DETERMINATION OF ANNUAL MAINTENANCE CHARGE.** The initial maximum Annual Maintenance Charge provided for herein is established as to all Lots on the date this Declaration is recorded in the Official Public Records of Real Property of Montgomery County, Texas. However, the Annual Maintenance Charge will commence as to each Lot on the date of the conveyance of the Lot by the Declarant and will be prorated according to the number of days remaining in the calendar year. On or before the 30th day of November in each year, the Board of Directors of the Association is required to fix the amount of the Annual Maintenance Charge to be levied against each Lot in the next calendar year. Written notice of the figure at which the Board of Directors of the Association has set the Annual Maintenance Charge must be sent to every Owner. Provided that, the failure to fix the amount of an Annual Maintenance Charge or to send written notice thereof to all Owners will not affect the authority of the Association to levy Annual Maintenance Charges or to increase Annual Maintenance Charges as provided in this Declaration.

**SECTION 4.5. SPECIAL ASSESSMENTS.** If the Board at any time, or from time to time, determines that the Annual Maintenance Charges assessed for any period are insufficient to provide for the continued operation of the Community or any other purposes contemplated by this Declaration, then the Board has the authority to levy a Special Assessment as it deems necessary to provide for such continued maintenance and operation of the Community. No Special Assessment will be effective until the same is approved either (a) in writing by at least a majority of the Members, or (b) by the vote of not less than two-thirds (2/3) of the Members present and voting, in person or by proxy, at meeting of the Members called for that purpose at which a quorum is present. Each Special Assessment will be payable in the manner determined by the Board and the payment thereof is subject to interest, late charges, costs and attorney's fees, secured by the continuing lien established in this Article, and enforceable in the manner herein specified for the payment of the Annual Maintenance Charges.

**SECTION 4.6. ENFORCEMENT OF ANNUAL MAINTENANCE CHARGE/ SUBORDINATION OF LIEN.** The Annual Maintenance Charge assessed against each Lot is due and payable, in advance, on the date of the sale of such Lot by Declarant for that portion of the calendar year remaining, and on the first (1st) day of each January. Any Annual Maintenance Charge that is not paid and received by the Association by the thirty-first (31st) day of each January thereafter is deemed to be delinquent, and, without notice, bear interest at the rate of eighteen percent (18%) per annum or the maximum, non-usurious rate, whichever is less, from the date originally due until paid. Further, the Board of Directors of the Association has the authority to impose a monthly late charge on any delinquent Annual Maintenance Charge. The monthly late charge, if imposed, will be in addition to interest. To secure the payment of the Annual Maintenance Charge, Special Assessments and Reserve Assessments (as provided in Section 6.8.) levied hereunder and any other sums due hereunder (including, without limitation, interest, costs, late charges, and attorney's fees), there is hereby created and fixed a separate and valid and subsisting

lien upon and against each Lot and all Improvements thereon for the benefit of the Association, and superior title to each Lot is hereby reserved in and to the Association. The lien described in this Section and the superior title herein reserved is deemed subordinate to any Mortgage for the purchase of the Lot and any renewal, extension, rearrangements or refinancing of such purchase money Mortgage. The collection of such Annual Maintenance Charge and other sums due hereunder may, in addition to any other applicable method at law or in equity, be enforced by suit for a money judgment and in the event of such suit, the expense incurred in collecting such delinquent amounts, including interest, costs and attorney's fees will be chargeable to and be a personal obligation of the defaulting Owner. Notice of the lien referred to in this Section may, but is not required to, be given by recording in the Official Public Records of Real Property of Montgomery County, Texas an affidavit duly executed and acknowledged by a duly authorized representative of the Association, setting forth the name of the Owner or Owners of the affected Lot according to the books and records of the Association and the legal description of such Lot. The affidavit may, but is not required to, set forth the amount then owed. Each Owner, by acceptance of a deed to his Lot, hereby expressly recognizes the existence of such lien as being prior to his ownership of such Lot and hereby vests in the Association the right and power to bring all actions against such Owner or Owners personally for the collection of such unpaid Annual Maintenance Charge and other sums due hereunder as a debt, and to enforce the aforesaid lien by all methods available for the enforcement of such liens, including both judicial and non-judicial foreclosure pursuant to Chapter 51 of the Texas Property Code (as same may be amended or revised from time to time hereafter) and in addition to and in connection therewith, by acceptance of the deed to his Lot, each Owner expressly grants, bargains, sells and conveys to the President of the Association from time to time serving, as trustee (and to any substitute or successor trustee as hereinafter provided for) such Owner's Lot, and all rights appurtenant thereto, in trust, for the purpose of securing the aforesaid Annual Maintenance Charge, Special Assessments, Reserve Assessments and other sums due hereunder remaining unpaid hereunder by such Owner from time to time and grants to such trustee a power of sale. The trustee herein designated may be changed any time and from time to time by execution of an instrument in writing signed by the President or Vice President of the Association and filed in the Official Public Records of Real Property of Montgomery County, Texas. In the event of the election by the Board to foreclose the lien herein provided for nonpayment of sums secured by such lien, then it is the duty of the trustee, or his successor, as hereinabove provided, to enforce the lien and to sell such Lot, and all rights appurtenant thereto, in accordance with the provisions of Chapter 51 of the Texas Property Code as same may hereafter be amended. At any foreclosure, judicial or non-judicial, the Association is entitled to bid up to the amount of the sum secured by its lien, together with costs and attorney's fees, and to apply as a cash credit against its bid all sums due to the Association covered by the lien foreclosed. From and after any such foreclosure, the occupants of such Lot are required to pay a reasonable rent for the use of such Lot and such occupancy will constitute a tenancy-at-sufferance, and the purchaser at such foreclosure sale is entitled to the appointment of a receiver to collect such rents and, further, is entitled to sue for recovery of possession of such Lot by forcible detainer.

**SECTION 4.7. PAYMENT OF ASSESSMENTS BY DECLARANT AND BUILDERS.** Lots owned by Declarant are exempt from Annual Maintenance Charges and Special Assessments during the Development Period. Provided that, during the Development Period, Declarant must pay any deficiency in the operating budget, less any portion of the Annual Maintenance Charges deposited in any reserve account established by the Association or otherwise set aside for reserves. A Lot owned by a Builder is subject to Annual Maintenance Charges and Special Assessments at the same rate applicable to Lots other than Lots owned by Declarant.

**SECTION 4.8. RESERVE ASSESSMENT.** Upon the first sale of a Lot subsequent to the completion of a Residential Dwelling thereon, the purchaser of the Lot must pay to the Association a Reserve Assessment in a sum equal to the Annual Maintenance Charge in effect as of the date of closing on the sale of such Lot. The Reserve Assessment is due and payable on the date of closing on the purchase and sale of the Lot. Payment of the Reserve Assessment will be in default if the Reserve Assessment is not paid on or before the due date for such payment. Reserve Assessments in default will bear interest at the rate of eighteen percent (18%) per annum or the maximum, non-usurious rate, whichever is less, from the due date until paid. A delinquent Reserve Assessment is also subject to late charges. All Reserve Assessments collected by the Association will be deposited into a reserve account established and maintained by the Association for capital improvements and/or the repair or refurbishment of the Common Area. No Reserve Assessment paid by an Owner will be refunded to the Owner by the Association. The Association may enforce payment of the Reserve Assessment in the same manner which the Association may enforce payment of Annual Maintenance Charges and Special Assessments pursuant to this Article VI.

**SECTION 4.9. NOTICE OF SUMS OWING.** Upon the written request of an Owner, the Association may provide to such Owner a written statement setting out the then current total of all Annual Maintenance Charges, Special Assessments, and other sums, if any, owed by such Owner with respect to his Lot. In addition to such Owner, the written statement from the Association so advising the Owner may also be addressed to and be for the benefit of a prospective lender or purchaser of the Lot, as same may be identified by said Owner to the Association in the written request for such information. The Association is entitled to charge the Owner a reasonable fee for such statement.

**SECTION 4.10. FORECLOSURE OF MORTGAGE.** In the event of a foreclosure of a Mortgage on a Lot that is superior to the continuing lien created for the benefit of the Association pursuant to this Article, the purchaser at the foreclosure sale is not responsible for Annual Maintenance Charges, Special Assessments, or other sums, if any, which accrued and were payable to the Association by the prior Owner of the Lot, but said purchaser and its successors is responsible for Annual Maintenance Charges, Special Assessments, and other sums, if any, becoming due and owing to the Association with respect to said Lot after the date of foreclosure.

**SECTION 4.11. ADMINISTRATIVE FEES AND RESALE CERTIFICATES.** The Board of Directors of the Association may establish and change from time to time, if deemed appropriate, a fee sufficient to cover the expense associated with providing information in connection with the sale of a Lot in the Community and changing the ownership records of the Association ("**Administrative Fee**"). An Administrative Fee must be paid to the Association or the managing agent of the Association, if agreed to by the Association, upon each transfer of title to a Lot. The Administrative Fee must be paid by the purchaser of the Lot, unless otherwise agreed by the seller and purchaser of the Lot. The Association also has the authority to establish and change from time to time, if deemed appropriate, a fee sufficient to cover the expense associated with providing a Resale Certificate in connection with the sale of a Lot. The fee for a Resale Certificate must be paid to the Association or the managing agent of the Association, if agreed to by the Association. The fee for a Resale Certificate is in addition to, not in lieu of, the Administrative Fee.

**ARTICLE V**  
**INSURANCE**

**SECTION 5.1. GENERAL PROVISIONS.** The Board has the authority to determine whether or not to obtain insurance for the Association and, if insurance is obtained, the amounts thereof. In the event that insurance is obtained, the premiums for such insurance will be an expense of the Association which is paid out of the Maintenance Fund.

**SECTION 5.2. INDIVIDUAL INSURANCE.** Each Owner, lessee or other person occupying a Residential Dwelling on a Lot is responsible for insuring the Lot and the Residential Dwelling and other Improvements on the Lot, and the contents and furnishings. Each Owner, lessee or other person occupying a Residential Dwelling on a Lot is, at his own cost and expense, responsible for insuring against the liability of such Owner, lessee or other occupant.

**SECTION 5.3. INDEMNITY OF ASSOCIATION.** Each Owner is responsible for any costs incurred as a result of such Owner's negligence or misuse or the negligence or misuse of his family, tenants, guests, invitees, agents, employees, or any resident or occupant of his Residential Dwelling, and by acceptance of a deed to a Lot does hereby indemnify the Association, its officers, directors and agents, and all other Owners against any such costs.

**ARTICLE VI**  
**DURATION AND AMENDMENT**

**SECTION 6.1. DURATION.** The provisions of this Declaration will remain in full force and effect until January 1, 2035, and will be extended automatically for successive ten (10) year periods; provided however, that the provisions of this Declaration may be terminated on January 1, 2035, or on the commencement of any successive ten (10) year period by filing for record in the Official Public Records of Real Property of Montgomery County, Texas, an instrument in writing signed by Owners representing not less than ninety percent (90%) of the Lots in the Community.

**SECTION 6.2. AMENDMENT.** For a period of ten (10) years after the date this Declaration is recorded, Declarant has the authority to amend this Declaration, without the joinder or consent of any other party, so long as an amendment does not materially and adversely affect any substantive rights of the Lot Owners. After the expiration of the ten (10) year period, Declarant has the right to amend this Declaration, without the joinder or consent of any other party, for the purpose of clarifying or resolving any ambiguities or conflicts herein, correcting any inadvertent misstatements, errors, or omissions or modifying a provision to comply with applicable law; provided, however, any such amendment must be consistent with and in furtherance of the general plan and scheme of development for the Community. In addition, the provisions of this Declaration may be amended at any time by an instrument in writing signed by the Secretary of the Association certifying that Owners representing not less than two-thirds (2/3) of the Lots have approved such amendment, in writing, setting forth the amendments, and duly recorded in the Official Public Records of Real Property of Montgomery County, Texas; provided that, during the Development Period, an amendment of this Declaration must also be approved in writing by Declarant. Provided further that, without the joinder of Declarant, no amendment may diminish the rights of or increase the liability of Declarant under this Declaration. In the event that there are multiple Owners of a Lot, the written approval of an amendment to this Declaration may be reflected by the signature of a single Co-Owner. Any legal challenge to the validity of an amendment to this Declaration must

be initiated by filing a suit not later than one (1) year after the date the amendment document is recorded in the Official Public Records of Real Property of Montgomery County, Texas.

## **ARTICLE VII** **MISCELLANEOUS**

**SECTION 7.1. SEVERABILITY.** In the event of the invalidity or partial invalidity or partial unenforceability of any provision in this Declaration, the remainder of the Declaration will remain in full force and effect.

**SECTION 7.2. NUMBER AND GENDER.** Pronouns, whenever used herein, and of whatever gender, include natural persons and corporations, entities and associations of every kind and character, and the singular includes the plural, and vice versa, whenever and as often as may be appropriate.

**SECTION 7.3. ARTICLES AND SECTIONS.** Article and section headings in this Declaration are for convenience of reference and will not affect the construction or interpretation of this Declaration. Unless the context otherwise requires references herein to articles and sections are to articles and sections of this Declaration.

**SECTION 7.4. DELAY IN ENFORCEMENT.** No delay in enforcing the provisions of this Declaration with respect to any breach or violation thereof will impair, damage or waive the right of any party entitled to enforce the same to obtain relief against or recover for the continuation or repetition of such breach or violation or any similar breach or violation thereof at any later time.

**SECTION 7.5. LIMITATION OF LIABILITY.** Notwithstanding anything provided herein to the contrary, neither the Declarant, the Architectural Review Committee, the Association, nor any agent, employee, representative, member, shareholder, partner, officer or director thereof, has any liability of any nature whatsoever for any damage, loss or prejudice suffered, claimed, paid or incurred by any Owner on account of (a) any defects in any Plans submitted, reviewed, or approved in accordance with the provisions of Article IV above, (b) any defects, structural or otherwise, in any work done according to such Plans, (c) the failure to approve or the disapproval of any Plans, or other data submitted by an Owner for approval pursuant to the provisions of Article IV, (d) the construction or performance of any work related to such Plans, (e) bodily injuries (including death) to any Owner, lessee or other occupant of a Lot or the respective family members, guests, employees, servants, agents, invitees or licensees of any such Owner, lessee or other occupant, or other damage to any Residential Dwelling, Improvements or the personal property of any Owner, lessee or other occupant or the respective family members, guests, employees, servants, agents, invitees or licensees of such Owner, lessee or other occupant, which may be caused by, or arise as result of, any defect, structural or otherwise, in a Residential Dwelling or Improvements or the Plans thereof or any past, present or future soil and/or subsurface conditions, known or unknown and (f) any other loss, claim, damage, liability or expense, including court costs and attorney's fees suffered, paid or incurred by any Owner arising out of or in connection with the use and occupancy of a Lot, Residential Dwelling, or any other Improvements situated thereon.

**SECTION 7.6. ENFORCEABILITY.** The provisions of this Declaration run with the land in the Community and are binding upon and inure to the benefit of and be enforceable by Declarant, the Association, each Owner, lessee and other occupant of a Lot in the Community, or any portion thereof, and their respective heirs, legal representatives, successors and assigns. Provided that, only the Association has the authority to enforce the Association's lien for non-payment of Annual Maintenance Charges and other sums. If notice and an opportunity to be heard are given, the

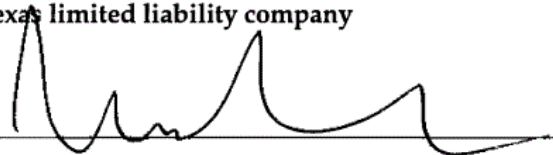
Association is entitled to impose reasonable fines for violations of the provisions of this Declaration and to collect reimbursement of actual attorney's fees and other reasonable costs incurred by it relating to violations of the provisions of this Declaration. Such fines, fees and costs will be added to the Owner's assessment account and collected in the manner provided in Article VI of this Declaration. In the event any one or more persons, firms, corporations or other entities violates or attempts to violate any of the provisions of this Declaration, Declarant, the Association, each Owner, lessee or other occupant of a Lot within the Community, may institute and prosecute any proceeding at law or in equity to abate, preempt or enjoin any such violation or attempted violation or to recover monetary damages caused by such violation or attempted violation.

**SECTION 7.7. INTERPRETATION.** The provisions of this Declaration will be liberally construed to give effect to their purposes and intent.

**SECTION 7.8. CERTIFICATES OF COMPLIANCE AND NON-COMPLIANCE.** The Association has the authority to adopt and enforce policies and procedures relating to the inspection of Lots prior to sale or conveyance and the issuance of a certification that the Lot is or is not in compliance with the provisions of this Declaration. The Association also has the authority to charge a reasonable fee to the Owner of the Lot for the inspection of the Lot and the issuance of a Certificate of Compliance or Non-Compliance. Provided that, any policies and procedures adopted by the Association will not be effective until recorded in the Official Public Records of Real Property of Montgomery County, Texas. Provided further that, policies and procedures relating to the inspection of Lots prior to sale or conveyance and the issuance of a certification are not applicable to Lots owned and to be sold and conveyed by Declarant or Lots on which there are no Improvements.

IN WITNESS WHEREOF, the undersigned, being the Declarant herein, has executed this Declaration on this the 29<sup>th</sup> day of April, 2019, to become effective upon recording in the Official Public Records of Real Property of Montgomery County, Texas.

**Lake Conroe Holdings, LLC,  
a Texas limited liability company**

By: 

Print Name: Timothy Grogan

Its: Director



**Doc #: 2019034750**

**Pages 23**

**E-FILED FOR RECORD**

04/29/2019 12:40PM



COUNTY CLERK  
MONTGOMERY COUNTY, TEXAS

STATE OF TEXAS,  
COUNTY OF MONTGOMERY

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

**04/29/2019**



County Clerk  
Montgomery County, Texas